



#plymcouncil



Democratic and Member Support

Chief Executive's Department
Plymouth City Council
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CITY COUNCIL

Monday 21 November 2016
2.00 pm
Council House, Plymouth

Members:

Councillor Murphy, Chair

Councillor Sam Davey, Vice Chair

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Mrs Bridgeman, Carson, Churchill, Coker, Cook, Dann, Darcy, Philippa Davey, Deacon, Downie, Drean, Evans, Fletcher, K Foster, Mrs Foster, Fry, Hendy, James, Jordan, Kelly, Martin Leaves, Michael Leaves, Sam Leaves, Loveridge, Lowry, Dr Mahony, Mavin, McDonald, Morris, Nicholson, Parker-Delaz-Ajete, Penberthy, Mrs Pengelly, Rennie, Ricketts, Riley, Singh, Smith, Sparling, Stevens, Storer, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wigen and Winter.

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

This meeting will be webcast and available on-line after the meeting. By entering the Council Chamber, councillors are consenting to being filmed during the meeting and to the use of the recording for the webcast.

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 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

City Council

1. Apologies

To receive apologies for absence submitted by councillors.

2. Minutes

(Pages 1 - 14)

To approve and sign the minutes of the Special and Ordinary meetings of the City Council held on 19 September 2016 as a correct record.

3. Declarations of Interest

(Pages 15 - 16)

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

4. Appointments to Committees, Outside Bodies etc

The Assistant Chief Executive will submit a schedule of vacancies on committees, outside bodies etc and of changes notified to us.

5. Announcements

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

6. Questions by the Public

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

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

7. Medium Term Financial Strategy

(Pages 17 - 62)

Cabinet Member: Councillor Darcy

The City Council are asked to approve the Medium Term Financial Strategy.

8. Capital and Revenue Monitoring Report 2016/17 - Quarter 2 (Pages 63 - 80)

Cabinet Member: Councillor Darcy

The City Council are asked to note the recommendations.

9. Proposed Changes to Standing Orders in respect of Employment of the Chief Executive, Section 151 Officer and Monitoring Officer (Pages 81 - 92)

The purpose of this report is to inform Members of changes to the terms and conditions of employment of the Chief Executive as agreed between the Local Government Association and the Association of Local Authority Chief Executives; and to propose amendments to the Council's Employment Standing Orders and Terms of Reference for the Chief Officer Appointments, Dismissals and Appeals Panels to comply with them.

10. Constitutional amendments - Council procedure rules (Pages 93 - 96)

The purpose of the report is to set out proposed changes to the constitution as recommended by the Constitution Review Group on 26 October 2016.

11. Motions on Notice

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

a. Cuts to Pharmacy Services (Pages 97 - 98)

12. Questions by Councillors

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

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City Council

Monday 19 September 2016

PRESENT:

Councillor Murphy, in the Chair.

Councillor Sam Davey, Vice Chair.

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Mrs Bridgeman, Carson, Churchill, Coker, Cook, Dann, Darcy, Philippa Davey, Deacon, Downie, Drean, Evans, Fletcher, K Foster, Mrs Foster, Fry, Hendy, Jordan, Kelly, Martin Leaves, Michael Leaves, Sam Leaves, Dr Mahony, Mavin, McDonald, Morris, Nicholson, Parker-Delaz-Ajete, Mrs Pengelly, Rennie, Ricketts, Riley, Singh, Sparling, Stevens, Storer, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wigens and Winter.

Apologies for absence: Councillors James, Loveridge, Lowry, Penberthy and Smith

Also in attendance: Tracey Lee (Chief Executive), David Shepperd (Head of Legal Services), Judith Shore (Democratic and Member Services Manager) and Amelia Boulter (Democratic Support Officer).

The meeting started at 1.50 pm and finished at 2.00 pm.

Note: The full discussion can be viewed on the webcast of the City Council meeting at www.plymouth.gov.uk. At a future meeting, the Council will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

27. **Declarations of Interest**

There were no declarations of interest made by members in accordance in the code of conduct.

28. **Appointment of Honorary Aldermen**

It was Agreed unanimously that, in pursuance of its powers under Section 249(1) of the Local Government Act 1972, the Council confers on Mrs Patricia Nicholson and Mr Mike Fox, the title of Honorary Alderman in recognition of their eminent services to the Council of the said City during the period when they were a Member of the Council.

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City Council

Monday 19 September 2016

PRESENT:

Councillor Murphy, in the Chair.

Councillor Sam Davey, Vice Chair.

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Mrs Bridgeman, Carson, Churchill, Coker, Cook, Dann, Darcy, Philippa Davey, Deacon, Downie, Drear, Evans, Fletcher, K Foster, Mrs Foster, Fry, Hendy, Jordan, Kelly, Martin Leaves, Michael Leaves, Sam Leaves, Dr Mahony, Mavin, McDonald, Morris, Nicholson, Parker-Delaz-Ajete, Mrs Pengelly, Rennie, Ricketts, Riley, Singh, Sparling, Stevens, Storer, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins and Winter.

Apologies for absence: Councillors James, Loveridge, Lowry, Penberthy and Smith

The meeting started at 2.00 pm and finished at 9.15 pm.

Note: The full discussion can be viewed on the webcast of the City Council meeting at www.plymouth.gov.uk. At a future meeting, the Council will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

29. **Minutes**

The minutes of the meeting held on 27 June 2016 and 11 July 2016 were agreed.

30. **Declarations of interest**

The following declarations of interest were made by councillors in accordance with the code of conduct in respect of items under consideration at the meeting -

Name	Minute Number	Reason	Interest
Councillor Sparling	37c Proposals for GP Services in Plymouth	Attends GP surgery mentioned in the motion.	Private
Councillor Coker	37c Proposals for GP Services in Plymouth	Attends a GP surgery mentioned in the motion.	Private
Councillor Sam Leaves	37c Proposals for GP Services in Plymouth	Employed by CCG	Private
Councillor Jon Taylor	37c Proposals for GP Services in Plymouth	Employed by CCG	Private
Councillor Cook	37h Sprinklers in Schools	Employed by Eaton Electric who supply fire systems.	Disclosable Pecuniary Interest

31. **Appointments to committees and outside bodies**

The following changes reported to the Assistant Director and Head of Legal Services were noted –

	Working Group	Membership
(a)	Plymouth Plan Working Group	Councillor Stevens to replace Councillor Coker

	Outside Body	Membership
(b)	SACRE (Conservative vacancy)	Councillor Ball

32. **Announcements**

The Lord Mayor welcomed members of staff to the Council and presented certificates and trophies to individuals and teams who had been successful in achieving the following:

- (a) Margaret Bersey – awarded MBE in the Queen’s Birthday Honours list and recently retired from Plymouth City Council after 40 years working with children and young people.
- (b) The following people were presented with an award at the recent Star Awards Ceremony:
 - Apprentice of the Year Award: Katherine Bell, Tennis Development Apprentice;
 - Children and Young Person’s Social Worker of the Year Award: Alice Royle;
 - Colleague of the Year Award: Mary O’Gorman, Adoption Recruitment and Support Worker;
 - Commercial Enterprise Award: James Watt, Head of Land and Property;
 - Customer Service Award: Sharon Day, Lawyer and Sue Rouse, Project Manager;
 - Leadership Award: Anna Coles, Programme Manager;
 - Living Our Values Award: Hannah Sloggett, Neighbourhood Planning Manager;
 - Local Hero Award: Pete Crocker, Street Services Supervisor;
 - Our Partners Star Award: the Complex Needs System Optimisation Group;
 - Plymouth City Council’s Got Talent Award: Lenny Harley, Customer Adviser;
 - Promoting Plymouth Award: Central Library Team;
 - School Staff Star Award: Helga Pinn, Mill Ford School;
 - Individual Star Award: Helen Fox, Personal Adviser;
 - Team Star Award: Bereavement Service;
 - Two Special Recognition Awards for Margaret Bersey MBE and the Housing Delivery Team;
 - Two Leader’s Awards to the History Centre Team and the Electoral Services Team.

- (c) The Low Carbon City Team won 2 prestigious National Community Energy Awards. Plymouth City Council was crowned Local Authority Partner of the Year and Community Energy Champion 2016.
- (d) Plymouth Art Weekender which runs from 23 to 26 September. This three-day event will celebrate the city's visual arts sector.

Announcements from the Leader:

- (a) Mayflower 2020 Project;
- (b) Devolution Proposals;
- (c) Recent meeting with the Marine Sector.

33. **Questions by the public**

There were no questions from members of the public.

34. **Capital and Revenue Monitoring Report 2016/17 - Quarter 1**

Councillor Darcy (Cabinet Member for Finance/ICT) presented the report on the Capital and Revenue Monitoring Report 2016/17. Following a vote, Council agreed to increase the Capital Budget 2016 – 2021 to £447m.

35. **Adoption of new byelaws regulating activities of Acupuncture, Electrolysis, Tattooing, Cosmetic Piercing and Semi Permanent Skin Colouring**

Councillor Riley (Cabinet Member for HR/Democracy and Governance/Licensing) presented his report on the adoption of new byelaws regulating activities of Acupuncture, Electrolysis, Tattooing, Cosmetic Piercing and Skin Colouring for noting. Council agreed to:

1. Adopt the new byelaws to set minimum standards of cleanliness and hygiene in the carrying out of Acupuncture, tattooing, semi-permanent skin-colouring, cosmetic piercing and electrolysis as set out in Appendix I of the report.
2. Authorise officers to carry out the necessary procedure in relation to the creation of the new byelaw (which includes application to the Secretary of State for confirmation of the byelaw and publishing a notice in the local newspaper of the intention to do so).
3. Authorise the Common Seal of the Council to be applied to the new byelaw.
4. Revoke the existing byelaws upon the coming into force of the new byelaw.

36. **Corporate Plan 2016-19**

Councillor Bowyer (Leader) proposed and Councillor Nicholson (Deputy Leader) seconded the recommendation to adopt the Corporate Plan 2016-2019. Following a vote Council agreed the Corporate Plan 2016 –19.

37. **MOTIONS ON NOTICE**

With the agreement of Council, the Lord Mayor announced that, in order to assist people in the public gallery and those watching on the webcast and to aid the efficient running of the meeting, that the first motion to be debated would be 10h, 'Safety of Fisherman followed by 10i, 'Development of fishing in Plymouth'. This would be immediately followed by 10a, 'Proposals for GP Services in Plymouth' then 10g, NHS England Proposals. After these motions had been considered, Motions on Notice 10c and 10e on Stonehouse Barracks would be debated consecutively. Then the meeting would return to the other Motions on Notice, starting with 10b 'Organ Donation Awareness', and be debated in the order on the agenda.

- (i) Safety of fishermen
Councillor Evans proposed and Councillor Mavin seconded the motion on the Safety of Fishermen.

Councillor Mrs Bridgeman proposed and Councillor Storer seconded an amendment, which was circulated to Members, as follows:

'The fishing industry is a key component of the life of the City of Plymouth and the safety of our 700 Plymouth fishermen and their 360 vessels is paramount.

This Council supports the national campaign 'Sea You Home Safe' supported by the Maritime & Coastguard Agency, the RNLI and the Fishermen's Mission, to ensure that every commercial fisherman in the UK is provided with a Personal Floatation Device.

The work of the National Federation of Fishermen's Organisations, Seafish, the Fishermen's Mission and the RNLI to distribute 1350 personal floatation devices to fishermen in England and Wales is welcomed.

Plymouth City Council resolves to support Seafish in their application to the Marine Management Organisation for funding through the European Maritime and Fisheries Fund to fully fund to purchase of a further 5,000 Personal Floatation Devices equipped with Personal Locator Beacons for distribution to the remaining fishermen in England.

This will ensure that those local fishermen who would struggle financially to buy one of these potentially lifesaving pieces of equipment can be provided at no cost.'

The meeting was adjourned at 3.15 pm for 10 minutes to enable Members to consider the amendment.

A debate took place on the legality of the amendment. The Monitoring Officer advised that the amendment did not negate the original motion; it included additional context and advised that the amendment was, therefore, lawful.

The Lord Mayor requested a meeting with the Leader, Shadow Leader and

Group Whips in private to discuss this matter further. The meeting was adjourned at 3.50 pm.

The Monitoring Officer reported that, following discussions between the group leaders during the adjournment, the proposed amendment would be withdrawn and substituted with the following amendment:

'For Plymouth City Council to make an application to the Marine Management Organisation for funding through the European Maritime and Fisheries Fund to fully fund the purchase of Personal Floatation Devices (PFD's) equipped with Personal Locator Beacons (PLB's) and to develop a delivery scheme in partnership with the local fishing industry. This would ensure that those local fishermen who would struggle financially to buy one of these potentially lifesaving pieces of equipment can be provided at no cost.

The Chief Executive to write to the LGA to request they encourage all other Councils to follow suit and support the fishing industry nationally.'

Following a vote, the amendment was agreed.

Following a vote, the amended motion was agreed.

- (ii) Development of fishing
Councillor Evans proposed and Councillor Dann seconded a motion on the Development of Fishing in Plymouth.

Following a vote, the motion was carried and Council agreed to:

Apply to the Marine Management Organisation for funding through the European Maritime and Fisheries Fund to facilitate:

1. Feasibility studies and provision of professional services to develop marketing strategies for marketing of Britain's Ocean City fish as set out in Article 27.
2. To develop and fund working partnerships between PCC, Fishermen and local scientific institutions to promote and develop further the sustainable fishing methods of the Plymouth fishing fleet as set out in Article 28.
3. To help Plymouth realise the true potential of its Fishing and related industries by unlocking the potential for growth, training and jobs within the sector through the promotion of human capital and social dialogue as set out in Article 29.

- (iii) Proposals for GP services in Plymouth
Councillor Mrs Bowyer proposed and Councillor Downie seconded the motion on the Proposals for GP services in Plymouth.

Councillor Stevens proposed and Councillor P Davey seconded an amendment, which was circulated to Members, as follows:

'Third bullet point add "and Hyde Park and St Barnabas surgeries"

Fifth bullet point – after 'Centre' insert "and at Hyde Park and St Barnabas"

Seventh bullet point – add at end "and relevant facilities at Hyde Park and St Barnabas".

Following a request from ten councillors for a recorded vote on the amendment, the vote was taken and the amendment was lost.

For the proposal (23)

(Councillors Aspinall, Bowie, Coker, Dann, P Davey, S Davey, Evans, Hendy, Mavin, McDonald, Morris, Parker-Delaz-Ajete, Rennie, Singh, Sparling, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler and Winter).

Against the proposal (27)

(Councillor Ball, Mrs Beer, Bowyer, Mrs Bowyer, Mrs Bridgeman, Carson, Churchill, Cook, Darcy, Deacon, Downie, Drean, Fletcher, Foster, Mrs Foster, Jordan, Kelly, Martin Leaves, Mike Leaves, Sam Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Riley, Storer and Wiggins).

Abstention (1)

(Lord Mayor)

Absent (6)

(Councillors Fry, James, Loveridge, Lowry, Penberthy and Smith)

Following a vote on the original motion, Council agreed:

Recent developments in some of Plymouth's general practices have necessitated new plans to ensure continued provision of primary care to Plymouth residents. Specifically, these developments include:

- GP in Hyde Park surgery giving notice to NHS England on their contract
- GP in St Barnabas surgery giving notice to NHS England on their contract
- Approaching end of interim contract period for Ernesettle Practice (comprised of Ernesettle, Mount Gould, Trelawny and Cumberland surgeries)
- Continued lack of local primary care provision in Barne Barton

In response to these developments, NHS England has commenced a process of

engagement with patients and other stakeholders on an initial set of ideas for the continued provision of GP services for patients. It is the intention of NHS England to proceed to formal procurement based on a final set of proposals which will be informed by feedback from the engagement process. Notable amongst these ideas include the following:

- That final procurement in October 2016 goes ahead to attract a best provider from April 2017 for surgeries in Barne Barton, Ernesettle, Mount Gould and Trelawny.
- That the procurement does not include Cumberland surgery, Hyde Park Surgery and St Barnabas surgery.

Bearing in mind that Barne Barton neighbourhood have never had local primary care provision, this element of the proposal by NHS England is very welcome.

The termination of provision of primary care at Hyde Park Surgery and St Barnabas surgery is unfortunate but it must be ensured that the registered patients at those practices continue to access good quality primary care at other practices with the least disruption possible.

The key concern with the proposals however is the potential for closure of the Cumberland Surgery. It is notable while this surgery has never been formally contracted for (having been originally set up by LiveWell South West when it provided Ernesettle practice and latterly provided on an interim basis by Access Healthcare), it is a growing, thriving practice serving some of the most deprived populations of Plymouth. The loss of this practice will not only create avoidable instability for some of our most deprived populations in Devonport but will put at risk most valued primary care services delivering value for patients and benefits to the wider system.

We recognise the direction of travel of national primary care policy – GP at scale, federations, sustainable workforce, integration and more care in the community. However, it is unclear as to how any proposed closure of the Cumberland practice delivers these aspirations.

To this end, we call upon this Council to:

- Take note of the proposed changes on which NHS England is now engaging patients and partners
- Welcome NHS England's proposals for local primary care provision in Barne Barton
- Seek urgent clarification from NHS England as to the rationale for the proposals concerning the Cumberland surgery
- Seek urgent assurance from NHS England about its commitment to

meaningful engagement around these proposals as well as to ensuring feedback actually does inform formulation of final options for procurement

- Make clear a strong wish to see diversity and quality offer of choice of primary care provision continue in the Cumberland Centre in a relevant shape or form
- Specifically require that, in accordance with recent conversations with NHS England, the Cumberland surgery is re-located with the Devonport Health Centre but remaining as a separate practice
- That all key partners in our system – Plymouth City Council, NEW Devon CCG, Plymouth University, Plymouth Hospitals NHS Trust and LiveWell South West urgently work with both Devonport GP surgeries to accelerate progress on the aspiration of creating a health and wellbeing hub based at the Cumberland ‘campus’, with arrangements for eventual amalgamation or some form of federation between those practices defined as soon as possible.

(iv) NHS England proposals

Councillor Stevens proposed and Councillor P Davey seconded the motion on NHS England Proposals, as follows:

Plymouth City Council expresses its deep concern over NHS England proposals which could result in the closure of the Cumberland Centre, Hyde Park and St Barnabas GP Surgeries following yet more cuts to the National Health Service. We recognise the popularity of these vital community services among patients and oppose any measures which would force people to travel long distances to access their GP.

We welcome NHS England's assurance that no final decisions have been taken and encourage all those affected to actively engage with the consultation process, ensuring all opinions are heard. We also recognise the need to proactively plan GP provision in Plymouth as populations change and move.

We pledge to do all we can to work alongside local people in attempting to persuade NHS England not to implement these potentially harmful measures and to maintain GP provision on these sites. In the meantime we also call upon Plymouth's Members of Parliament to refrain from supporting further NHS cuts.

Following a vote, the motion was lost.

(v) Stonehouse Barracks

Motion on Notice 10e, about Stonehouse Barracks, was withdrawn and Councillor Bowyer proposed a revised motion which was seconded by Councillor Evans. This was circulated to Members, as follows:

‘Following the Government’s announcement to sell Royal Marines Stonehouse, this Council resolves:

1. To write to the Prime Minister seeking assurances that the Royal Marines will continue to be located in Plymouth, including the Headquarters of 3 Commando Brigade Royal Marines (currently based at RM Stonehouse).
2. To write to the Secretary of State for Defence, asking for the full rationale behind the decision to close RM Stonehouse, seeking assurances that there is sufficient alternative capacity for the Royal Marines in Plymouth and requesting that the MOD now consults and engages with the City's Public Sector Land Board.'

Following a vote, the motion was carried.

- (vi) Stonehouse Barracks
Councillor Evans withdrew this motion, as referred to in minute 37e.
- (vii) Organ donation awareness and moving to an 'opt out' system
Councillor J Taylor proposed and Councillor Stevens seconded the motion on organ donation awareness and moving to an 'opt out' system.

(Councillor Darcy proposed and Councillor Rennie seconded a motion to suspend standing orders to allow the meeting to continue after 7.30 pm. Following a vote, this was agreed.)

Following a vote, the motion was carried and Council agreed:

This Council notes the shortage of kidney and other donor organs that exists in the United Kingdom and the suffering of those awaiting an organ transplant in Plymouth.

Council notes that:

- (1) although 90% of people say they support organ donation, for lots of reasons only a quarter of the UK population is on the organ donor register;
- (2) 3 people die every day across the UK while waiting for an organ transplant; and
- (3) support for a change to a soft opt out system is backed by major charities, including the British Heart Foundation, Kidney Research UK, Diabetes UK, the Cystic Fibrosis Trust and the British Medical Association.

This Council believes that the current system of signing up to be on the donor register, whilst well intentioned, is not leading to the significant increase of organ donors that is needed to meet the needs of people on waiting lists in Plymouth. This Council therefore believes it would be preferable to further explore moving to a system of opting out of organ donation, subject to suitable

safeguards.

Council agrees to:

- (a) write to the Secretary of State for Health asking him to produce detailed proposals on the lines suggested above
- (b) send a copy of this motion to Plymouth MPs with a covering letter seeking their public support for the campaign
- (c) encourage residents, Councillors and employees to join the current donor register;
- (d) publicise our support for the campaign for moving to a 'soft opt out system' through Council media channels.

- (viii) Sprinklers in schools
Councillor McDonald proposed and Councillor Evans seconded a motion about sprinklers in schools.

Councillor Mrs Beer proposed and Councillor Bowyer seconded an amendment, which was circulated to Members, as follows:

'Council condemns the Department of Education's decision to drop the requirement for sprinklers to be compulsory in new build schools and nurseries in Plymouth.

Therefore, this Council resolves to write to the Chief Fire Officer to seek his views, in order to consider whether this Council should lobby the Secretary of State to restore the stipulated requirement for all new builds to have sprinklers.'

Following a vote, the amendment was carried.

(Councillor Cook declared a Disclosable Pecuniary Interest and left the meeting for this item).

- (ix) Fortnightly brown bin collection
Councillor Stevens proposed and Councillor Singh seconded the motion on fortnightly brown bin collections, as follows:

Council believes that the local community is not persuaded of the case for a move to fortnightly brown bin collections.

Consequently, Council resolves to instruct the Cabinet to drop these proposals forthwith.

Following a request from ten Councillors for a recorded vote on the motion, the vote was lost.

For the motion (21)

(Councillors Aspinall, Bowie, Coker, Dann, P Davey, S Davey, Evans, Hendy, McDonald, Morris, Parker-Delaz-Ajete, Rennie, Singh, Sparling, Stevens, Jon Taylor, Tuffin, Tuohy, Vincent, Wheeler and Winter).

Against the motion (27)

(Councillors Ball, Mrs Beer, Bowyer, Mrs Bowyer, Mrs Bridgeman, Carson, Churchill, Cook, Darcy, Deacon, Downie, Drean, Fletcher, Foster, Mrs Foster, Jordan, Kelly, Martin Leaves, Mike Leaves, Sam Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Riley, Storer and Wiggins).

Absent (8)

(Councillors Fry, James, Loveridge, Lowry, Mavin, Penberthy, Smith and Kate Taylor).

Abstention (1)

(Lord Mayor)

38. **Dates of full Council meetings 2017/2018**

Councillor Riley proposed and Councillor Bowyer seconded the proposed dates for Full Council 2017/18:

- 3 July 2017
- 25 September 2017
- 20 November 2017
- 29 January 2018
- 26 February 2018 (Budget and Council Tax)
- 26 March 2018
- 18 May 2018 (AGM)

Following a vote, Council agreed these dates.

39. **Questions by councillors**

	From	To	Subject
1	Councillor P Davey	Councillor Bowyer	Full-size hockey pitches
2	Councillor McDonald	Councillor Mike Leaves	Collection of discarded needles and syringes from public parks
3	Councillor Tuohy	Councillor Mike Leaves	Overgrown weeds and falling leaves within Ham Ward
4	Councillor Bowie	Councillor Mrs Beer	The closure of Early Birds Nursery (Written response to be provided)
5	Councillor Mrs Bridgeman	Councillor Downie	The number of volunteers in the city

6	Councillor Coker	Councillor Darcy	Collection of outstanding Council Tax (Written response to be provided)
7	Councillor Stevens	Councillor Riley	Transparency of Governance Review (Written response to be provided)
8	Councillor Jon Taylor	Councillor Jordan	Library Project
9	Councillor Coker	Councillor Ricketts	Confirmation that controlled parking zones were still in place (Written response to be provided)
10	Councillor McDonald	Councillor Mrs Beer	Administering medication to children
11	Councillor Coker	Councillor Ricketts	Faulty traffic light on Mutley Plain
12	Councillor Evans	Councillor Darcy	Capital Programme
13	Councillor McDonald	Councillor Mrs Beer	Guardianship (Written response to be provided)
14	Councillor Coker	Councillor Ricketts	Policy on permanent repairs (Written response to be provided)

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

DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?

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

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

No

Yes

Declare interest and leave (or obtain a dispensation)

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

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

Yes

No

You can speak and vote

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

Yes

No

Declare the interest and speak and vote

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

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

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

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MEDIUM TERM FINANCIAL STRATEGY (MTFS)

City Council: 21 November 2016



CABINET MINUTE 35 (8 November 2016)

Councillor Darcy (Cabinet member for Finance/ICT) presented his report – ‘Medium Term Financial Strategy (MTFS)’.

Councillor Bowyer (Leader) thanked Andrew Hardingham (Assistant Director for Finance) and Tracey Lee (Chief Executive) for their ongoing work on this matter.

Agreed that Cabinet approves and recommends the Medium Term Financial Strategy to Council on 21 November 2016.

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PLYMOUTH CITY COUNCIL

Subject: Medium Term Financial Strategy
Committee: Cabinet
Date: 8 November 2016
Cabinet Member: Councillor Darcy
CMT Member: Lesa Annear (Strategic Director for Transformation and Change)
Author: Paul Cook (Head of Financial Planning and Reporting)
Contact details: Tel 01752 398633
paul.cook@plymouth.gov.uk

Ref:

Key Decision: Yes
Part: I

Purpose of the report:

Under the Council's Financial Regulations, the Responsible Financial Officer is required to report the medium term budget prospects. Cabinet is therefore asked to consider the Medium Term Financial Strategy for 2017/18 to 2019/20.

The Strategy reflects the latest funding position. The Strategy sets out Transformation savings over the plan period. The Transformation savings include policy decisions under consideration by Cabinet at this meeting.

The Medium Term Financial Strategy is recommended by Cabinet to Council.

The Council Corporate Plan 2016/19:

The Medium Term Financial Strategy sets out the resources available to deliver the Corporate Plan.

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

The resource implications are set out in the body of the report.

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

The Medium Term Financial Strategy provides the maximum resources achievable to address key policy areas. A risk register is included.

Equality and Diversity:

The equalities impact of specific budget changes will be evaluated item by item.

Recommendations and Reasons for recommended action:

That Cabinet approves and recommends the Medium Term Financial Strategy to 21 November 2016

Council.

Alternative options considered and rejected:

The Council must have a Medium Term Financial Strategy in place. There are no alternative options.

Published work / information:

- Local Government Finance Settlement 2016-17
- Local Government Finance Settlement 2017-18 DCLG Consultation
- 100% Business Rates Retention – closed DCLG Consultation
- Fair Funding – closed DCLG Consultation

Background papers:

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

Sign off:

Fin	pc1617.34	Leg	DVS26645	Mon Off		H R		Ass ets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham													
Has the Cabinet Member(s) agreed the content of the report? Yes													

1.0 Introduction

- 1.1 The Medium Term Financial Strategy was considered by Scrutiny Committees in July 2016
- 1.2 A revised Medium Term Financial Strategy was considered by Joint Budget Scrutiny on 22 September 2016. The changes from July 2016 included:
- Provision was made for specified risks and additional costs facing the Council including the capital financing costs of essential schemes that cannot be met from service budgets.
 - An additional allocation of £0.5m was made from 2017/18 to reflect anticipated housing benefit subsidy losses. These arise from claimant error identified and reported by Department for Work and Pensions using the Real Time information system.
 - Provision of £100k is also made for Neighbourhood Initiatives.
 - Accelerated savings (£250k) from the Asset Investment Fund in accordance with existing policies
 - Integrated Health and Wellbeing savings have been allocated more clearly to specific services in accordance with existing strategies
 - The planned use of flexible capital receipts was reduced to reflect the likely availability of surplus receipts for this purpose. (£3m less 2018/19; £1m less 2019/20.)
 - The inclusion of a risk register, this being one of the areas identified by Scrutiny in July. The Register provides more background to the key risk identified corporately of non-delivery of the Medium Term Financial Strategy.
- 1.3 The Medium Term Financial Strategy has now been further revised as set out below.
- 1.4 The 2017-18 New Homes Bonus allocation is increased from £850k to £1.600m. This reflects continuing success in attracting new development and returning empty properties into use. The reference period for the increase is the year to 31 October 2016; hence this information has recently become available.
- 1.5 The forecast level of Better Care Fund has increased.
- The September 2016 Medium Term Financial Strategy addressed losses of New Homes Bonus. Under DCLG proposals allocations earned would only be paid for 4 years, not 6. The mechanism for New Homes Bonus 2017-18 onwards has yet to be confirmed by Government.
 - The September Medium Term Financial Strategy assumed any New Homes Bonus loss would be recycled £ for £ into an increased Better Care Fund. The change would therefore be cost neutral.
 - DCLG have now issued a consultation on the 2017-18 settlement. This states increased Better Care Fund allocations nationally 2017-18 to 2019-20. It also outlines the proposed basis of allocating this resource to individual authorities.
 - It appears the change might be more favourable than the previous Medium term Financial Strategy assumptions. The change would be worth an additional £764k in 2017-18; a further £2.522m in 2018-19; and finally an additional £4.377m in 2019-20.
 - These figures are DCLG exemplifications.
 - The revised Medium Term Financial Strategy assumes these Better Care Fund changes. However the proposed allocations are subject to consultation.
- 1.6 New risks added to the register for 2020 revaluation and commercialisation borrowing risk (Moody's).

- 1.7 The opportunity has also been taken to reduce the length of the MTFS and make it more user-friendly. This will encourage better communication with residents and local businesses, thereby assisting the Council in managing its services and improving its financial position.



MEDIUM TERM FINANCIAL STRATEGY

2017/18 to 2019/20



The Medium Term Financial Strategy takes a 3 year view from April 2017 to 2019/20 and looks at how the Council will fund Plymouth's ambitions and priorities.

Foreword



Councillor Ian Bowyer
Leader of Plymouth City Council

“Plymouth is an ambitious City with huge growth potential and is undergoing exciting changes. The City Council is committed to improving value for money. We want to listen to our citizens and businesses about how we spend the resources we have. This Medium Term Financial Strategy sets out our approach to the financially challenging but exciting times ahead.”



Councillor Ian Darcy
Cabinet Member for Finance and ICT

“As Portfolio Holder for Finance I am determined to maximise efficiency and draw in the highest value of external funding Plymouth can achieve. We will strive to maintain services despite reducing funding. The Medium Term Financial Strategy is one of the key stages in finding the answers to this challenge.”



Tracey Lee
Chief Executive of
Plymouth City Council

“Since 2013 the Council has improved its services whilst delivering £65m of efficiency savings. The Council is committed to further service improvements whilst delivering £37m of efficiencies over the next 3 years. The Medium Term Financial Strategy shows how our improvements link to the City; people’s jobs, homes, health and how we will pay for the services we provide.”



Andrew Hardingham
Assistant Director for Finance

“The Medium Term Financial Strategy is a core part of the Council's strategic framework. The Strategy has a vital role to play in funding the City’s ambition set out in the Plymouth Plan. It enables the priorities of the Corporate Plan to be put into action. Essentially it helps us balance the books.”

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Introduction

The MTFS links the revenue budget, capital programme and treasury management strategy.

- A central document in our financial planning
- A key role in the budget setting process
- Ensures the budget is prepared in line with Plymouth priorities
- Covers a 3 year period and is updated and approved annually
- Balancing the books and best use of Council assets
- Identify sustainable, alternative and increased sources of income
- Deliver the Asset Management Plan and maximise the community value of our assets

The MTFS is based on a set of financial principles and objectives. These are set out below.

Financial Principles

Managers must contain their expenditure within budget.

The Council will achieve a balanced budget year on year.

Services will be charged for under the Council's Fees and Charges Policy. Charges will be increased for inflation.

Provision for pay inflation will be made centrally. Available resources will be allocated to service budgets following the local government pay settlement.

Specific grants will be included in service budgets. Any later reduction in a grant must be absorbed by the service budget, except in exceptional circumstances.

If appropriate, cross cutting savings may be held centrally. In-year savings will be reported separately. Savings will be deducted from service budgets the year after implementation.

Service departments are expected to meet the capital financing costs of projects. Corporate or cross cutting schemes may be funded centrally.

ICT expenditure is financed by service departments. Corporate or cross cutting schemes will be funded centrally.

Financial Objectives

To generate the maximum possible funding towards delivering the priorities as set out in the Plymouth Plan and our Corporate Plan 2016 – 19.

Prioritise capital schemes based on deliverability of tangible outcomes whilst considering the context of the overall capital and revenue affordability.

To support the local Plymouth economy working in partnership with local businesses.

Council Tax increases will be below the level to trigger a referendum.

Maximise income opportunities primarily through structured growth of the City and proactive partnership working.

To continue to maximise savings from our Transformation Programme and seek new opportunities where possible.

Achieve a return on investment of 0.8% in 2017-18, and 1% in later years.

Borrowing not to exceed £300m in 2017-18.

Provide for borrowing costs in the MTFS.

Retain a revenue balance of at least 5% of net expenditure.

Plymouth

Britain's Ocean City

THE PLYMOUTH PLAN 2011-2031

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

WHAT WE WANT TO ACHIEVE...

LEADING CITY

A city fulfilling its strategic role as a major economic driver and provider of services in the region

HEALTHY CITY

People live in happy, healthy, safe and aspiring communities

GROWING CITY

A city which has used its strengths to deliver a prosperous city with a strong economy and quality places

INTERNATIONAL CITY

Plymouth is internationally renowned as Britain's Ocean City and is the UK's premier marine city, famous for its waterfront

HOW WILL WE KNOW WE'RE SUCCESSFUL?

Plymouth is recognised as a key regional economic driver	People get the best start to life , enjoy a better quality of life and increased life expectancy	Plymouth's population has grown to more than 300,000	Plymouth offers a diverse cultural experience with a major events programme
Plymouth has high quality strategic services and facilities	More people are taking care of themselves or finding care within their community	Plymouth continues to be recognised as a leading Green City	Plymouth is internationally renowned as a leading UK tourist destination
The quality and resilience of Plymouth's transport and digital connectivity has improved	More residents are contributing to and involved in their community	Plymouth has more vibrant, productive and innovative businesses	Plymouth is recognised internationally for marine science and high technology manufacturing
Plymouth's strategic defence role has been safeguarded and strengthened	There is good quality health and social care for people who need it	People have the skills to be school ready and work ready to meet the needs of the city	Plymouth has a reputation for world class universities and research institutions
Plymouth's stunning setting and natural assets have been enhanced	Plymouth has good quality neighbourhoods where people feel safe and happy	Plymouth has the right environment for growth and investment	Plymouth has a reputation as a welcoming and multicultural city with diverse communities

WHAT PRINCIPLES WILL GUIDE US?



POWER

People have confidence that they can influence decisions that affect them



OPPORTUNITY

People can contribute to and benefit from being part of the city's future



ROOTS

People belong and care about Plymouth's future and their own



CONNECTIONS

People mix, learn from each other and work together



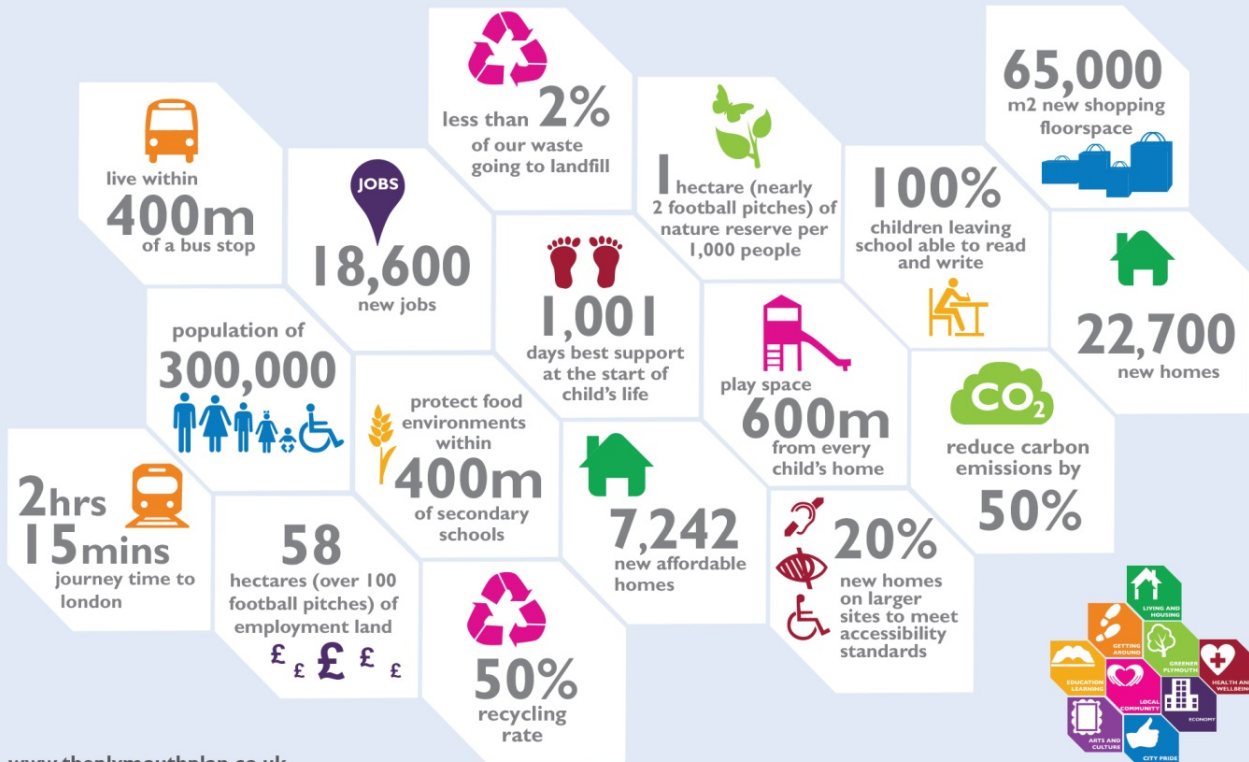
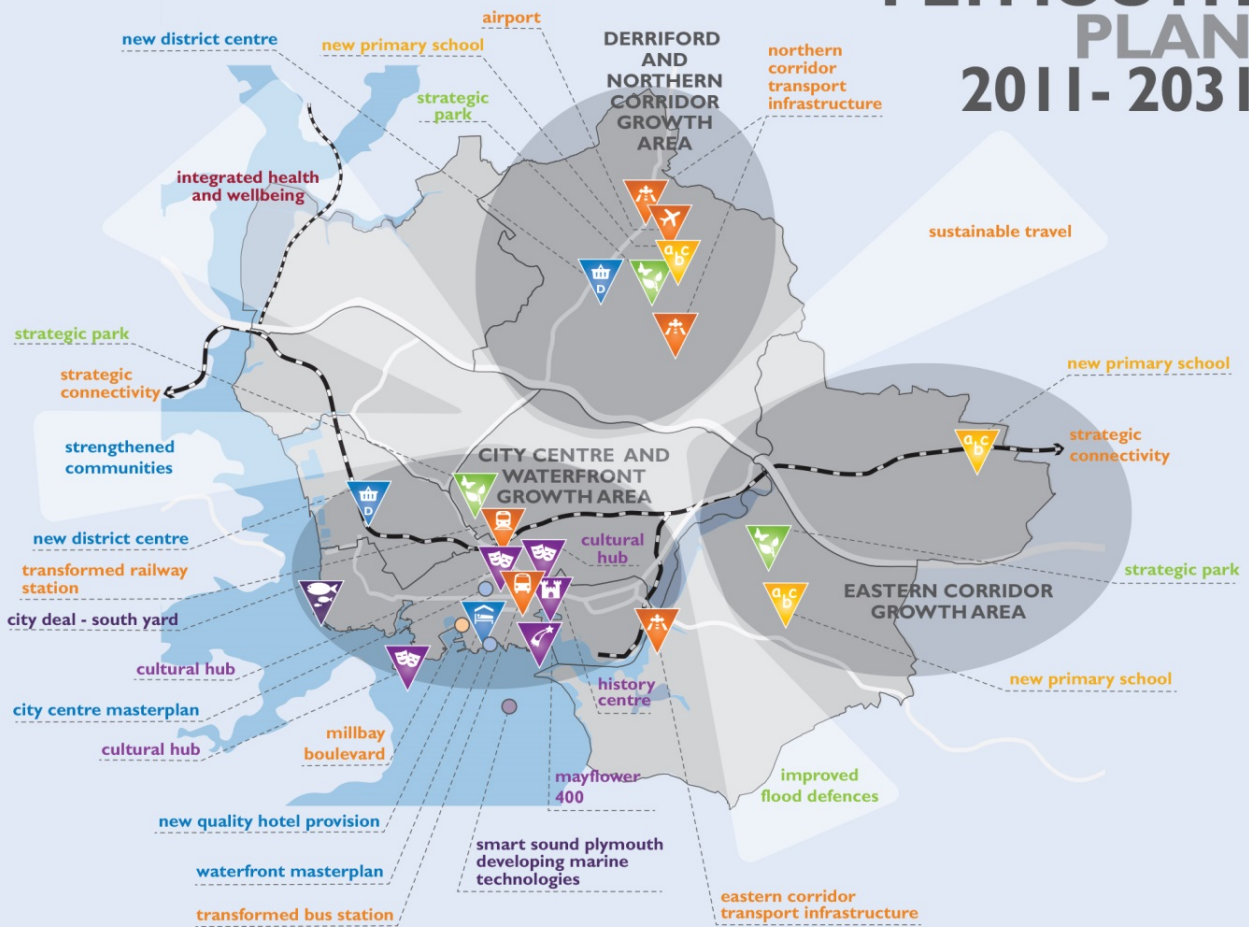
FLOURISH

People, communities and businesses thrive in a creative and diverse city

Plymouth

Britain's Ocean City

THE PLYMOUTH PLAN 2011-2031



www.theplymouthplan.co.uk



Corporate Plan

The Corporate Plan 2016 to 2019 sets out our vision to be ‘one team serving our city’ and retains our ambition to be a Pioneering, Growing, Caring and Confident City.

OUR PLAN ONE CITY COUNCIL



CITY VISION Britain's Ocean City

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

OUR VALUES

WE ARE DEMOCRATIC

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

WE ARE RESPONSIBLE

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

WE ARE FAIR

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

WE ARE PARTNERS

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

OUR VISION One team serving our city

PIONEERING PLYMOUTH

We will be innovative by design, and deliver services that are more accountable, flexible and efficient.

GROWING PLYMOUTH

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

CARING PLYMOUTH

We will work with our residents to have happy, healthy and connected communities where people lead safe and fulfilled lives.

CONFIDENT PLYMOUTH

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

OUR THEMES

- Quality services focused on customers' needs
- Balancing the books
- New ways of working
- Best use of Council assets
- Working constructively with everyone

- Quality jobs and valuable skills
- Broad range of homes
- Increased levels of investment
- Meeting future infrastructure needs
- Green and pleasant city

- Focus on prevention and early intervention
- Keeping children and adults protected
- Inclusive communities
- Respecting people's wishes
- Reduce health inequalities

- Council decisions driven by citizen need
- Plymouth as a destination
- Improved street scene environment
- Motivated, skilled and engaged workforce
- Setting the direction for the South West

National Context

Reform of local Government funding

The Government is undertaking a fundamental review of how local authorities are funded. This is likely to prove the biggest change to local Government finance in decades.

In July 2016 DCLG issued two consultation papers - *Fair Funding* and *100% Business Rates Retention*. The Council's response to Government is summarised in the box below. The Council expects more detailed proposals for consultation will be issued by Government in 2017. The changes could have a significant impact on the Council's budgets from 2020-21 onwards. The level of financial risk faced by the Council might be increased.

The Council will be working to protect its financial position by lobbying and as a member of SIGOMA and the Unitary Authority Treasurers Group.

Fair Funding and Business Rates

The Council already has significant pressures.

Spending need should be measured by multi-level modelling. Regression analysis of past expenditure should not be used as it is unfair and self-fulfilling.

New burdens are to be devolved to local Government. But Councils must also be given the powers to set service policy and run the devolved services to meet local needs.

Local authorities should not be expected to take on responsibilities where high demographic growth or rapidly increasing demand can be expected.

The Council supports business rates growth being used to support devolution deals.

The system should be re-set periodically to protect individual authorities.

All combined authorities should enjoy the additional powers proposed for Mayoral Combined Authorities.

Appeals risk and safety nets should operate nationally.

All Combined Authorities should have the power to levy a 2p supplementary rate.

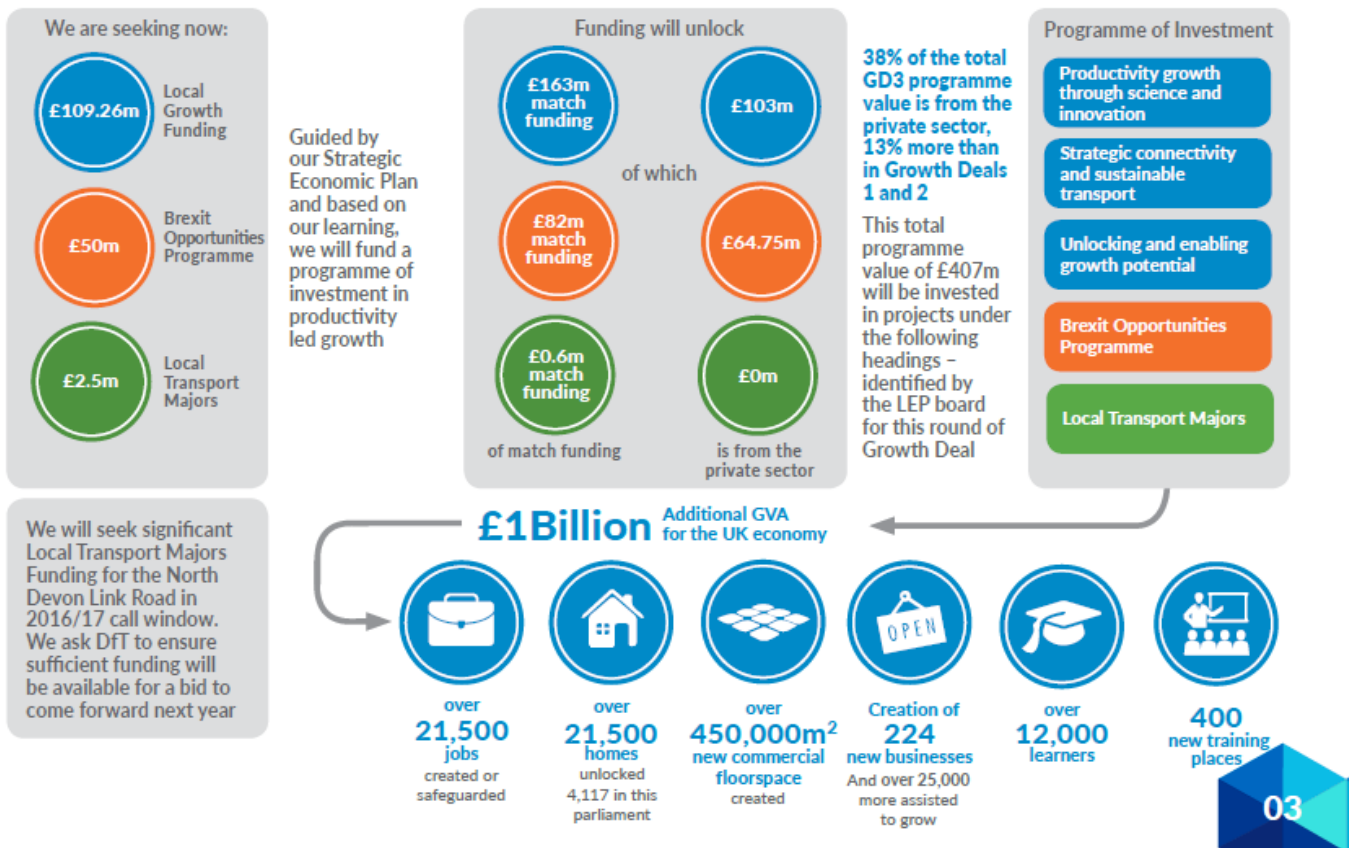
Existing powers to levy a business rates supplement should be retained.

Devolution

Since the 2015 election, the Government has reiterated its commitment to devolving power out of Whitehall. Plymouth and Partner Authorities have agreed in principle a combined Authority for the Heart of the South West area (including Councils across Devon, Somerset, Plymouth and Torbay, plus health partners and the Local Enterprise Partnership). The Prospectus is focused on driving up productivity levels by securing greater powers and longer term funding to invest in more housing, jobs and strategic infrastructure.

The Heart of the South West has submitted a bid to Government in July 2016 for Growth Deal 3. The proposal if taken forward will achieve gross value added in relation to Growth Deal 3 of £1bn to the UK economy.

**Our Proposal:
The Headlines**



Four Year Local Government Finance Settlement

In order to assist Local Authorities in their financial planning, the Government offered a four year settlement in 2016. The Council submitted its Efficiency Plan to Government 14 October 2016 in order to lock in Plymouth’s Revenue Support Grant entitlements to 2020.

The Government is consulting on the 2017/18 funding settlement. This proposes to offer a four year settlement for other grants. The City Council would support this on the grounds of reducing financial risk and uncertainty.

Flexible use of Capital Receipts

In the Spending Review 2015 the Chancellor of the Exchequer announced that to support local authorities to deliver more efficient and sustainable services, the Government will allow local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects.

A Flexible Use of Capital Receipts Strategy will be submitted to Council as part of the 2017 budget process.

New Homes Bonus and Better Care Fund

Government is consulting on New Homes Bonus. The system of incentives is being reviewed, and entitlements are being reduced from 6 years to 4 years. Nationally, the reduction in New Homes Bonus is being re-directed to the Better Care Fund. Provisional Better Care Fund allocations are assumed in the savings table in the Medium Term Financial Strategy. Student accommodation – whilst not subject to Council tax – attracts new Homes Bonus.

Leaving the European Union

The financial and service implications of leaving the European Union are being carefully monitored.

- A downturn in the housing market and new starts could impact on New Homes Bonus.
- Reduction in interest rates could reduce the Council's investment income.
- Reduced development of business premises could impact on Plymouth City Council (PCC) business rates income.
- The Council has significant industrial and commercial holdings and any fall in rental levels or demand for premises could have an adverse impact on income budgets.

Leaving the European Union will also provide opportunities for Plymouth City Council. Reliance on EU support could be replaced by increased devolution to local authorities. This would create increased opportunities for the Heart of the South West Combined Authority.

Local Economy

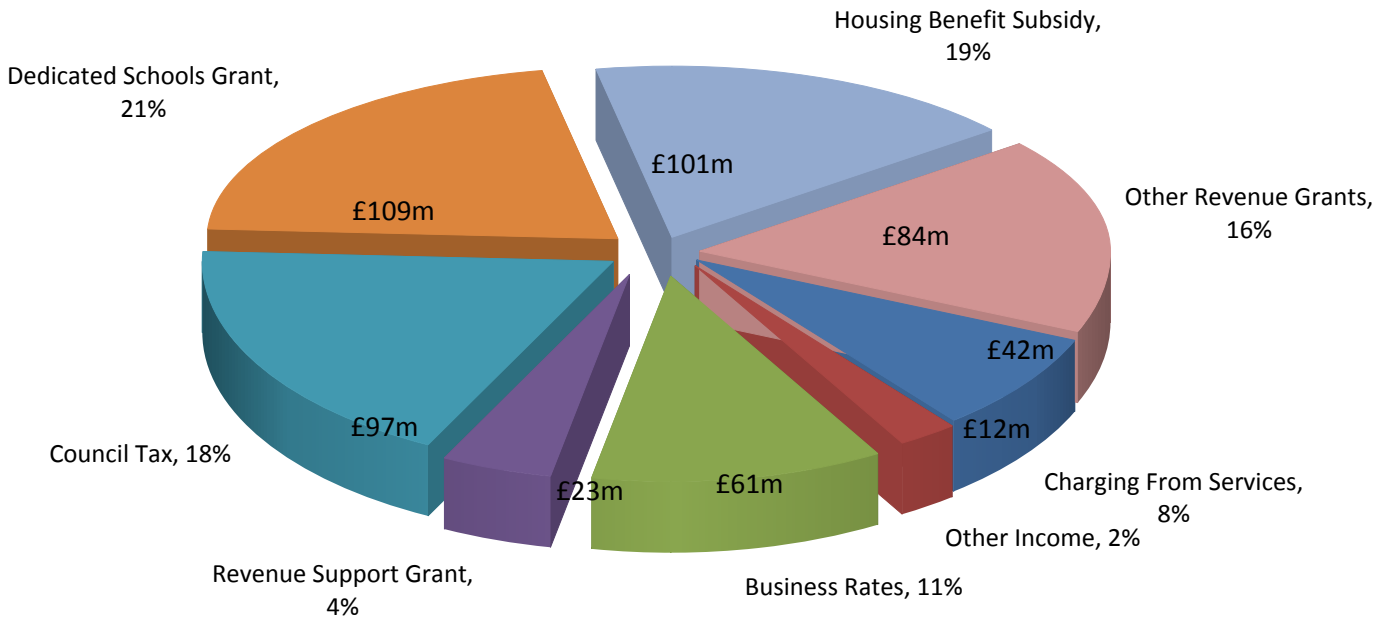
With a population of approximately 262,700, an economic output of £5.2 billion and 108,000 jobs, Plymouth is the most significant economic centre in the south west peninsula and the largest urban area in the Heart of the South West Local Enterprise Partnership, making it a key location for growth. The city's economic performance up to the onset of the global financial crisis and subsequent recession of 2008/9, showed some signs of improvement particularly in terms of nominal Gross Value Added (GVA), relative GVA per job/hour, and employment growth. Following the economic recovery, Plymouth's economy continues to gain strength; there has been a reduction in public-sector dependency (although it is still higher than in other cities) and unemployment is decreasing. House prices are rising in line with the national average and full-time median wages compare favourably with other similar cities.

- Plymouth's total GVA annual total value now exceeds £5 Billion - the highest value ever (2014). GVA per Hour Worked is 92.3% of the national average;
- Plymouth's (2014) Gross disposable household income rises to a record high of £4,059 per household;
- Gap in pay between Plymouth & the HotSW (Annual-Resident full-time) = -2.5% (2015);
- 1,289 new jobs were created in the city (2015).

Resources available

Although our budget is expressed in net terms of £186m, the actual gross spend for the Council is in excess of £530m per annum. This reflects a number of significant income streams which the Council either manage, or passport on to third parties.

2017/18 Revenue Income Sources



Medium Term Financial Forecast

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
	BUDGET	FORECAST		
REVENUE RESOURCES AVAILABLE	186.702	180.776	178.804	176.920
Baseline spend requirement	193.009	186.702	180.776	178.804
One off savings brought forward		4.876		
Plus identified additional costs	17.564	10.736	7.357	6.403
Overall spend requirement	210.573	202.314	188.133	185.207
In-year shortfall to be found	23.871	21.538	9.329	8.287
Cumulative shortfall		45.409	54.738	63.025
Transformation stretch savings	23.871	19.297	8.647	9.017
REVISED SPENDING FOR YEAR	186.702	183.017	179.486	176.190
Budget Gap	0.000	2.241	0.682	-0.730

- Funding is reducing year on year from £187m in 2016/17 to £177m in 2019/20;
- Most of the increasing costs are outside of the control of the Council such as the National Minimum Wage and the cost of Adult and Children's Social Care;
- Transformation stretch savings offset the gap delivering savings of £37m over the next 3 years.

Transformation Stretch Savings Summary

Transformation Stretch Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
New Homes Bonus	1.319	0.768	0.144	-0.018
Better Care Fund Gain		0.764	2.522	4.377
Council Tax Support			0.250	
ODPH Directorate	0.202	0.040	0.003	0.002
Chief Executive Office	0.073	0.255	0.035	0.022
Place Directorate including GAME 2	1.715	2.896	0.598	0.176
People Directorate - One System One Aim	9.882	7.117	4.039	3.656
Transformation & Change Directorate (Transformation of Corporate Centre)	3.627	2.645	1.870	0.421
Corporate items	7.054	4.812	-0.814	0.382
Total Savings	23.871	19.297	8.647	9.017

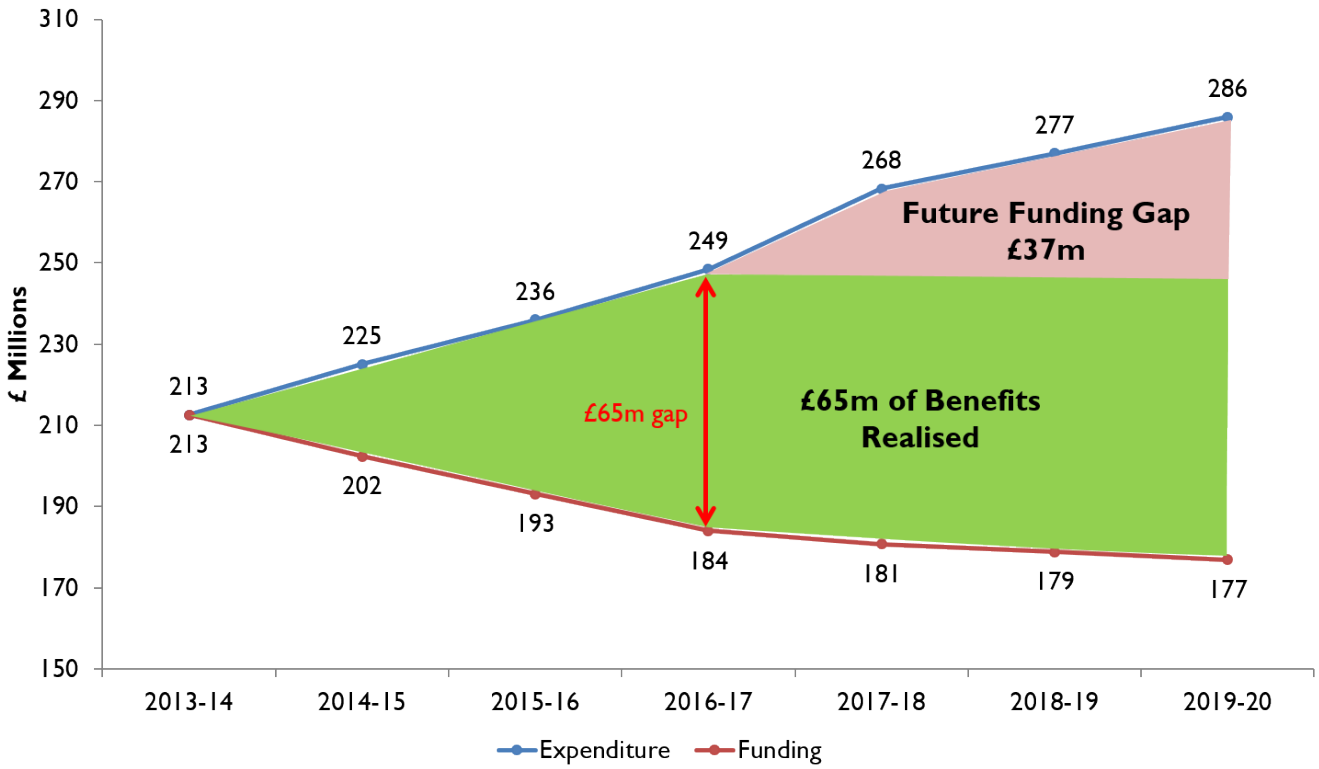
Transformation Stretch Savings Detail

Transformation Stretch Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
New Homes bonus	1.319	0.768	0.144	-0.018
Better Care Fund Gain		0.764	2.522	4.377
Council Tax Support			0.250	
ODPH Directorate	0.202	0.040	0.003	0.002
Chief Executive Office	0.073	0.255	0.035	0.022
Place Directorate including GAME 2				
Place 15/16 one off savings b/f	0.335			
Reduced Insurance premiums	0.200			
City Deal re-profiling	0.200	0.100	-0.500	
Real time passenger information		0.024		
Economic Development Systems Review - moving towards cost neutrality		0.200		
Commercial Events			0.150	0.050
Energy-Related Initiatives: Dividend from Ernesettle Solar Farm		0.043		
Energy-Related Initiatives: Additional Capitalisation of Low Carbon Team Posts		0.025		
Parking Modernisation Plan		0.500		
Additional Efficiencies	0.127	0.213	0.198	0.126
GAME2 - Asset Investment Fund	0.100	0.750	0.250	
GAME2 - Street Service operations	0.250	0.275		
GAME2 - Highways re-procurement		0.250		
GAME2 - Strategic Planning and Infrastructure Systems Review		0.266		
GAME2 - Waste Modernisation		0.250	0.500	
GAME2 - Commercialisation - Place Directorate Review	0.503			

Transformation Stretch Savings	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
People Directorate - One System One Aim				
Integrated delivery	0.830	0.775	0.400	0.650
Integrated commissioning	2.331	2.225	0.850	1.000
Children, young people, youth and families	2.100	1.500	0.750	0.750
Learning and Communities	0.300		0.250	0.250
People Directorate review	1.435	0.500	0.250	0.250
Efficiencies People Directorate	2.886	2.117	1.539	0.756
Transformation and Change Directorate (Transformation of Corporate Centre)				
Finance Transformation	1.500			
HR Transformation	0.300			
Legal Department Transformation		0.200		
Corporate Fraud Debt recovery	0.100			
Transformation Review	0.500	0.835	0.500	
Smart working		0.305	0.543	0.234
Administration and Facilities Management		0.125		
Systems Review - Community Facilities	0.048	0.470	0.033	
Systems Review - CST Cross cutting	0.990			
Further Efficiency Savings	0.189	0.317	0.294	0.187
Service Centre			0.500	
Corporate Items				
Systems and IT infrastructure		0.338		
Corporate Training		0.055		
Procurement	0.400	0.300	0.300	
Fees and Charges in accordance with Policy		0.500	0.500	0.500
Treasury Management/MRP/LOBO	1.245	0.500	0.500	1.000
Treasury Management Savings	0.008	0.512	-0.114	-0.118
Strategic Asset Review	0.070			
Sale of Annual Leave	0.200			
Corporate Items Review	0.255			
Reduction in Working Balances	0.950			
MRP	3.926			
Flexible use of Capital Receipts		3.000	-2.000	-1.000
Total Savings	23.871	19.297	8.647	9.017

Our Financial Position – what we projected

In 2013 we worked out what the estimated gap by 2016 would be if we did nothing.



Due to transformation savings the Council has overcome the £65m gap identified in 2013. The efficiency challenge moves forward and the chart re-sets the position for setting the 2017/18 budget.

Financing the Council

Financial Planning Assumptions

The Medium Term Financial Strategy is based on national and local economic context and local strategic direction.

Key Financial Planning Considerations

The four-year Revenue Support Grant settlement.

Reductions in other Government grant funding without matching reductions and responsibility for related services provision.

A continuing range of increasing costs in order to meet the demands on the Council and maintain key services, particularly in Adult Social Care and Children's Social Care.

Increased costs of meeting new initiatives.

An expected increase in annual pay inflation of one per cent.

A continued increase in employer pension contributions.

General inflation relating to external spends and contracts have not been accounted for on the understanding that smarter procurement practices will continue to contain significantly increased spending.

Key Assumptions

Benefit from the Devon-wide Rates Pool continues in 2017/18 and future years.

Build on the strong relationship with key partners such as the NHS N.E.W Devon Clinical Commissioning Group building on the S75 Agreement implemented April 2015 and the Integrated Fund

Maintain a minimum 5% Working Balance. This reserve has been steadily built up over the years and stands at £10.652 million as at March 2016. This equates to approximately 5.5% of the Council's net revenue budget which is about the average for Unitary Councils.

Revenue Resources

Plymouth City Council, in line with all other Local Authorities, continues to face diminishing resources and increasing demand and costs.

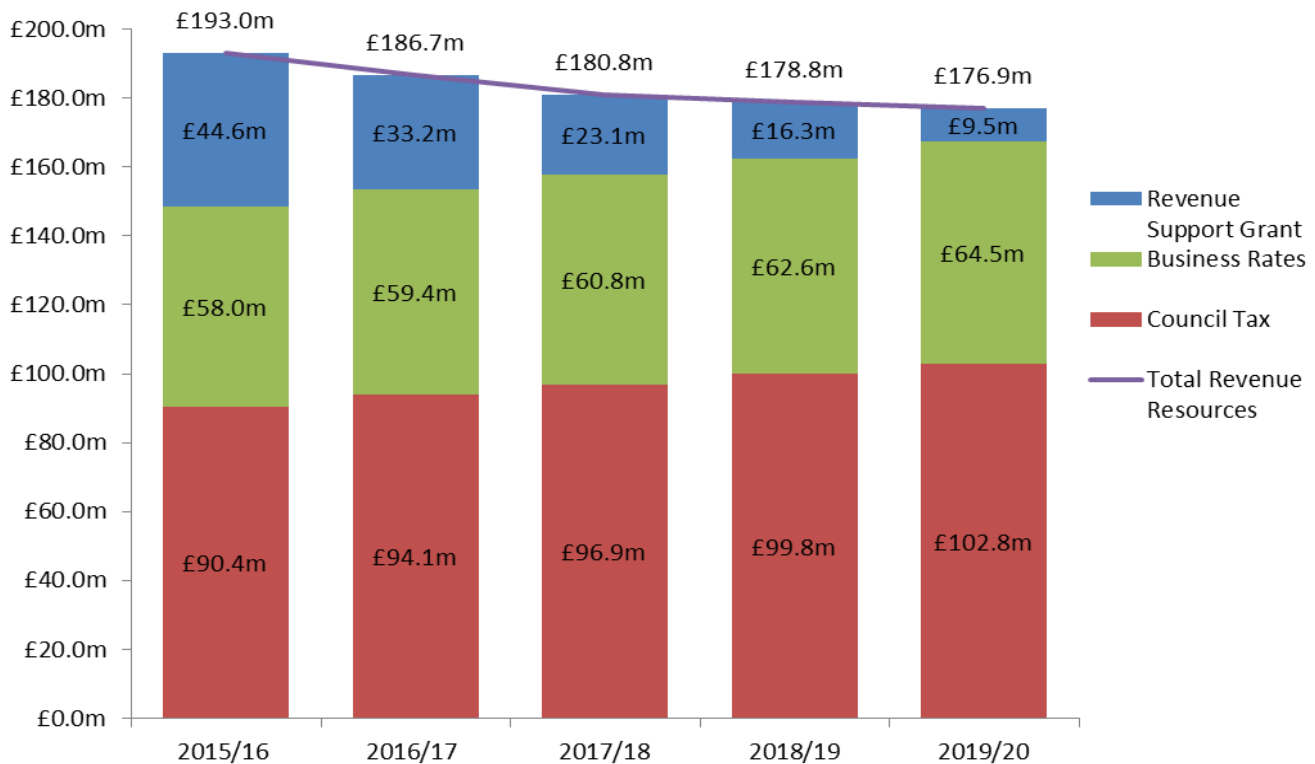
Our Council tax assumptions reflect a steadily increasing tax base, and the levying of an additional 2% Adult Social Care precept in each financial year.

The Business Rates forecast assumes a full growth dividend. It is expected that Devon Business Rates pooling gains will continue. A moderate RPI increase has been assumed.

	2015/16	2016/17	2017/18	2018/19	2019/20
	Actual	Budget	Forecast		
	£m	£m	£m	£m	£m
Revenue Support Grant	44.550	33.211	23.058	16.323	9.533
Council Tax	90.410	94.082	96.927	99.842	102.845
Business Rates	58.049	59.409	60.791	62.639	64.541
Total	193.009	186.702	180.776	178.804	176.920

The scale of the funding reductions is the financial challenge facing the Council over the next four years. The Council therefore faces a continuing reduction in core central funding from the Revenue Support Grant.

Revenue Resources



Treatment of Specific Grant Funding

Housing Benefit Subsidy

Normal housing benefit payments are subsidised at 100%. Housing Benefit Subsidy Grant is estimated to be **£101m** in 2016/17. However overpayments attract only a 40% subsidy rate.

Increased levels of claimant error are being notified to Councils by DWP under Real Time Information. An additional **£0.5m** has been provided to address the subsidy implications.

Dedicated Schools Grant

The largest specific grant that the Council receives is the Dedicated Schools Grant (DSG) which is **£183m** for 2016/17. The funding is spent either directly by Schools, (Primary, Secondary and Special), through their formula allocations, or by the authority on their behalf. The Schools Forum, (a representative group of Head Teachers and relevant stakeholders), are consulted on the local authority's formula distribution and the amounts administered centrally.

Any over or under spends on the DSG are carried forward to the following financial year with a neutral impact on the Council's general fund. However, accumulated school balances do form part of the Council's overall reserves and provisions.

Pupil Premium

In addition to the Dedicated Support Grant the Council also receives additional schools funding through the Pupil Premium. This allocates additional funding to schools that have pupils who are:

- Eligible for free school meals;
- Looked after by the City Council;
- Have parents who are currently serving in the armed forces.

Public Health Grant

This Government Grant supports the Council's public health responsibilities. Grant conditions apply including responsibilities for 0-5 children services which was transferred in October 2015.

For 2016/17 the Public Health grant was **£16.133m**. Plymouth City Council's Public Health Grant was cut by over **£0.374m** with the provisional 2017/18 allocation being cut by a further **£0.398m** in 2016/17.

Overall, since 2015/16 Plymouth's allocation has been cut by **£1.169m**.

Grant funds may only be spent on activities whose main purpose is to improve the public health of our local population. Local Authorities should have regard to the need to improve the take up of and outcomes from their drug and alcohol misuse treatment services.

New Homes Bonus/Better Care Fund

The New Homes Bonus is a Government scheme which is aimed at encouraging local authorities to grant planning permissions for the building of new houses in return for additional revenue. Local authorities are not obliged to use the New Homes Bonus funding for housing development. The scheme was introduced in April 2011. The amount of NHB that each authority receives is dependent upon two elements;

- The Council tax band of each additional property built, multiplied by the national average Council tax level from the preceding year i.e. 2016/17 allocations are based upon the average Band D Council tax set in 2015/16 at £1,484;
- A payment of £350 for each affordable home;
- Empty homes coming back into use.

In December 2015, the Department for Communities and Local Government published the provisional 2016/17 New Homes Bonus allocations, indicative 2017/18 to 2019/20 allocations and a technical consultation paper “New Homes Bonus: Sharpening the Incentive.”

It was announced that the New Homes Bonus scheme would be extended indefinitely, however Government has issued a consultation to consider how the incentive element may interact with potential full retention of business rates and devolution.

Under the current scheme Local Authorities receive New Homes Bonus for a six year period. Government’s preferred option is to reduce legacy payments from 6 years to 4. The impact of these changes to Plymouth City Council would be a cumulative reduction of NHB of £6.4m by 2020/21. The year on year reductions are shown in the table below.

Government has also considered a further alternative to reduce existing NHB allocations to 3 or 2 years however this is very unlikely to be carried forward. There no information in the consultation paper regarding transition arrangements for this option.

New Homes Bonus projections are detailed below. Government consultation on the redistribution of the national reduction in New Homes Bonus as Better Care Fund CF was issued in October 2016. The net impact is shown in the Medium Term Financial Strategy savings table.

Movement in Schemes	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
New Homes Bonus					
Existing 6 Year Allocations	4.197	5.516	6.284	6.428	6.411
NHB Year on Year Change		1.319	0.768	0.144	-0.018
Better Care Fund					
New Homes Bonus Proposed DCLG 4 Year Allocations	4.197	5.516	6.284	4.371	4.619
Shortfall – 6 Year to 4 Year Scheme				-2.057	-1.792
Better Care Fund – Additional Funding			0.764	5.343	9.454
Net Change in Funding			0.764	3.286	7.662
Year on Year Change			0.764	2.522	4.377

The Plymouth Integrated Fund

As part of a collaborative transformation programme, Plymouth City Council and NHS North East and West (NEW) Devon Clinical Commissioning Group (CCG) continue to draw on the Plymouth Integrated Fund. This has been created by pooling or aligning the vast majority of the People Directorate budget and the Public Health commissioned services budget to form a fully integrated health and social care commissioning budget. Implemented via a Section 75 Agreement under the NHS Act 2006, the Plymouth Integrated Fund has a combined net budget of £490m and was established specifically to create an integrated population based system of health and wellbeing for Plymouth.

Our four integrated commissioning strategies, developed in conjunction with the NEW Devon CCG, continue to provide the direction and guidance for a place-based, whole system approach to health and social care outcomes in Plymouth and help identify how the Plymouth Integrated Fund will be used to optimum effect. Each of the two partners contributes to the fund as follows:

- NHS N.E.W. Devon Clinical Commissioning Group: £353m
- Plymouth City Council: £137m

The Plymouth Integrated Fund also incorporates the Better Care Fund, which is a national programme aimed at accelerating integration between the NHS and Local Government. It creates a local single integrated budget to incentivise the NHS and Local Government to work more closely, placing wellbeing as the focus of the health and social care services. For 2016/17 the funding we receive from the Better Care Fund has been confirmed as £19.351m for both partners. The Plymouth Integrated Fund is supported on the basis of a 72% Clinical Commissioning Group 28% Council share of financial benefits and risks. This agreement limits the transfer of any over or under spends between the partners to a defined prudent maximum. The development of the Plymouth Integrated Fund has created greater opportunity to deliver improved outcomes and financial savings, recognising the existing budget pressures in both organisations, which have developed plans to address underlying overspends in the Plymouth Integrated Fund. Livewell Southwest - a Community Interest Company (CIC) - deliver community, physical and mental healthcare to people living in Plymouth, South Hams and West Devon and is an example of how the transfer of the adult social care staff enabled a fully integrated approach to both health and social care assessments for the people of Plymouth.

Council Tax

The Council increased Council Tax in 2015/16 by 1.99%. Council Tax is assumed to be frozen through to 2019/20 in the MTFs. A 2% Adult Social Care precept has been applied in all years. In the table below we have set out the implications on our overall resources for 2017/18 to 2019/20 of three alternative options on future changes:

- A general Council tax freeze in each year
- A general Council tax increase of 1% year-on-year
- An increase up to the referendum limit of 1.99% in each year.

Every 1% movement in the Council Tax base equates to £0.950m.

	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Adult social care precept assumed	94.080	96.927	99.842	102.845
		0.969	0.999	1.029
Based on 1.00% increase 2017/18 only	94.082	97.896	100.841	103.874
		0.960	0.988	1.018
Based on 1.99% increase 2017/18 only	94.082	98.856	101.829	104.892

Income Collection

The 2016/17 revenue budget and MTFs assumptions are based on achieving the collection targets. Bad debt provisions are kept under regular review by the Assistant Director of Finance.

Type of debt	Target % 15/16	Target % 16/17	Target % 17/18	Target % 18/19	Target % 19/20
Council Tax	98.5	98.5	98.6	98.7	98.8
Business Rates	98.5	98.5	98.6	98.7	98.8
Commercial Rents	97.0	98.0	98.5	98.5	98.5
Sundry Debt	97.0	97.5	98.0	98.0	98.0

The targets for Council tax collection and business rates are stretched for 17/18 onwards. These are ambitious targets and the increase is not currently assumed in the MTFs. The average in-year Council tax collection rate for unitary authorities was 96.9% in 2015/16. The average in-year business rates collection for unitary authorities was 98.0% in 2015/16.

Additional costs

Additional costs accepted within the MTFs are exceptional in nature with the inherent assumption that spending departments will absorb the increased cost of service demand and inflation through proactive management action and efficiencies through business as usual operations. A clear business case must be approved through the Corporate Management Team (CMT) in order to incorporate future year funding allocations.

Utilities have been a significant additional cost in recent years. However, through office rationalisation, carbon reduction investment and falling prices, we have not incorporated such pressures within our MTFs at this stage.

Likewise, general inflation relating to external spends and contracts have not been accounted for on the understanding that smarter procurement practices will continue to contain significantly increased spending. The additional costs within the 2017-18 MTFs are detailed on page 22. Additional costs are kept under constant review as part of on-going budget monitoring.

Item / area	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
Salary and Pension Inflation	0.900	0.900	0.900	0.900
Pension actuarial review		0.600	0.900	0.100
Adult Social Care – Care Packages	3.562	2.756	1.854	1.374
Children, Young People and Families – Care Package		1.800		
Major Investments	0.850	0.550	(0.400)	
National Insurance changes April 2016	1.500			
Transport links / Income	0.528			
National Living Wage	2.217	2.520	3.263	3.479
Delt	1.400			
2015/16 savings met from one-offs	5.888			
Specific grants reduction	0.719			
Plymouth Plan (one-off)		0.210	(0.210)	
ICT re-provisioning		0.300	0.300	0.300
Apprenticeship Levy		0.250		
Revenue costs arising from capital investment decisions		0.250	0.250	0.250
Staff costs (EVRS / redundancy)			0.500	
Housing Benefit Subsidy		0.500		
Neighbourhood Initiatives		0.100		
Total	17.564	10.736	7.357	6.403

Salary and Pension / Inflation

Pay awards have been significantly reduced over recent years, including a prolonged period of staff pay freeze. A one per cent increase in our payroll roughly equates to £0.9m added revenue spend within our base budget. Looking forward, we have assumed a one per cent award for both 2017/18 and 2018/19 with additional funding towards our pension deficit review.

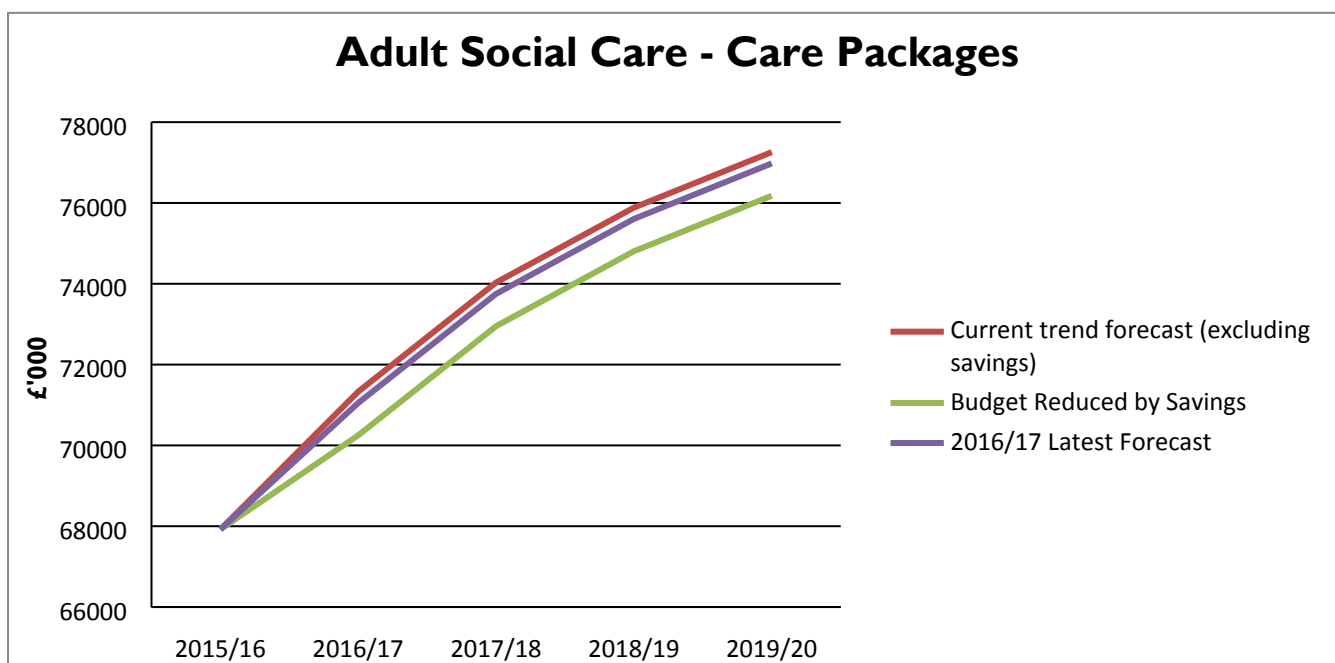
With the move towards alternative service delivery vehicles such as DELT (www.deltservices.co.uk) and CaterEd (www.plymouth.gov.uk/catered), future one off costs will need to be quantified in terms of ensuring that there is no pension deficit at the point of transfer.

Pensions Actuarial Review

Provision has been made for the impact of the actuary revaluation of the Devon Superannuation Fund. New Rates come in to force in 2017/18.

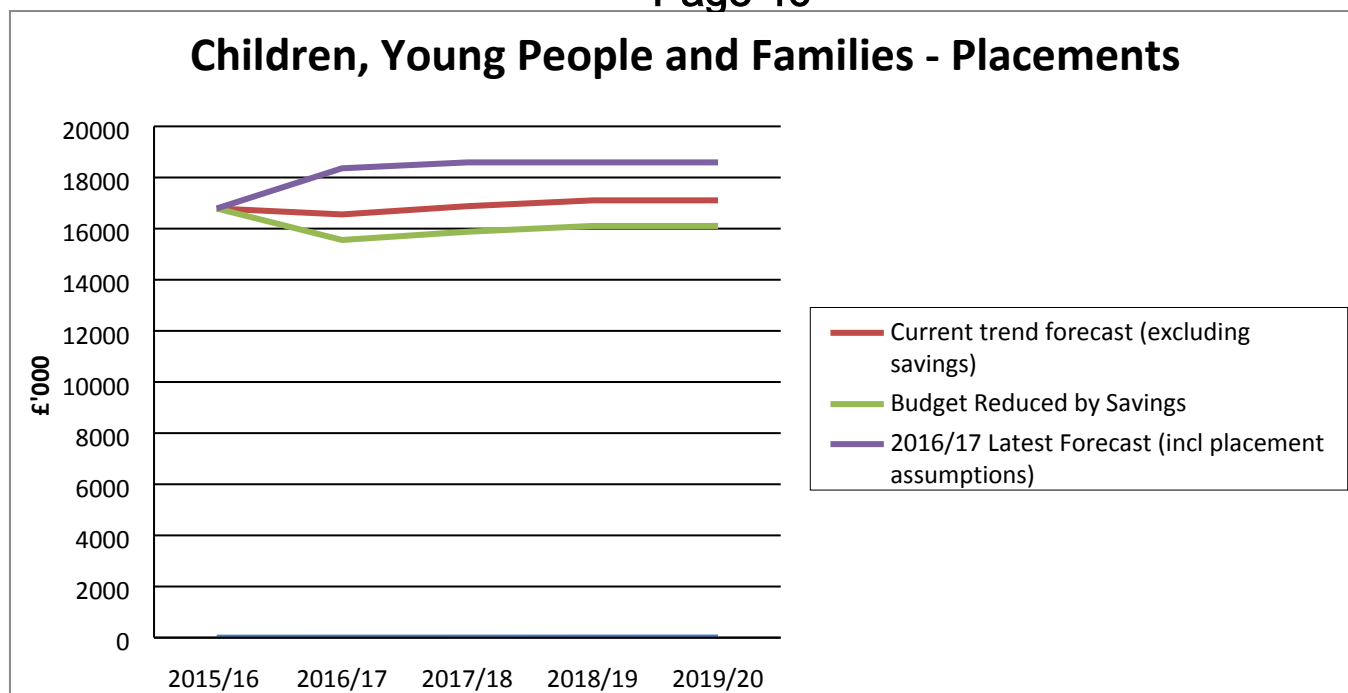
Adult and Children Social Care

The Medium Term Financial Strategy allocates additional revenue funding to match core spending requirements. Due to diminishing resources, these allocations are exceptional in nature.



	2015/16 Outturn £m	2016/17 Budget £m	2017/18 Budget £m	2018/19 Budget £m	2019/20 Budget £m
Net budget for ASC care packages (before savings)	67.921	71.331	74.087	75.991	77.365
Additional MTFS provision			2.756	1.854	1.374

Children, Young People and Families - Placements



	2015/16 Outturn £m	2016/17 Budget £m	2017/18 Budget £m	2018/19 Budget £m	2019/20 Budget £m
Net budget for CYPF care packages (before savings)	16.788	17.049	18.849	18.849	18.849
Additional MTFS provision			1.800		

A further allocation in the 2017-18 MTFS for children's packages has been made in respect of the Quarter 1 variation identified. Initial analysis suggested the increase in the total of Looked After Children, a rise of 21 against the 386 costed in the budget (an increase of 7%) was a spike rather than a new base. However, as the year has progressed it is evident that this number is the new base. The number of children in residential care has risen from 20 to 27 with additional costs of £0.900m; children placed with independent foster carers has risen from the budget assumption of 70 to 107 with additional costs of £0.970m.

Major Investments

We are creating the South Yard Marine Industries Production Campus site. This is a long term investment project which will create employment opportunities and generate commercial income in future years. The MTFS assumes an allocation of £0.850m in 2016/17 to cover start-up and running costs with an additional £0.550m allocated in 2017/18. This reduces back to £1.000m in 2018/19. These running costs will not be required long term.

Plymouth City Council is working towards the 400th celebration of the sailing of the Mayflower from Plymouth and has set out ambitious plans to ensure the occasion is marked nationally as well as locally. This allocation is to cover the revenue associated costs of planning and hosting events up to and including 2020.

The additional allocation of £0.528m also includes covering the lost car park income as a result of the closure of some of the city's current sites, and the additional cost of security for the former airport site.

National Living Wage

The new National Living Wage of £7.20 per hour was introduced in April 2016. The MTFS has provided £2.217m in 2016/17 rising by £2.520m in 2017/18; £3.263m in 2018/19; and £3.479m in 2019/20. The Council pays the Foundation Living Wage (currently at £8.25) and this will be reviewed or capped for affordability in future years whilst the new National Living Wage catches up.

2015/16 Savings (one-off)

This was a technical adjustment in 16/17 to build ongoing savings in the base.

Plymouth Plan (one-off)

This covers the anticipated consultation costs in 2017/18.

ICT re-provisioning

The MTFS provides £0.300m in 2017-18, 2018-19 and 2019-20 for ICT re-provisioning. The cost of replacing our current stock of ICT equipment, covering desktop and laptop equipment and printers etc. will fall on revenue resources rather than the capital programme.

Apprenticeship Levy

An Apprenticeship Levy applies from April 2017 and is payable at 0.5% of payroll cost.

Revenue costs arising from capital investment decisions

£0.250m is included for the revenue costs arising from capital investment decisions in 2017/18 stepped a further £0.250m in 2018/19 and £0.250m in 2019/20. Borrowing costs associated with investment projects follow the “Invest to save” principle and are repaid by the project. There will be cases where investment is required, such as Health and Safety, where there is no financial payback. Such investment will be met from allocations.

Council Staff costs (Employee Voluntary Redundancy Scheme (EVRS)/Redundancy)

Our workforce has reduced significantly in the last 3 years with further posts being considered through alternative service delivery mechanisms (e.g. shared services, social enterprises) as a direct result of the actions and solutions that will be delivered within the MTFS period. £0.500m is included in 2018/19 to cover the **Council Staff costs (EVRS / redundancy)**.

Housing Benefit Subsidy

Normal housing benefit payments are subsidised by Department for Work and Pensions (DWP) at 100%. Claimant error is subsidised at 40%, but is recoverable from the claimant. If the claimant is still in receipt of housing benefit there is a regulatory limit to the amount that can be recovered of £10.95 per week.

Since 2014 DWP has compared its database of payroll and family credit information with monthly extracts of Local Authority housing benefit records. Benefits authorities are notified of any claimant error by DWP. Given the increased scale of claimant error and the difficulties of recovering overpayments in many cases, it is prudent to provide £0.5m in the revised MTFS for loss of housing benefit subsidy.

Neighbourhood Initiatives

£100k has been added to the MTFS for this important development.

Transformation Programmes

Local Government is changing rapidly as traditional sources of funding are reducing and the demand for our services is increasing. We continue to face a £37m funding gap within three years unless we continue to transform the way we do things at pace. We know we cannot do things in the same way we have done in the past and our transformation programme is taking a pioneering and ambitious approach to addressing these challenges while improving services and outcomes for Plymouth citizens.

It means providing services in new ways, joining up with partners wherever possible, investing in ways of doing things more efficiently, making the most of our assets and raising income by taking a more commercial approach.

There are three programmes that involve a wide range of projects touching every area of our work. The transformation programme comprises:

Transformation of the Place Directorate (Growth, Assets and Municipal Growth Programme - GAME 2)

This programme is investing in accelerating Plymouth's economic growth, which will raise income through business rates and Council tax. It includes a wide range of initiatives to create more jobs and deliver more homes in Plymouth, guided by the Plymouth Plan and the Plan for Homes.

We are also maximising the opportunities to increase income by making best use of our assets and taking a more commercial approach to the way we commission and run services.

Street Service operations

The continued modernisation of the Street Cleansing and Grounds service will deliver further savings. A reduced reliance on overtime and agency workers plus changes in working patterns are at the centre of this proposal.

Waste

The Council has a clear policy statement within the Plymouth Plan as to how it intends to manage its waste. With the anticipated housing growth in the City, estimated to be another 12,000 more properties by 2031, it is essential that there is a sustained focus on best practice, sustainable and efficient waste collection operations and increasing recycling levels before the anticipated need for investment in the service to cope with the housing growth.

Highways re-procurement

Our HMI7 project has a clear objective of the Council re-establishing its management of roads and pavements. The in-sourcing of personnel from the current provider will see a review of the resource required to manage our infrastructure. It will involve the establishment of a client function that also draws in Highways, Parking and Marine and the Strategic Transport Planning teams; the latter area's inclusion provides an opportunity for further benefits realisation.

Asset Investment Fund

In 2015/16 we established an Asset Investment Fund to deliver our objective to use the Council's resources wisely by creating a long term additional commercial property income stream while helping create jobs by providing high quality business accommodation.

We have a significant commercial property investment portfolio with a capital value of around £88m and a net income of circa £5m (5.7% net return). The portfolio supports around 2,400 jobs in property assets that local businesses occupy that contribute towards growth in the local economy.

We are in a unique position to benefit from access to long term fixed rate prudential borrowing at low interest rates and to create an Asset Investment Fund to start an investment programme to directly build and acquire additional economic development and job supporting investment properties. This includes re-purchasing long leases on assets where we hold the freehold title, such as the city centre shops. We re-purchased an industrial estate long lease earlier this year which is providing a 10 per cent return.

The adoption of the Asset Investment Framework will provide a sound basis and evaluation criteria on which future property investment acquisitions can be assessed and the performance of the existing commercial estate monitored. This will ensure that the Council's commercial estate will provide a secure long term income stream to help front line service delivery and support the economic development of the city.

Growth Dividend

We will continue to be proactive in securing greater value from our assets and driving projects that deliver growth which brings long term economic and financial benefits for the city such as through securing New Homes Bonus, new Council tax and business rate revenues and additional Community Infrastructure Levy.

These measures include:

- The Plan for Homes which provides a comprehensive delivery framework to respond to need to increase the supply and quality of new housing in the city. The updated Plan for Homes agreed by Cabinet in February 2016 extends the existing plan to 2021, with an £80m commitment to housing investment to deliver over 1,500 new homes in support of the overall delivery of 5,000 homes over the next five years;
- Reviewing the Community Infrastructure Levy to focus the funding secured from development on supporting the infrastructure needed for growth (a new charging schedule is due to be in place by April 2017);
- Focusing the delivery of major projects that will have the greatest impact on revenue such as Drake Circus Leisure, Civic Centre, Seaton Neighbourhood, Railway Station, Colin Campbell Court, Bath Street, Quality Inn Hotel and Millbay;
- Continuing the programme of Direct Development to drive rental income and NNDR across the Land Property portfolio;
- Continuing to drive housing developments on Council land.

One Public Estate – Working with public sector partners to deliver savings by better and more efficient and joined up use of public sector land and property. This includes modernising the railway station and surrounding area, creating a Health and Wellbeing hub at Douglass House and master planning the Mount Gould Hospital site. We secured £0.420m central Government funding for One Public Estate Phase 3.

One System, One Aim - Transformation of the People Directorate



A significant proportion of our revenue budget is spent on adult care services and the costs of providing health and wellbeing services are rising as demand increases. The programme has already delivered pioneering changes to our adult social care services by combining them with health services to reduce costs and improve the health and wellbeing of Plymouth residents.

The programme emphasises the need for preventative and early intervention services to improve health, thus reducing demand for services in the longer term to develop a sustainable system.

It comprises multiple work streams currently embedded across:

- Integrated Delivery
- Integrated Commissioning
- Integrating services for Children and Young People and Families
- People Directorate Review
- Efficiencies

As the programme moves into its next phase of aligning to the One System, One Aim programme of activity the projects take on a different shape and feel and will need to subsume the following areas of development and delivery, utilising resources across PCC, CCG, Livewell Southwest, Plymouth Hospitals NHS Trust and other partners to achieve the following aims:

- Review and redesign the Urgent Care System
- Transform services for Children and Young People
- Redesign and remodel the system for Elective Care
- Remove the amount of spend on individual High Cost packages of Care
- Develop an integrated system of Health and Wellbeing Hubs
- Implement the 5 Year Forward View for Mental Health
- Develop and redesign Primary Care as part of the system of Health and Wellbeing

In parallel, the People review will continue to maximise grant funding, identify additional income opportunities and deliver operational efficiencies through the remodelling of teams and services across the whole directorate.

Integrated Commissioning

- Joining up planning and sharing resources
- Implementing the Integrated Commissioning strategies including:
- Working with Primary Care, Community Pharmacies, the voluntary sector and other partners to develop Health & Wellbeing hubs across the city
- Building on our integrated Health & Social Care offer:
 - To allow easier and earlier access to services promoting wellbeing or providing help in a crisis
 - Empowering people to take control of their own health and wellbeing
 - Helping older people who have come out of hospital to stay at home
 - Ensuring that families and carers will not have to chase professionals or ask them to talk to each other
- Working with NEW Devon CCG and Health partners to redesign Urgent and Planned Care across the city
- Redesigning commissioned advice and information services, and develop an implementation plan for a comprehensive 'One Help Plymouth' offer.
- Launching a new Community Operations offer to join together housing, community youth and community safety services to work with partners to improve community engagement in Plymouth.
- Reviewing other areas of the People Directorate to develop smarter and more seamless ways of working.

Children and Young People Services

- Extending of the Gateway offer to widen the support for Children, Young People and Families
- Remodelling SEND services across the system to deliver a joined up approach making use of mobile working technology
- Redesigning targeted support to ensure children and young people get the right help at the right time to ensure services provide early help and support during crisis
- Extending the Permanency team to widen the support for Children in Care
- Developing an improved quality assurance response for children's services
- Launching a new multi-agency hub with partners to safeguard children across the city

- Implementing new ways of working across Children's Social care, which will make use of mobile working to deliver timely assessments and support for children in need
- Reviewing and remodelling the services for Education, Learning and Skills to improve our offer to students, parents and schools across the city

System Enablers:

- Embedding our digital advice and information offer currently delivered through the on line directory
- Remodelling and rationalising existing systems in line with ICT Strategy
- Preparing digital systems to allow for Integrated Digital Health and Care Record functionality by 2020
- Implementing new technology to support business redesign

The People Directorate review will accelerate the review of all areas not within the scope of Integrated Delivery, Commissioning or Children's and Young People. Efficiencies and a reduction in headcount will be achieved through the opening of EVRS and then the subsequent remodelling of teams and services across the directorate.

The Directorate will also continue to seek to maximise all available grant funding and additional income opportunities.

Transformation of the Corporate Centre

This programme has been established to:

- Define and deliver an organisational service centre to deliver universal services and transactions with consistency and commonality
- Deliver digital service transformation across the entire organisation to enable channel shift and process commonality to support delivery to the transformation outcomes
- Implement the Customer Service Strategy and the customer and channel elements of the blueprint through the system review process

The programme is supporting the delivery of the following agreed outcomes:

- Supporting cost effective, easy to use and highly accessible services
- Enabling informed decision making by joining up systems within PCC to create integrated views of Citizens, Costs, Services and outcomes and Performance
- Automating manual/paper tasks to reduce costs and improve quality
- Enabling smart/mobile working to allow services to be delivered where they are needed and reducing accommodation costs
- Delivering modern, high productivity technical tools to staff meeting the needs of a professional workforce and helping to attract and retain talent to the authority

Service Centre – this will support all Council departments who manage customer (including internal customer) requests and enquiries. The highest volume of customer contacts are the least complex and it is these transactions that will be managed by the Service Centre. Customer interactions will be simplified and standardised and will provide clear and transparent performance metrics. The Service Centre's capacity to support will increase as System Reviews are completed when suitable high volume, low complexity processes will be migrated and deliver economies of scale.

Digital Services - This project is an enabler for channel shift and automation; giving an organisational capability to deliver transformational change in service delivery, assisting with a reduction in call demand, enabling customers to self-serve and reducing paper-based transactions and the manual transfer of information.

AgileHR – Modernising the way we provide HR and OD services by restructuring the service, introducing a business partner model and improving and expanding the way we use our self-service workforce management system, iTrent. It is also about developing our workforce to reflect the future needs of the

organisation, using technology, empowering managers and providing staff with the tools they need to meet the challenges in their areas.

Finance FIT – Improving the way we deliver financial services to the organisation, ensuring we work in the most efficient way possible and that opportunities for self-service, automation and streamlining processes are maximized.

SMART working – Introducing flexible ways of working, using modern IT to enable staff to work more efficiently, while saving money by making the most efficient use of our buildings and assets.

Asset Management - Investigating the Council's office requirement for the future and rationalising the way we use our estate and delivering savings enabled by SMART working. Ensuring the Corporate Office buildings are fit for purpose and used in the most efficient way. We will be rationalising the estate by consolidating our office space need into the most efficient size/number of buildings and either releasing unused buildings for sale or leasing freed up space to generate income. The Councils depots will be consolidated to reduce the number and size to meet current and forecast needs with surplus depots sold for alternative uses.

Other Transformation Activity

Systems Reviews - a key element of our transformation is breaking down service silos and joining up the way we work both internally and with partners to deliver better and more efficient services.

Reviewing services in the context of the bigger organisational picture helps to identify opportunities to:

- Significantly reduce the number of times citizens have to contact us for the same service request
- Standardise the way we deal with citizens regardless of how they contact us
- Make it quicker and easier for citizens to contact us and to measure how we are performing against consistent standards
- Use our customer insight and organisational intelligence to improve outcomes from citizens
- Enable customers to access more services online at any time and using any device
- Use intelligence and customer insight to add value to interactions with citizens

This will help ensure we have a consistent approach across the organisation to the way we service Plymouth citizens.

The Future of Transformation

Our vision is for all Council services to work as one system together with our partners to deliver the most efficient services possible and better outcomes for Plymouth residents.

This involves collaborating with our public sector partners, providing services in new ways, simplifying our systems and processes, delivering transactional services through one point, maximising the use of digital channels and adopting an entrepreneurial culture.

Our aim as we continue to transform the organisation is to:

- Benefit from economies of scale. We will review all services and centralise those activities that can better be performed universally within a central, consolidated Service Centre.
- Enable maximum contact through digital channels and service as many requests as possible at point of contact and to automate and further streamline processes and opportunities for increase self-service.
- Benefit from a full picture of each customer and their needs based on a centralised data repository and intelligence and to provide a joined-up service to customers using shared business processes.
- Provide a joined-up and intelligent single point of contact for wider servicing of public service needs within the region.
- Explore potential benefits of delivering services by alternative means through a systems review focusing on consolidation, collaboration and sharing –internally and externally.

Capital Budget and Programme

Over recent years the Council has reviewed its management of the capital programme and is based on specific funding streams, to produce a more strategic capital budget. This capital budget now represents an overall affordability envelope within which a capital programme of projects for delivery sits.

The level of capital resource available has also been diminishing and will continue to do so for some time. Less is now available through direct capital allocation with increased need to bid for specific pots of funding linked to specific outcomes, for example, major road infrastructure projects and large cultural projects such as the History Centre etc. The Council's ability to maximise investment into the city through vehicles such as the Growth Fund and the Heart of the South West Local Enterprise Partnership has become an increasing priority.

We continually challenge and update all capital income streams in order to estimate the total resources at our disposal. Maximising developer contributions, under Section 106 (S106) of the Town and Country Planning Act 1990, and forecasting for the future generation of capital receipts through planned and structured asset disposals, remain vital income streams. There are a number of risks inherent within the calculation of forecast resources, the majority of which are reflected by the use of an appropriate RAG rating.

Funding Source	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Un-ring fenced Grants	10.037	6.540	5.315	3.815	3.815	29.522
Ring fenced Grants	36.421	51.399	44.230	18.555	10.942	161.547
Developer Contributions	19.296	9.381	6.558	6.154	6.153	47.542
External Contributions	2.223	0.500	0.500	0.572	0.500	4.295
Capital Receipts	9.316	1.834	0.619	2.006	0.500	14.275
Investment funds Loans repaid	1.734	0.222	0.326	0.906	0.380	3.568
Borrowing (Plan for Homes)	15.000	47.500	17.500	0.000	0.000	80.000
Borrowing (Asset Investment Fund)	45.204	3.686	0.000	0.000	0.000	48.890
Borrowing - other	47.469	9.994	9.031	6.381	7.000	79.875
Revenue/ funds	1.794	1.3920	1.868	0.300	0.100	5.454
Total	188.494	132.448	85.947	38.689	29.390	474.968

Income Assumptions

Capital Receipts

Capital receipts arise from the sale of an asset. Usually the sale of an asset cannot be used to fund ongoing revenue purposes, without exceptional rules in place (i.e. capitalisation directions, or for one off transformational purposes), thus the sale of assets is used to re-invest in capital investment. Furthermore capital receipts can be ring fenced or un-ring fenced subject to specific circumstances or agreed decisions to earmark a specific capital receipt.

The current methodology for predicting capital receipts is obtained from the Capital Receipts working group which tracks progress against scheduled sales of capital receipts. This results in a relatively straight forward forecast of known assets for sale which is then RAG rated based on expected timing and value.

Non Ring Fenced Grants

Un-ring fenced Grants are best described as the “block allocation” of capital grants awarded to the Council by Central Government, based on a needs assessment. The blocks typically cover education and transport. Historically, the Council allocated the blocks to the applicable services and the services have drawn down against these funds with projects, in essence there has been a ring-fencing of sorts internally. The position is now changed with the Council deciding that all un-ring-fenced resources should first be available to the relevant service area, and if unused be held in a central pool with all priorities being considered. This may mean that funds passed to the Council by the Government for transport may be used for anything else.

The method of prediction is aligned to the spending reviews and settlements. In immediate years the block allocations tend to be announced as confirmed. This is often accompanied by indicative future year announcements (based on an assessment of need). As we move into the future we are using the information provided within these settlements and from central Government announcements.

Investment Fund loans repaid

The Investment Fund of £20m was created from a “top slicing” from a range of all un-ring fenced income sources. A number of investments were awarded as repayable loans. Approved business cases demonstrated that these initiatives could repay the investment. There is therefore an income stream representing the repayment of these investments back to be recycled as a future un-ring fenced resource. The monitoring of loan repayments is based on a scheme by scheme basis. Each cash-flow and return on investment varies.

Ring-fenced Grants

These grants are paid to PCC to deliver schemes, or outcomes, which will be defined in the terms and conditions from the funder, and may include time barring and future obligations for the Council. There will be penalties for the terms and conditions not being met.

Our income assumptions include mandated projects in our pipeline.

Borrowing

Loans are taken out to fund capital expenditure from approved lenders based on the Treasury management knowledge on interest rates and borrowing. The repayment of the loan principle and interest is paid for from revenue.

Developer Contributions

Our Planning department forward forecast this based on known future developments. This is then RAG rated based on expected timing and value.

Community Infrastructure Levy (CIL) (which replaced the S106 Tariff). The levy is used to support new developments by funding infrastructure needs – for example, new road schemes, park improvements or improvements to local school capacity. This is charged on a £ per square metre rate of the proposed new development.

Section 106 – Negotiated Obligations and tariff

Negotiated Element - this is negotiated with the developer and is used to fund specific works, normally linked to the development.

Planning Development Tariff - pooled into categories to be used in such areas such as Transport, Education, Libraries. Regime has been replaced by CIL but resources continue to be collected.

External Contributions

Sum provided by a funder, but not specifically as a grant. This is a direct award of resources for a specified purpose; for example the £2.1m contribution from British Land towards the new Mayflower Coach Station.

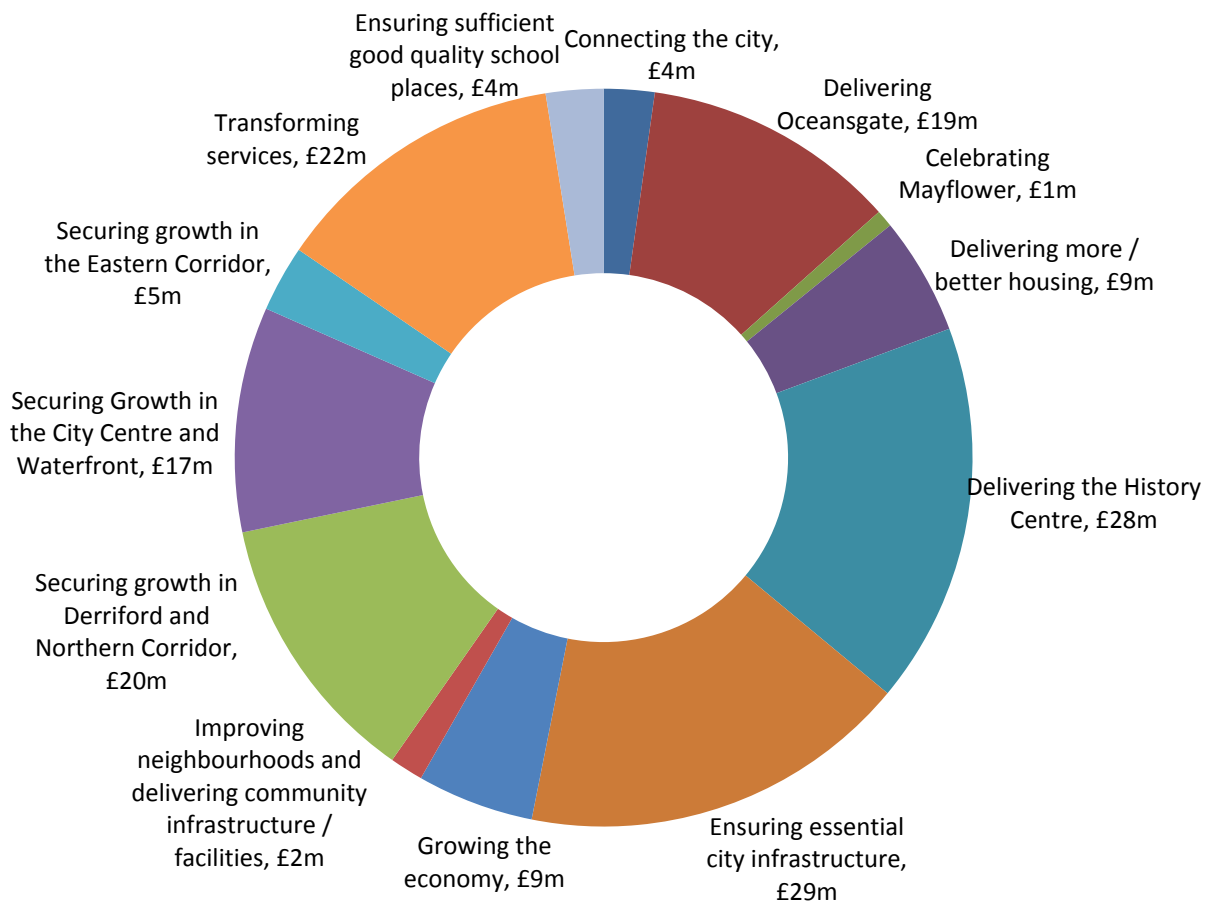
Revenue

The use of revenue budget to directly fund capital spend: This is known as an RCCO (Revenue Contribution to Capital Outlay).

Officers will remain proactive at securing external grant funding wherever possible in order to continue to deliver significant, ambitious capital investment in the city. The budget will be continually updated as further details of funding are made available. Projects utilising funding are submitted and approved by our City Council Investment Board (CCIB).

Projects seeking to fund proposals from borrowing will be required to meet the principle of “Invest to save”. Business cases will evidence that a loan to fund capital spend can be repaid from the net revenue benefits achieved from the investment, as evidenced in a discounted cash flow. This ensures a net present value of a capital project over the life of the asset. The repayment of the loan principle and interest is paid for annually from the revenue account. The repayment of loans taken out based on approved capital projects is reported through regular revenue monitoring, until the loan is repaid. Proposed projects will continue to have to meet this “Invest To Save” criteria, and that the revenue impact of this will continue to be met from the relevant service revenue accounts.

It is noted that resource forecasts for the period 2017 – 2021 are reducing, as RAG rated estimates become less certain. The capital programme is also front loaded to deliver the greatest proportion of projects utilising 2017 – 2021 resources in the early periods. The current approved Capital Programme for 2017-21 is £168m.



We remain committed to a significant capital investment programme. The Council will engage with partners in major regeneration of the city, not only contributing towards improvements, but also to sustain local work opportunities, for example, the construction industry. We will ensure that we maximise the outcomes and revenue savings generated through capital investment. For example, we will grow businesses in the city and build more houses to generate business rate income, New Homes Bonus and Council tax. Our Capital Resources to 2020/21 are £475m, and our Capital Programme includes:

Investment in Road infrastructure

We will continue with our £20m capital investment in our road infrastructure with planned carriageway resurfacing to repair pot holes and improve road junctions and traffic flows.

Investment in schools

We will continue to invest in providing improved schools and additional capacity for the increasing number of school age children in the city, ensuring there is a school place for every child and education opportunities which will improve their quality of life.

Plan for Homes

£80m investment to for much needed house building across the city. Individual draw down against this scheme will be subject to due diligence and outcomes delivered in terms of number and types of dwellings to be built.

Derriford Transport Scheme

£12.7m investment will provide new and enhanced transport infrastructure in the form of two major junction upgrades in the Derriford area on the Northern Corridor at Derriford Roundabout and the Tavistock Road / William Prance Road junction. The scheme seeks to optimise the existing transport network and provide additional capacity to improve journey times and reliability whilst freeing up capacity in order to allow large scale development to come forward in the Derriford area and along the Northern Corridor. Public transport is at the heart of the proposals to encourage sustainable journeys to be made. Opportunities to improve pedestrian and cycle links and crossings will also be maximised.

Forder Valley Link Road

£33.4m will be invested to provide a direct link to Derriford and to support future housing developments at Seaton neighbourhood.

Asset Investment Fund

£50m is being invested into strategic property investments that will help grow the local businesses and will create income to support the Council's revenue budget.

Strategic Cycle Network

£8.3m is being invested in the Northern and Eastern Corridors Strategic Cycle Network. This will deliver a network of routes for experienced and inexperienced cyclists that will link each of the neighbourhoods in Plymouth. This will benefit pedestrians and people with mobility and other impairments.

Plymouth History Centre

£30m is being invested to transform the current museum to a cutting-edge cultural centre, three times its existing size, providing 86% more exhibition space and 100% more flexible learning space.

Oceansgate

£20m is being invested in the first phase with 32,400 square metres of new and converted workspace.

Plymouth City Market

£3.5m is being invested to revitalise this integral part of the West End of the City Centre and an important link to the regeneration of this area, linking with the new Mayflower Coach Park.

Treasury Management

The Council's approach to Treasury Management has been significantly revised due to the global economic environment and by the recent decision to leave the European Market. These events have led to the Bank of England reducing the bank rate to an all-time low.

Despite being risk adverse, we continue to explore opportunities for generating significant revenue returns through close management of the business's working capital and associated cash flows.

The Asset Investment Fund has been investing in local property by borrowing at unprecedented low interest rates. This will enable the Council to increase its investment income as well as supporting its revenue budget.

With falling interest rates on the Council's main bank and call accounts, we have also been proactive in seeking alternative investment vehicles for money that we are able to put aside for a longer time period. For example, our £20m investment in property funds generated a return of more than 4% in 2016/17 and a similar return is forecast for 2017/18.

The Council's published Treasury Management Strategy details our borrowing limits and specifies approved institutes for investment, (with maximum limits), based on credit ratings and other pertinent factors. We also publish Prudential Indicators which set investment and borrowing performance indicators to ensure that we stay within these guidelines. We maintain regular engagement with our Treasury Management advisors, ArlingClose, and constantly seek their advice on our strategic direction and key operational decisions.

Borrowing Limits

The Council is required to set out its annual Borrowing and Investment Strategy recognising its implications on the Council's revenue budget. It is a statutory duty under the Local Government Act 2003 for the Council to determine and keep under review how much it can afford to borrow. The Council must have regard to the Prudential Code when setting its Authorised Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future Council Tax and Council rent levels is acceptable.

The Council approved its revised Treasury Management and Investment Strategy for 2016/17 in February 2016. In this Strategy we have approved the authorised borrowing limits from April 2016 as:

- 2016/17 £400m
- 2017/18 £440m

The Council will consider the use of borrowing if evidenced by a robust business case which clearly details financial and non-financial outcomes achievable through the proposed capital investment. Such cases require approval through the City Council Investment Board (CCIB) with the associated revenue cost of borrowing the money charged against the relevant service department to which the investment relates.

To ensure that the Council is not over-exposed to risk in terms of the extent of long term borrowing, we have set a target that the overall revenue cost of borrowing must not exceed 10% of the Council's entire net revenue budget in any given year. With future year resources anticipated to fall further over coming years, this target needs to be closely monitored by the Council's Section 151 Officer and Treasury Management Board.

Minimum Revenue Provision (MRP) Policy

The Council is required to make a revenue charge each year to provide for the repayment of loans taken out to finance capitalised expenditure. Government's Capital Financing Regulations places the duty for an authority each year to make an amount of Minimum Revenue Provision which it considers to be "prudent".

The prudent provision is to ensure that debt is repaid over a period reasonably in line with that over which the capital expenditure provides benefits.

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 changed its MRP policy 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. For example, 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.

Financial Governance, Performance and Risk Management

The Council has been working on improving its financial and governance arrangements for a number of years. Financial Management has improved, performance management has improved, scrutiny has developed and an independent audit committee is operating well.

Finance managers are an integral part of Department Management Teams. They offer financial advice and challenge to Senior Management as part of the process. We also have two Senior Financial Analysts, one supporting our GAME transformation programme, the other our Integrated Health and Wellbeing programme.

The Council's medium term strategy focuses on joining up the individual elements to ensure effective, integrated monitoring and management of:

- Corporate Plan and Priorities
- Benchmarking spend and key performance indicator information
- Revenue budget and spending linked to priorities
- Delivery against revenue delivery plans
- Cost and Volume analysis for Children's and Adult Social Care expenditure
- Delivery of the capital programme

We will continue to build upon the existing reporting template which joins up these core elements. In 2010/11 we introduced quarterly integrated reports (supplemented by monthly scorecards) which will continue to be presented and challenged by:

- Corporate Management Team
- Cabinet
- Scrutiny Panels

In addition, we will be producing a joint PCC and CCG monthly finance report to monitor our performance against our aligned budget for health and wellbeing of circa £482m for 2015/16. This report will be a management tool for Cabinet and the CCG Board and also the Integrated Commissioning Board.

The Audit Committee will continue to provide an essential role in ensuring that we provide effective governance. In particular, their quarterly meetings will challenge progress made against the annual governance statement, internal and external audit plan, reports and recommendations. In addition, the audit committee has now assumed the lead member role in challenging and placing assurance on the Council's Treasury Management arrangements. To ensure that our financial procedures and practices are reviewed, up to date and reflect the operational business requirements and risks that the Council faces,

Financial Regulations and levels of Delegated Authority will be submitted to, and approved by our audit committee on an annual basis.

Our internal audit service continues to be provided through the Devon Audit Partnership, a shared service arrangement with Devon County and Torbay Councils. The core objective of this arrangement is to improve the quality and efficiency of audit services.

The Council has created a number of specific reserves and provisions in order to plan in advance for known and anticipated future revenue costs. We will regularly review the appropriateness and use of these reserves throughout each financial year. As a minimum, all specific reserves will be reviewed on an annual basis in March as part of the end of year accounting closedown.

A brief description of the purpose of each of our significant reserves and provisions is as follows:

Redundancy Costs

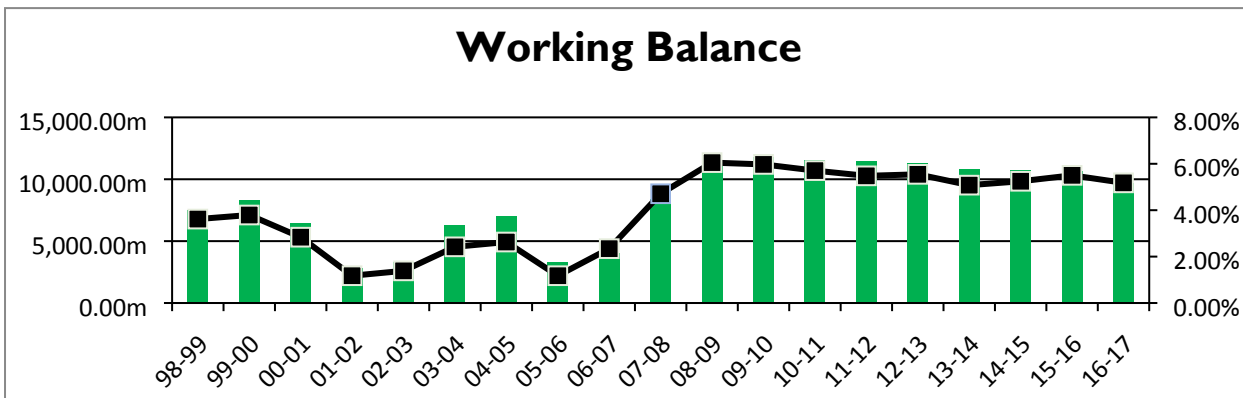
Over recent years, a number of management actions and budget delivery plans have relied on restructuring staffing and/or rationalising management. Whereas the Council is committed to minimising the number of compulsory redundancies unfortunately, on occasions, this is not feasible. This specific reserve is set aside to meet with the Council’s corporate redundancy costs.

Insurance Fund Reserve

A provision that has been set up to meet the cost of anticipated future insurance claims based on existing known liabilities and estimated future liabilities. It enables the Council to reduce its payments to external insurance providers by transferring some of the risks of small claims to the authority.

Working Balance

The Council’s Working Balance is the revenue reserve that is put aside to cover any significant business risks that might arise. This reserve has been steadily built up over the years and was £10.652m as at March 2016. The significant constraints that will be placed on public sector spending for the foreseeable future.



The Council’s reserves should be adequate to cover potential risks. Plymouth has significantly improved the approach to risk management over recent years. Our strategic and operational risk registers are comprehensive and are regularly reported to, discussed and challenged by senior officers and members. Given the size of the financial challenges in 2016/17 and beyond it is even more appropriate that we are maintaining this value in our working balance.

For the MTF period to 2019/20 we are not anticipating any further draw down against our Working Balance, although with the continuing reduction in our core funding we need to revisit our percentage holding.

Risk Register

Risk	Mitigation	Likelihood	Impact	Score
Leaving the European Union impact on New Homes Bonus	Proactive approach to new development	3	3	9
Leaving the European Union impact on NDR income	Proactive approach to new development and promoting business investment in PCC	3	3	9
Leaving the European Union investment returns	Ongoing review of investment policy and use of property fund to maintain returns	3	3	9
New Homes Bonus reallocation to Better Care Fund	Further details of Government proposals awaited to enable full consideration of the risk	3	3	9
Change of Government - 4-year RSG settlement at risk	Work with partners and local government bodies to protect the settlement	2	3	6
Fair funding review disadvantages PCC	Work proactively to lobby for increased PCC resources that recognise the particular needs of the City	4	5	20
100% business rates retention does not direct a fair share of resources to PCC or does not allow the benefits of rates growth to be fully retained	Work proactively to lobby for increased PCC resources and promote a system that is not unduly favourable to authorities with a high business rates base	4	5	20
Volume of demand and demographics beyond MTFS assumptions- adults	Although provision has been made in the MTFS for additional costs in this area, the position will need careful monitoring	3	3	9
Volume of demand beyond MTFS assumptions - children	Although provision has been made in the MTFS for additional costs in this area, the position will need careful monitoring	4	5	20
Risk to Council tax collection rates following the roll out of Universal Credit	The MTFS is based on realistic collection assumptions, but the position will need to be carefully monitored and additional resources allocated for collection activity as necessary	3	3	9
Risk of additional costs through pension fund deficits beyond MTFS assumptions	Some provision has been made in the MTFS for additional pension costs, but the position will need to be carefully monitored. The Government Actuary is to have a new role in signing off deficit reduction timescales	3	3	9
Delivery of planned savings	The achieved value of Transformation Stretch savings is part of regular budget monitoring. Corrective management action is taken where adverse variations are identified	3	3	9
Revaluation Risk	Revaluation changes not fully compensated in Government top-up funding	3	3	9
Commercialisation Debt Risk	Borrowing to invest in commercial projects exposes PCC to additional credit risk, as the revenues that flow from these projects are inherently uncertain	2	4	8

Medium Term Financial Strategy

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CAPITAL AND REVENUE MONITORING REPORT 2016/17 QUARTER 2

City Council: 21 November 2016



CABINET MINUTE 34 (8 November 2016)

Councillor Bowyer (Leader) introduced Alan Knott (Performance & Research Officer) who presented the Draft Corporate Plan 2016-19. He highlighted the changes that had been made to the performance framework and pointed out that no changes had been made to the 'plan on a page' since it was previously considered by Cabinet and Council.

Councillor Darcy (Cabinet member for Finance and ICT) presented his report – 'Capital and Revenue Monitoring Report 2016/17 – Quarter 2'.

Councillor Bowyer (Leader) reminded Cabinet members of the importance of keeping in close contact with their Directors and Assistant Directors to ensure they are aware of any financial pressures within their portfolio area.

Cabinet agreed to recommend to Council that the Capital Budget 2016 – 2021 is increased to £475m (as shown in Table 6).

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PLYMOUTH CITY COUNCIL

Subject: Capital & Revenue Monitoring Report 2016/17 – Quarter2
Committee: Cabinet
Date: 8 November 2016
Cabinet Member: Councillor Darcy
CMT Member: CMT
Author: Andrew Hardingham – AD Finance
Contact details Tel: 01752 312560
 email: andrew.hardingham@plymouth.gov.uk
Ref:
Key Decision: No
Part: I

Purpose of the report:

This report outlines the finance monitoring position of the Council as at the end of September 2016.

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, and report new schemes approved in the capital programme.

As shown in Table I below, the estimated revenue overspend is £2.822m, reflecting an improved financial position of £0.979m since the previous quarter. The overall forecast net spend equates to £189.524m against a budget of £186.702m, which is a variance of 1.51%. This needs to be read within the context of needing to deliver £24m of savings in 2016/17 on the back of balancing the 2015/16 revenue budget where £21m 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 I: End of year revenue forecast

	Budget £m	Forecast Outturn £m	Variance £m
Total General Fund Budget	186.702	189.524	2.822

The latest approved Capital Budget covering 2015/16 to 2019/20 stands at £447m which was agreed at Council on 19 September 2016. The report sets out in Table 6 proposed increases to the Capital Budget of £28m, which results in a proposed budget of £475m, now for the period 2016 – 2021.

The Corporate Plan 2016 - 19

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:-

1. Note the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;
2. Approve the non-delegated revenue budget virements (shown in Table 5);
3. Increase the Capital Budget 2016-21 is increased to £475m (shown in Table 6);

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	dn1617.36	Leg	DVS2 6692	Mon 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													

SEPTEMBER 2016 FINANCE MONITORING

Table2: Revenue Monitoring Position

Directorate	Gross Expenditure	Gross Income	2016/17 Latest Approved Budget	Forecast Outturn	Forecast Year End Variation	Movement from previous quarter
	£m	£m	£m	£m	£m	£m
Executive Office	4.429	(0.414)	4.015	4.040	0.025	0.025
Corporate Items	11.153	(10.007)	1.146	1.146	0.000	(0.792)
Transformation and Change	150.219	(115.542)	34.677	35.700	1.023	1.006
People Directorate	275.598	(153.282)	122.316	123.375	1.060	(0.642)
Public Health	20.007	(19.644)	0.363	0.363	0.000	0.000
Place Directorate	69.644	(45.459)	24.185	24.899	0.714	(0.576)
TOTAL	531.050	(344.348)	186.702	189.524	2.822	(0.979)

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Table 3: Plymouth Integrated Fund

Plymouth Integrated Fund	Section 75 indicative position	2016/17 Latest Budget	Forecast Outturn	Forecast Year End Overspend / (Underspend)
	£m	£m	£m	£m
New Devon CCG – Plymouth locality	331.000	354.026	354.026	0.000
Plymouth City Council	*131.000	137.000	137.000	0.000
TOTAL	462.000	491.026	491.026	0.000

The financial position above for the Plymouth Integrated Fund is at August 2016.

*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)

Table 4: Key Issues and Corrective Actions

Issue	Variation £M	Management Corrective Action
<p>EXECUTIVE OFFICE</p> <p>Democracy and Governance support cost pressures. £0.224m relates to a stretch target for efficiencies in this area.</p>	0.025	<p>The £0.224m Democracy & Governance Legacy received in October 2015 and the addition of the reallocation of the MTFS is continuing to be actively managed. Further savings plans are being developed but are difficult to quantify at present including the upcoming service review. Despite this, there is confidence this variation will be reduced.</p>
<p>CORPORATE ITEMS</p>	0.000	<p>The centrally held pressures have been apportioned out to each directorate.</p>
<p>TRANSFORMATION and CHANGE – Finance</p> <p>Currently forecast to come in on budget despite the significant savings target set for 2016/17.</p>	0.195	<p>Finance Fit is delivering savings, with over £0.700m banked towards the £1.500m target. Plans are in place to deliver the sustainable project benefits. Any shortfall will be met from one off in year savings.</p>

TRANSFORMATION and CHANGE – Legal	(0.020)	Small underspend due to Court costs currently being less than budgeted for.
TRANSFORMATION and CHANGE – Customer Services	1.047	<p>Following a full review of the HB subsidy a significant pressure has been identified. £1.000m relates to the subsidy gap; a significant proportion of this is due to claimant error, much of which is notified through the HMRC/DWP RTI system.</p> <p>A further £1.150m pressure is the expected contribution to bad debt provision which will be addressed in line with the end of year adjustments that are reviewed at outturn. This reflects the difficulties of recovering this type of debt, even allowing for the predicted improvement in collection as a result of a pilot scheme to collocate debt recovery specialists from Customer Services and Finance. The resources devoted to overpayment debt recovery have also been increased.</p>
TRANSFORMATION and CHANGE – Human Resources & OD	(0.388)	£0.310m efficiency target delivered in full. Underspend reflects the reduction in training budget as agreed.
TRANSFORMATION and CHANGE – Departmental	0.189	Reallocation of Commercialisation and CST programme targets as agreed. Further apportionment to take place within Directorate.

<p>TRANSFORMATION and CHANGE – Transformation and Portfolio</p>	<p>0.000</p>	<p>£0.500m efficiency target on track for delivery.</p>
<p>TRANSFORMATION and CHANGE – ICT Commissioned Service</p> <p>There is currently a nil variance to report.</p>	<p>0.000</p>	<p>Processes and Service Levels monitored through the ICT Review Group.</p>
<p>PEOPLE – Children Young People and Families The Children Young People and Families (CYP&F) Service are continuing to report a budget pressure of £0.643m.</p> <p>The Service continues to face unprecedented pressures, care applications are up, and the service are struggling to purchase cost effective placements to adequately meet demand. In the last 11 months, Plymouth has observed an increase in the number of children in care of 5.4%. The number of children in care has decreased by 1 in September 2016 to now stand at 406 however the overall increase in numbers of children in care is in line with national and regional trends.</p> <p>There are risks that continue to require close monitoring and management:</p> <ul style="list-style-type: none"> • Increased number of young people in care since budget setting autumn 2015. • Lack of availability of the right in-house foster care placements creating overuse of IFA's. 	<p>0.643</p>	<p>A piece of work has been undertaken to ensure a systematic review of all young people in supported living and new arrangements for plans for them are in place. This will ensure appropriate plans are in place for young people improving timeliness and reducing cost pressure.</p>

<ul style="list-style-type: none"> • Use of Residential Placements due to lack of foster care placement sufficiency across the Peninsula. The lack of availability of foster care is leading to a small number of children being placed in residential care as an alternative to fostering. • Court ordered spend continues on Parent & Child Assessment placements. • There are still a small number of individual packages of care at considerably higher cost due to the needs of the young person. • There are currently 27 Residential Placements with budget for only 20. We are currently forecasting for 27 placements in line with young peoples plans. • There are currently 98 Independent Foster Care (IFA's) placements with budget for only 70. We are aiming to achieve savings from the transformation of our In House Foster Care Service. • A region wide lack of placements due to an increase in demand for placements. 		<p>As part of the transformation project for 2016/17, CYP&F are expected to make savings of over £2.100m (in order to contribute to the £9.214m Directorate target). Circa £1.000m has been saved to date through EVRS and the Transformation of Services together with an anticipated £0.800m through review and commissioning of placements and a further £0.300m from an extensive piece of work across the peninsular to provide children's secure places.</p> <p>In addition, Children's Improvement Board will be considering a project to address in year pressures including accelerating the In House Fostering Action Plan.</p>
<p>PEOPLE – Strategic Co-operative Commissioning</p> <p>The Strategic Co-operative Commissioning (SCC) service is again reporting a budget pressure of £0.542m. There are a number of areas that are contributing to this pressure around increased costs and client numbers of care packages, with particular areas of pressure including:</p> <ul style="list-style-type: none"> • Supported Living • Residential & Nursing, and • Day Care <p>being offset, in part, by underspends on Domiciliary Care and Direct Payments. Although overall client numbers seem to be</p>	0.542	<p>As part of the transformation project for 2016/17, the SCC budget will need to make savings of over £5m (in order to contribute to the £9.214m Directorate target) with the activities and actions that will drive delivery forming part of the transformation programme. These will be achieved via savings around reduced client numbers, reviews of high cost packages and contract.</p>

<p>fairly static at the moment, the cost of the care packages is increasing significantly, and is currently being reviewed by commissioning officers.</p>		
<p>PEOPLE – Learning & Communities</p> <p>Learning and Communities is reporting an overspend of £0.025m at the end of month 6.</p> <p>This pressure is being offset in part due to Star Chamber exercises that have taken place within the Service and these will continue to drive out savings during the year, to mitigate emerging pressures.</p>	<p>0.025</p>	<p>During 2016/17, the Learning and Communities budget will need to make savings of £1.269m (in order to contribute to the £9.214m Directorate target) with activities and actions that will drive delivery forming part of the transformation programme. Approximately £0.967m has been saved to date through EVRS and the transformation of services.</p>
<p>PEOPLE – Housing Services</p> <p>The Housing Service is forecasting a budget savings of (£0.150m) from month 5 following a detailed budget review identifying saving options and maximising income to the service.</p> <p>Emergency B & B placements average April - September is 30 per week. This exceeds the profiled budget of 28 placements per week and action is ongoing to contain the overall cost pressure through lower placements and prevention work.</p>	<p>(0.150)</p>	

<p>PEOPLE – Management & Support</p> <p>A balanced budget is projected for 2016/17 however further plans are needed to offset the recent movement of additional delivery plans into the Directorate of £0.667m.</p>	0.000	
<p>PUBLIC HEALTH</p> <p>Although the 16/17 Public Health ring-fenced grant was cut by £1.293m for Plymouth City Council, the Directorate is on track to achieve a balanced budget.</p> <p>Through additional management activity, Public Health is able to make contributions of £0.400m towards schemes in other Council departments, and will continue to prepare plans to achieve the anticipated further reduction of approx. £0.400m in the ring fenced grant in 2017/18.</p>	0.000	This will be achieved through management of vacancies, contract activity and values, and a focus on increased commercialisation and income generation.
<p>PLACE - Strategic Planning and Infrastructure</p> <p>Planning application fees are still uncertain due to Brexit but are currently slightly behind budget. This is being mitigated by increasing commercialisation opportunities, reduced take-up of concessionary fares based on monitoring to date and reducing non-essential spend in general across the whole service..</p>	(0.165)	We are monitoring the impact of Brexit in relation to intelligence being gathered around property and housing investment decisions which are being widely reviewed by investors. This is partly being mitigated by other income lines in transport and the withdrawal of the Boringdon planning inquiry.

<p>PLACE - Economic Development</p> <p>Previously reported pressures within Economic Development will be mitigated via management actions and the use of reserves.</p>	0.000	Internal pressures within Economic Development are being managed through one off actions to remove the pressure whilst additional steps are being taken to remove the one-off pressures for next year focusing on an ability to generate income in future years.
<p>PLACE - Management Support (Director's budget)</p> <p>£127k Redistribution of formerly centrally held targets for 2016/17. A thorough review of all areas has identified savings of (£114k) in consultancy spend.</p>	0.013	Review all areas to identify savings and the removal of non-essential spends.
<p>PLACE - Street Services</p> <p>Waste: There is a projected overspend within the waste service of £749K. The main pressures that account for this projected overspend are on-going vehicle cost pressures (£120K), staffing cost (£140K), loss of income at the RTS which is now close to being resolved with a new occupant (£220K) but the financial effect will not materialise until next year, and the decision not to charge for non-domestic waste at Household Waste Recycling Centres (HWRCs) (£140K).</p> <p>Costs at HWRCs (£174k) are being managed through better resource allocation at Recycling centres and capitalisation of certain items.</p>	0.866	<p>Plan for Waste has been prepared and is due to be considered by Cabinet. It is a savings plan of extensive modernisation through changes in working practices and implementation of revised waste policies to deliver savings and generate income.</p> <p>This will address both the waste demand pressure, and the fleet size – which is tied together intrinsically. This will not mitigate pressures until 2017/18.</p>

<p>Fleet and Garage: The fleet and garage has delivered savings and income of £1.335M over two years. There is still an additional target of £445K, however the handing back of certain parts of the fleet are linked to changes to operational arrangements that are still be to be completed. This pressure has been mitigated by (£177k) through delays in purchasing and therefore a reduction in borrowing costs. They are also looking to find (£50k) of additional savings within the service. Fleet are therefore forecasting an overspend of £217k.</p> <p>Street Cleansing and Grounds: Street Cleansing and Grounds are reporting to budget.</p> <p>Highways and Car Parking: Highways, Parking & Marine will find savings of (£100k) within the service to contribute to Street Services overall gap by a range of one-off efficiency savings, service reductions and increased income has been exhausted presently until the next phase of service modernisation commences. This requires political approval.</p>		<p>The re-profiling of fleet vehicle purchases has reduced borrowing costs by £170k.</p> <p>An Immediate Action plan has been put in place to reduce any unnecessary spend across the whole of street services to mitigate the budget pressures.</p>
TOTAL	2.822	

Overall Comments Finance AD

At this mid-point of the financial year it is expected that the reported adverse variances can be addressed by management action, either within the relevant service area or across a directorate as a whole. At the time the budget was approved there were some plans still to be finalised. However, directors were confident that working with Portfolio holders these plans would deliver the savings required in year. Progress is being made in Directorates, but the increasing adverse variance on housing benefit will need to be managed.

The position with housing benefit overpayments is particularly difficult because of subsidy losses and the need to put an adequate year-end bad debt provision in place. If the pilot scheme is successful and the team is able to make a significant impact, the need for additional bad debt provision could be substantially reduced. The continued delivery of Transformation and Change savings already assumed in the 2016-17 budget will need to be watched carefully. These include Customer Services Transformation and Commercialisation.

There continue to be a number of adverse variances in Place. Some of these reflect a reduced level of economic activity and others reflect the implementation timeline of planned savings but it is too early to forecast the full year effect.

Within People the position on children's and adults' placements is being carefully monitored throughout the year. Ongoing demographic pressures that cannot be resolved are being considered in setting the Council's 2017-18 budget and Medium Term Financial Strategy.

Recommendation

It is recommended that Cabinet note the current monitoring position and action plans in place to reduce/mitigate shortfalls.

VIREMENTS

Table 5 below includes a number of virements between specific directorate budgets. All virements in excess of £0.1m are required to be approved by Cabinet and are shown below.

Table 5: Virements detail

	Transfer of approved MTFS (16/17)	*Transfer from/to Corporate Items Departments.	Transfer of inter- departmental budgets; see Note below.	Totals
Directorate	£m	£m	£m	£m
Executive Office	(0.023)	0.091		0.068
Corporate Items	1.008	(2.927)		(1.919)
Transformation and Change	(0.189)	0.432	0.000	0.243
People Directorate	(0.667)	1.003	0.000	0.336
Public Health	(0.002)	0.067		0.065
Place Directorate	(0.127)	1.334		1.207
	0.000	0.000	0.000	0.000

*Note: Team moves within department and seed fund for Commercialisation.

Recommendation

It is recommended that Cabinet approve the non-delegated virements which have occurred since 1st July 2016.

Capital Programme 2016-2021

The latest approved capital budget was reported to Council on 19 September 2016, as £447m. This covered the 5 year period 2016 –2021.

The budget has since been reviewed resulting in an increase in the overall funding for the period 2016 – 21, by £28m to £475m. This is set out in Table 6 below.

Table 6: Current Capital Resources

Description	£m
Latest Approved Budget 2016 - 2021	447
Addition of ring-fenced grants 2016-2021	5
Increase in Asset Investment Fund (Borrowing) *	24
Other Changes	(1)
Total Revised Capital Budget for Approval (2016 – 21)	475

* The Asset Investments principle objective is to invest in land and property to create a future rental income stream for the Council. Business cases will be brought forward for approval as acquisition and investment opportunities arise. The initial fund of £25 million of borrowing has been exceeded and the Asset Investment Fund is currently forecast to invest in projects to the value of £49m.

Within the approved budget (representing forecast resources), the Capital Programme represents projects approved for delivery. Table 7 below shows the revised annual programme for the 2016 – 21 period, as at the end of September 2016.

Table 7: Revised Capital Programme

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Directorate	£m	£m	£m	£m	£m	£m
Transformation & Change	4.626	1.145				5.771
People	12.839	4.726	0.464			18.029
Place	68.715	44.368	17.142	10.823	2.738	143.786
Total	86.180	50.239	17.606	10.823	2.738	167.586

Recommendation

Cabinet are asked to recommend to Council that the Capital Budget 2016 -2021 is increased to £475m (as shown in Table 6).

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PLYMOUTH CITY COUNCIL

Subject:	Proposed Changes to Standing Orders in respect of Employment of the Chief Executive, Section 151 Officer and Monitoring Officer
Committee:	Full Council
Date:	21 November 2016
Cabinet Member:	Councillor Ian Bowyer, Leader of the Council
CMT Member:	Lesla Annear, Strategic Director for Transformation and Change
Author:	Linda Torney, Assistant Head of Legal Services
Contact details:	Email: linda.torney@plymouth.gov.uk Tel: 01752 304330
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

The purpose of this report is to inform Members of changes to the terms and conditions of employment of the Chief Executive as agreed between the Local Government Association and the Association of Local Authority Chief Executives; and to propose amendments to the Council's Employment Standing Orders and Terms of Reference for the Chief Officer Appointments, Dismissals and Appeals Panels to comply with them.

The Council Corporate Plan 2016 – 19:

No direct link but the Council is being open and transparent about its actions

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

This proposal will affect the procedures adopted by the Chief Officer Dismissals and Appeals Panels when considering disciplinary matters concerning the Chief Executive, Section 151 Officer and Monitoring Officer. It will require changes to the terms and conditions of some of those staff.

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

None identified

Equality and Diversity:

There are no apparent equalities implications resulting from the new regulations

Recommendations and Reasons for recommended action

It is recommended that:

1. Council amends the Employment Standing Orders in the Constitution to comply with the requirements of the new regulations (see Appendix 1).
2. Council amends the Terms of Reference for the Chief Officer Appointments Dismissals and Appeals Panels (see Appendix 2).
3. The Assistant Director for Human Resources and Organisational Development takes the necessary action to agree variations to the contracts of employment of the affected staff.

The reasons for these actions and recommendations are contained in the body of the report.

Alternative options considered and rejected:

None. The proposed changes are a result of the new regulations.

Published work / information:

None

Background papers:

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

Sign off:

Fin	akhI 617. 40	Leg	Lt/23 086/ 2	Mon Off	lt/23 086/ dvs	HR	DAI 1.11. 2016	Assets		IT		Strat Proc	
Originating SMT Member Dawn Auger													
Has the Cabinet Member(s) agreed the content of the report? Yes													

I. Background

- 1.1 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 required local authorities to amend their Standing Orders to incorporate new arrangements for disciplinary action against the Chief Executive, Monitoring Officer and the officer responsible for its financial affairs in accordance with section 151 of the Local Government Act 1972 (the 'Section 151 Officer').
- 1.2 Following the implementation of the regulations in 2015, the Joint Negotiating Committee for Chief Executives of Local Authorities notified the Council on 13 October 2016, that it had published a new handbook which sets out what have now become the conditions of service of employees engaged on terms as laid down by the Joint Negotiating Committee for Chief Executives of Local Authorities. This follows lengthy negotiations between the Local Government Association and the Association of Local Authorities Chief Executives. They recommend that the same procedures are adopted for the other statutory officers affected by the regulations namely the Section 151 Officer and the Monitoring Officer.
- 1.3 The Section 151 Officer and the Monitoring Officer have been consulted about these proposals pending the introduction of formal procedures by their relevant Negotiating Committees and are in continuing discussions with the Assistant Director of Human Resources and Organisational Development. It is recommended that Council approves the changes to their terms and conditions prior to conclusion of those discussions. Those changes will then come in to effect when they are accepted by the Joint Negotiating Committee or the officers concerned whichever happens first.

The agreed procedure

- 1.4 The new agreed procedure has more stages than under the previous regulations and is shown in a diagram as Appendix 3. It involves an initial meeting of the Council's Dismissals Panel to consider the allegations, in light of the comments of the officer involved and make one of three recommendations namely to take no further action, to issue an informal unrecorded oral warning or to appoint an independent investigator (the 'investigator') to investigate matters further and deal with any ancillary matters. As it is in everyone's interests that both sides should have confidence in the independence and relevant competence of the Investigator, it has been agreed that the Joint Secretaries of the national negotiating committee will maintain a list of potential investigators. These have been selected for their suitability and experience for this work and will be offered on a 'taxi-rank' basis subject to their availability and assuming they do not have any conflict of interest.

The independent investigation

- 1.5 The investigator then investigates the matter and prepares a report. The investigation may be a process of evidence gathering, hearing submissions etc. which will lead to the formulation of a report and recommendation for consideration. Alternatively the investigator may hear the case. If the investigator hears the case both parties will have the usual opportunities to present evidence and cross examine witnesses. At the hearing both parties are afforded the opportunity to be represented by an individual of their choice. Representation for the officer should be obtained at his / her expense. Irrespective of the manner in which the investigator investigates the case, on completion of their investigation he or she must prepare a report with recommendations and reasons for consideration by the Dismissals Panel.

The recommendation of the Dismissals Panel

- 1.6 If the investigator has held a full hearing the Dismissals Panel will consider the investigator's report. They may decide to call witnesses for clarification. The officer and investigator should

attend this meeting and both parties be given the opportunity to summarise their case. If the investigator did not hear the case then the Dismissals Panel should give the officer the opportunity for a hearing and to call witnesses. The same rule regarding costs of representation would apply in this context. In both cases the Dismissals Panel will then decide whether they consider there is no case to answer, or whether to recommend disciplinary action short of dismissal or whether to recommend dismissal. A decision to take disciplinary action short of dismissal should be communicated in writing to the officer with reasons for the decision. The officer has the right of appeal to the Appeals Panel against this decision. If there is a recommendation to dismiss, the reports of the Dismissals Panel and the investigator should then be sent to the Independent Panel for its consideration.

The Independent Panel

- 1.7 The Independent Panel acts as an advisory committee, and the Joint Negotiating Committee has agreed it should comprise the same people who are appointed to act as independent people in relation to the Council's standards regime for councillors. The Monitoring Officer has discussed this development with those people and they are willing to also undertake this role.

Council

- 1.8 Following consideration by the Independent Panel a report should be presented to Council. This report should comprise the recommendation of the Dismissals Panel, the investigator's report and any comments on the recommendation for dismissal from the Independent Panel. In the light of this information Council should consider the recommendation to dismiss. Given the thoroughness and independence of the previous stages, in particular, the investigation of the Independent Investigator (where applicable), it will not be appropriate to undertake a full re-hearing of the case. Instead, consideration by the Council will take the form of a review of the case and the proposal to dismiss, and any advice, views or recommendations of the Independent Panel. The officer will have the opportunity to attend and be accompanied by their representative and to put forward his or her case before a decision is reached.
- 1.9 As the Standing Orders Regulations require that Council approves the dismissal before notice of dismissal is issued, there might be some concerns about the ability to offer a fair appeal if the whole council was already familiar with the issues and had already taken the decision to dismiss. The model procedure therefore envisages that the council meeting fulfils the requirement for an appeal. Before Council takes a decision on the recommendation to dismiss it will take representations from the officer. The investigator may also be invited to attend to provide clarification if required. Those representations will constitute the appeals process. Following this consideration Council should either confirm or reject the recommendation to dismiss. It may at this stage impose a lesser sanction. This stage in the process constitutes the officer's final right of appeal

2.0 Recommendations

It is recommended that:

- 2.1 Council amends its Employment Standing Orders and Terms of Reference for the Chief Officer Appointments Dismissals and Appeals Panels to avoid discrepancies between the relevant staff terms and conditions of service and the Council's procedures.
- 2.2 To avoid confusion the Chief Officer Appointments Dismissals and Appeals Panels are renamed as the Chief Officer Appointments Dismissals and Appeals Committees; and the new advisory panel required is called the Independent Advisory Panel.
- 2.3 The Assistant Director for Human Resources and Organisational Development takes the necessary action to agree variations to the contracts of employment of the affected staff.

Appendix One

EMPLOYMENT STANDING ORDERS

3. Dismissing the Chief Executive, Directors and Heads of Service

3.1 The Chief Executive, Section 151 Officer and Monitoring Officer are dismissed by Council following a report and recommendation from the Chief Officers' Disciplinary Panel Committee, unless the reason for dismissal is ill health retirement or redundancy in which case the decision to dismiss is determined by the Chief Officers Disciplinary Panel Committee. The Panel Committee must be politically proportionate and include the relevant Cabinet member but the majority of members cannot be Cabinet members.

3.2 When dealing with cases of misconduct by the Chief Executive Section 151 Officer or Monitoring Officer the Committee is required to appoint an independent investigator to investigate any allegations of misconduct if matters are not capable of being resolved by mutual agreement, or an informal warning. Following receipt of the investigation report the Committee must consider any representations from the officer and decide what recommendation to make to Council. If the recommendation is to dismiss the officer the Committee must convene an Independent Advisory Panel to review the situation and prepare a report for Council taking into account the procedures recommended by the Joint Negotiating Council for Chief Executives. Before the taking of a vote at the relevant Council meeting on whether or not to approve such a dismissal, the authority must take into account,—

- (a) any advice, views or recommendations of the Panel;
- (b) the conclusions of any investigation into the proposed dismissal; and
- (c) any representations from the relevant officer.

3.3 The Assistant Chief Executive, Directors and Assistant Directors are dismissed by the Chief Officers' Disciplinary Panel, which must be politically proportionate and include at least one Member of the Cabinet but the majority of members should not be Cabinet members.

3.4 Before a dismissal, the Assistant Director for Human Resources and Organisational Development must tell the Cabinet whom the Panel wants to dismiss and anything else which is relevant to the dismissal.

3.5 The dismissal can go ahead if the Cabinet agrees or if it makes no objection by a deadline set by the Assistant Director for Human Resources and Organisational Development or if the Chief Officers' Investigating Panel does not consider any objection relevant or justified.

Appendix Two

CHIEF OFFICER APPOINTMENTS, APPEALS and DISCIPLINARY PANELS COMMITTEES

I. FUNCTIONS

1.1 Undertaking the selection process for the appointment, and formulating recommendations to the Council in relation to:

- the appointment and dismissal of the Head of the Paid Service;
- the designation of an officer to act as Monitoring Officer and Responsible Finance Officer (Section 151 Officer);
- the appointment/dismissal of Monitoring Officer and Responsible Finance Officer;

in accordance with legislation, Council policies, conditions of service and the appropriate procedures set out in the employment standing orders;

1.2 Undertaking the selection, appointment and dismissal processes for any staff where so required by law;

(It should be noted that the Chief Executive as head of paid service, or a person nominated by him, has powers to appoint all other staff).

1.3. Hearing and determining any appeals by staff under the Council's approved Human Resources policies and procedures including through any appointed Sub-Committee.

1.4 Determining terms and conditions for staff employed on the NJC terms and conditions for Chief Officers.

2. PROCEDURES

2.1 The ~~Panels~~ Committees shall be politically balanced and include the relevant Cabinet member when required. The majority of members on the Panel cannot be members of the Cabinet.

2.2 When acting as a Disciplinary Panel in respect of the Chief Executive or Section 151 Officer or Monitoring Officer, the Committee is required to appoint an independent investigator to investigate any allegations of misconduct if matters are not capable of being resolved by mutual agreement, or an informal warning. Following receipt of the investigation report the Committee will consider any representations from the officer and decide what recommendation to make to Council.

2.3 If the recommendation is to dismiss the officer for reasons other than ill health retirement or redundancy, the Committee it will appoint an Independent Advisory Panel which will include as a minimum two Designated Independent Persons to prepare a report for Council in accordance with the requirements of the Local Authorities (Standing Orders)

(England) (Amendment) Regulations 2015 regulations. A decision about dismissal will then be taken by Council.

2.4 A Committee which hears an appeal will not include members of the Committee which made the original decision.

Appointment of substitute members

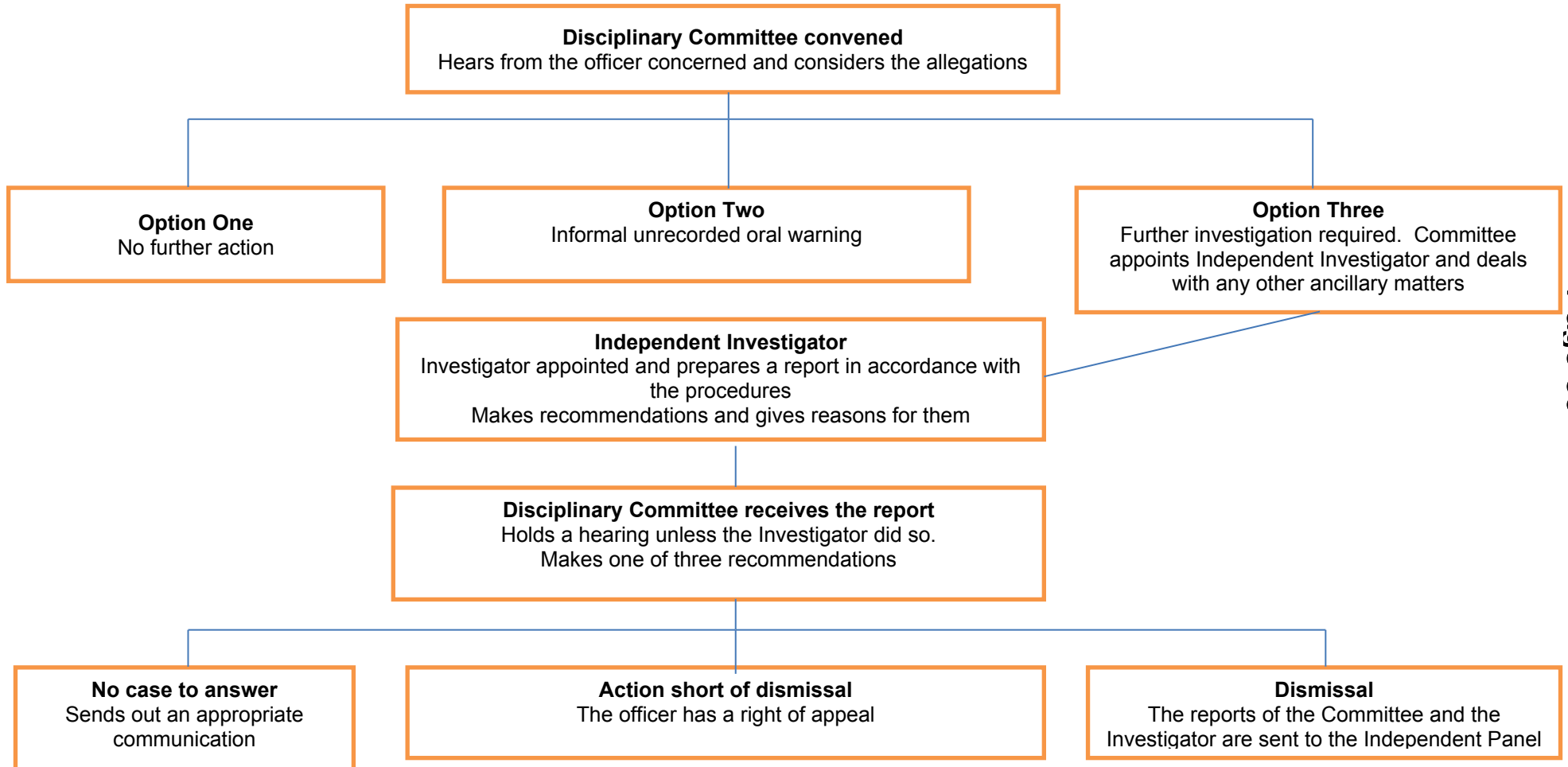
2.3 Any member of the Council may act as substitute on a Committee provided that they have completed the Council's relevant human resources training/ briefing.

3. GENERAL

The Committees are convened from time to time as required by the Strategic Director for Transformation and Change.

APPENDIX THREE

Procedure under the statutory disciplinary procedure



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Independent Panel
Independent Panel is convened
Officer and Disciplinary committee are represented.
The Independent Panel review the decision and
prepare a report to Council, giving clear reasons if
they disagree with the recommendations of the
Disciplinary Committee

Council
Council meets to consider the recommendation from the
Disciplinary Committee and the report of the
Independent Panel and consider the recommendation to
dismiss. The Officer should be provided with a right of
appeal against the decision and allowed to attend this
meeting and address Council. The Independent
Investigator may also be invited to attend to provide
clarification if required. Following this consideration
Council should either confirm or reject the
recommendation to dismiss. It may at this stage impose
a lesser sanction. This stage in the process constitutes
the Officer's final right of appeal

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PLYMOUTH CITY COUNCIL

Subject:	Constitutional amendments – Council procedure rules
Committee:	Full Council
Date:	21 November 2016
Cabinet Member:	Councillor Riley, Cabinet member for HR/Democracy and Governance/Licensing
CMT Member:	David Shepperd, Assistant Director for Legal Services and Elections
Author:	Judith Shore, Democratic and Member Support Manager
Contact details:	judith.shore@plymouth.gov.uk T: 01752 304494
Key Decision:	No
Part:	I

Purpose of the report

The purpose of the report is to set out proposed changes to the constitution as recommended by the Constitution Review Group on 26 October 2016.

The Council Corporate Plan 2016 - 19

This report reflects the ethos of open government. It also complies with the Council's constitutional requirements.

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

None identified.

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

None identified.

Equality and Diversity

No implications identified.

Recommendations and Reasons for recommended action

To amend the constitution: Part B, Section 5.1, Order of Business at Ordinary Meetings of the Council, as set out in the report.

Reasons: to enable questions submitted by members of the public to be heard at an earlier stage of Council meetings and to ensure that Cabinet members' announcements are concise.

Alternative options considered and rejected

The alternative was to make no changes to the constitution.

Published work / information:

www.plymouth.gov.uk/CouncilConstitution

Sign off:

Fin		Leg	26829 /DVS	Mon Off	26829 /DVS	HR		Assets		IT		Strat Proc	
Originating SMT Member David Shepperd													
Has the Cabinet Member(s) agreed the content of the report? Yes													

Summary

Councillor Riley, the Cabinet member for HR/Democracy and Governance/Licensing, proposed a number of amendments to the constitution for consideration by the Constitution Review Group (CRG).

On 26 October 2016, CRG considered the proposed amendments and recommended that two amendments, as set out below, are adopted at the next meeting of full Council on 21 November 2016.

PART B, RESPONSIBILITY FOR COUNCIL FUNCTIONS, THE COUNCIL AND COUNCIL PROCEDURES

SECTION 5, ORDER OF BUSINESS AT ORDINARY MEETING OF THE COUNCIL

5.1 – Ordinary meetings except for Council Tax setting meetings

(i) Reply to questions by the public

Recommendation: that responses to questions by the public are moved from 5.1 (i) to 5.1 (g) and are heard directly after the Lord Mayor's announcements in order to welcome contributions from members of the public at an earlier stage of the meeting.

The amended constitution to read,

'(f) receive announcements from the Lord Mayor, Head of Paid Service, Responsible Finance Officer and Monitoring Officer

(g) reply to questions from the public

(h) receive announcements from the Leader, Cabinet members and committee chairs'

(Subsequent sections of 5.1 to be re-numbered accordingly.)

5.1 – Ordinary meetings except for Council Tax setting meetings

(h) Receive announcements from the Leader, Cabinet members, committee chairs

Recommendation: some meetings of Council are very lengthy (examples being the Council meetings held on 11 July and 19 September) and it is proposed that a time limit is introduced for item (h) 'receiving announcements from the Leader, Cabinet members and committee chairs'. The introduction of a time limit could encourage more concise statements and members of the public present or viewing from home may be more appreciative of shorter Council meetings.

The amended constitution to read:

(Footnote added after (q) councillors' questions): 'Council will spend no longer than 30 minutes on item (h) receive announcements from the Leader, Cabinet members and committee chairs.'

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MOTION ON NOTICE

Council: 21 November 2016

**Cuts to Pharmacy Services**

The Council believes in the value of local pharmacies as a key part of national health services that operate at the local level within our neighbourhoods.

This Council notes that:

53 pharmacies across the city of Plymouth offer a wide range of services by recognising and evidencing role in improving in improving the health of local population in addition to the dispensing of medicines and their safe disposal such as the advice and information to promote wellbeing. Examples include healthy eating, flu vaccination, sexual health and the management of obesity. They also provide advice and support to care homes.

As a result of budget cuts nationally of £170m taking effect now this is resulting in a 6% cut in real terms now, but could, by making up for lost implementation time, mean a cut of 12% during this financial year. This could potentially shut down up to a quarter of pharmacies.

Cuts in pharmacies will put more residents at risk in addition to increasing the pressure on GP's and on local hospitals leading to increases in NHS costs and pressures on the wider care community.

This Council therefore agrees to write to the Secretary of State for Health and the Clinical Commissioning Groups serving Plymouth setting out our concerns and requiring an immediate reversal of these proposals.

Proposed by Councillor Tuffin

Seconded by Councillor McDonald

Dated 10 November 2016

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