



**Democratic and Member Support**

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## **PLACE AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE**

Wednesday 1 March 2017

3pm

Council House, Plymouth

**Members:**

Councillor Bowie, Chair

Councillor Ball, Vice Chair

Councillors Carson, Churchill, Sam Davey, Fletcher, Fry, Mavin, Morris, Penberthy and Storer.

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

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**Tracey Lee**

Chief Executive

# Place and Corporate Overview and Scrutiny Committee

## Agenda

### 1. Apologies

To receive apologies for non-attendance submitted by Members.

### 2. Declarations of Interest

Members will be asked to make any declarations of interest in respect of items on this agenda.

### 3. Minutes (Pages 1 - 6)

To confirm the minutes of the meeting held on 7 December 2016.

### 4. Chair's Urgent Business

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

### 5. Capital and Revenue Monitoring Report 2016/17 - Quarter 3 (Pages 7 - 34)

The committee will receive the capital and revenue monitoring report 2016/17 – Quarter 3.

### 6. The Council's Corporate Plan Monitoring Report and Commitment Progress Report (To Follow)

The committee will receive the Council's Corporate Plan monitoring report and commitment progress report.

### 7. Staff Survey 'The View from You' (Pages 35 - 42)

The committee will receive information on the Staff Survey 'The View from You'.

### 8. People Strategy (Pages 43 - 58)

The committee will receive information of the People Strategy.

### 9. Waterfront Business Improvement District (Pages 59 - 62)

The committee will receive a report on the Waterfront Business Improvement District.

**10. Leaving the EU** **(Pages 63 - 68)**

The committee will receive a briefing paper on leaving the EU.

**11. Tracking Decisions** **(Pages 69 - 70)**

The committee will monitor the progress of its decisions.

**12. Work Programme** **(Pages 71 - 72)**

The Committee will be asked to consider and approve the work programme and give consideration to the prioritising tool.

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## Place and Corporate Overview and Scrutiny Committee

**Wednesday 7 December 2016**

**PRESENT:**

Councillor Bowie, in the Chair.

Councillor Ball, Vice Chair.

Councillors Carson, Churchill, Sam Davey, Fletcher, Mavin, Morris, Penberthy and Storer

Apology for absence: Councillor Fry.

Also in attendance: Also in attendance: Councillor Downie (Cabinet Member for Safer and Stronger Communities), Lou Hayward (Assistant Director for Street Services), Judith Harwood (Assistant Director for Education, Participation and Skills), Jane Hunt (Senior Economic Development Officer), Ross Jago (Lead Officer), Ross Johnston (Programme Manager), Councillor Jordan (Cabinet Member for Culture), Alan Knott (Performance and Research Officer), Jono Madeley (Leadership Associate (NtG Health), Heather Ogburn (Service Leadership Adviser (RA and NtG), Councillor Ricketts (Cabinet Member for Transport and Housing Delivery), Dave Saunders (Strategic Development Manager), Sue Smith (Early Years and Childcare Manager), and Helen Wright (Democratic Adviser).

The meeting started at 3.00 pm and finished at 5.00 pm.

*Note: At a future meeting, the Panel 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.*

**Please note: This meeting was webcast and can be viewed at –**

**<http://council.webcast.vualto.com/plymouth-city-council/home?EventId=17651>**

20. **Declarations of Interest**

There were no declarations of interest made by Councillors, in accordance with the code of conduct.

21. **Minutes**

The committee agreed that the minutes of the meetings held on 31 August and 5 October 2016 are approved as a correct record.

22. **Chair's Urgent Business**

There were no items of Chair's urgent business.

### 23. **Child Poverty Action Plan Update**

Councillor Downie (Cabinet Member for Safer and Stronger Communities), Judith Harwood (Assistant Director for Education, Participation and Skills), Sue Smith (Early Years and Childcare Manager), Jono Madeley (Leadership Associate (NtG Health)), Jane Hunt (Senior Economic Development Officer) and Heather Ogburn (Service Leadership Adviser (RA and NtG)) presented the update on the Child Poverty Action Plan 2016-19 which highlighted the following key areas –

- progress with families on a low income;
- families on a low income: our commitments to delivery by 2019;
- progress with support for parents;
- support for parents: our commitments to deliver by 2019;
- progress with poor dental health;
- poor dental health; our commitments to delivery by 2019;
- progress with narrowing the attainment gap;
- narrowing the attainment gap: our commitments to delivery by 2019.

The key areas of questioning related to –

- developing culture change outside of the Council;
- the impact of Government changes on measures within the action plan (eg the reduction in the number of families in work claiming tax credits in Plymouth by 5% by 2019);
- the progress of the amalgamation of the City's credit unions;
- measures being taken to address the attainment gap;
- the delivery by 2019 of the improvement of dental health in children under the age 16 (with a reduction in the number of children having teeth removed).

The committee agreed –

- (1) to recommend that the portfolio holder make recommendations to Council;
- (2) that officers should explore how to develop credit union champions within communities;

- (3) that future updates to scrutiny on the Child Poverty Action Plan will be by exception as recommended by the Child Poverty Working Group.

### 24. **The Council's Corporate Plan Monitoring Report and Commitments Progress Report**

Alan Knott (Performance and Research Officer) presented the Council's Corporate Plan monitoring report and commitment progress report which provided the progress against the Council's ambitions and were supported by a set of performance indicators which measured progress against specific targets; the report reflected progress made during quarters one and two of 2016/17 (April – September 2016); the report also set out the progress being made against each of the commitments made by the Council following the election in May 2016.

Key areas of questioning related to –

- clarity of information provided within the report (ie it was not clear as part of the 'deliver 5000 new homes over next five years' performance indicator whether homes had been started, completed or occupied);
- addressing issues relating to the Plan for Sport Strategy regarding the ambition for Caring Plymouth;
- quantifying the percentage for adult residents who volunteered at least once a month;
- the use of plain English within the narrative of the report;
- progress relating to better transport links (rail and air).

The committee agreed that the following items are included on its work programme for future consideration –

- (1) the Plan for Sport Strategy;
- (2) transport links to the city (rail and air).

### 25. **Parking Modernisation Plan**

Councillor Ricketts (Cabinet Member for Transport and Housing Delivery) and Lou Hayward (Assistant Director for Street Services) presented the report which outlined a number of changes to parking services; the Parking Modernisation Plan included a package of measures and new features covering business permits, hotelier permits, on-street tariffs, Blue Badge tariffs and parking charges; the Plan followed on from previous work to modernise the service and was expected to generate an additional income of £655,000 in 2017/18.

Key areas of questioning related to –

- (a) the potential decrease in Blue Badge visitors to the city due to the car park charge;
- (b) the quality of information contained with the Equalities Impact Assessment;
- (c) the lack of quantifiable information within the report (ie no benchmarking data);
- (d) the operation of the smart meters;
- (e) the charge of £40 for exemption permits.

The committee agreed to hold a select committee review to look at the Plan for Parking which would be open to all non-executive members to attend.

### 26. **Plan for Libraries**

Councillor Jordan (Cabinet Member for Culture), Dave Saunders (Strategic Development Manager) and Ross Johnston (Programme Manager) presented the briefing report on the Plan for Libraries which set the following key points –

- the library conversation;
- key findings;
- equality impact assessment;
- vision and strategy development;
- reading and literacy
- information and history;
- digital;
- health and wellbeing;
- learning;
- developing a plan;
- designing a communication and engagement approach (consultation);
- delivering the consultation.

The key areas of questioning related to –

- the impact of the proposed library closures on child poverty;
- the engagement of non-library users in the consultation process;
- raising awareness of the services provided within libraries;
- the number of libraries that were currently well used;
- the issuing of library cards to children of school age.

The committee agreed to hold a select committee review to look at the Plan for Libraries which would be open to all non-executive members to attend.

### 27. **Tracking Decisions**

The committee noted the progress of its decisions.



28. **Work Programme**

The committee agreed its work programme (subject to the inclusion minute 24 (1) and (2) refers (the Plan for Sport Strategy and transport links to the city (rail and air)).

Ross Jago (Lead Officer) advised that information regarding community engagement in the scrutiny process would be made available on the website and shared across social media, in order to provide members of the public the opportunity to raise issues.

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**Subject:** Capital & Revenue Monitoring Report 2016/17 – Quarter3  
**Committee:** Cabinet  
**Date:** 7 February 2017  
**Cabinet Member:** Councillor Darcy  
**CMT Member:** CMT  
**Author:** Andrew Hardingham – Interim Joint Strategic Director for Transformation and Change (Finance)  
**Contact details** Tel: 01752 312560  
email: [andrew.hardingham@plymouth.gov.uk](mailto:andrew.hardingham@plymouth.gov.uk)  
**Ref:**  
**Key Decision:** No  
**Part:** I

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**Purpose of the report:**

This report outlines the finance monitoring position of the Council as at the end of December 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 £1.272m, reflecting an improved financial position of £1.550m since the previous quarter. The overall forecast net spend equates to £187.974m against a budget of £186.702m, which is a variance of 0.68%. 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	187.974	1.272

The latest approved Capital Budget covering 2016/17 to 2020/2021 stands at £478m which was agreed at Council on 21 November 2016. The report sets out in Table 6 proposed increases to the Capital Budget of £3m, which results in a proposed budget of £478m, 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.

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### **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.

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### **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.

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### **Equality and Diversity**

Has an Equality Impact Assessment been undertaken? No

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**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 £478m (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													

## DECEMBER 2016 FINANCE MONITORING

**Table 1: 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
<b>Executive Office</b>	4.419	(0.409)	4.010	4.023	0.013	(0.012)
<b>Corporate Items</b>	11.012	(10.094)	0.918	0.918	0.000	0.000
<b>Transformation and Change</b>	150.335	(115.629)	34.706	34.436	(0.270)	(1.293)
<b>People Directorate</b>	275.807	(153.318)	122.489	123.462	0.973	(0.087)
<b>Public Health</b>	20.007	(19.644)	0.363	0.363	0.000	0.000
<b>Place Directorate</b>	70.035	(45.819)	24.216	24.772	0.556	(0.158)
<b>TOTAL</b>	<b>531.615</b>	<b>(344.913)</b>	<b>186.702</b>	<b>187.974</b>	<b>1.272</b>	<b>(1.550)</b>

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**Table 2: 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
<b>New Devon CCG – Plymouth locality</b>	331.000	355.698	357.223	1.525
<b>Plymouth City Council</b>	*131.000	137.505	138.178	0.673
<b>TOTAL</b>	<b>462.000</b>	<b>493.203</b>	<b>495.401</b>	<b>2.198</b>

The financial position above for the Plymouth Integrated Fund is at December 2016. The full report is shown in Appendix 1.

\*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 3: Key Issues and Corrective Actions**

Issue	Variation £M	Management Corrective Action
<p><b>EXECUTIVE OFFICE</b></p> <p>Democracy and Governance support cost pressures. £0.224m relates to a stretch target for efficiencies in this area.</p>	0.013	<p>The £0.224m Democracy &amp; 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 continue to be reduced.</p>
<p><b>CORPORATE ITEMS</b></p>	(0.000)	<p>There is currently a nil variance to report.</p>
<p><b>TRANSFORMATION and CHANGE – Finance</b></p> <p>Anticipated that these pressures will be addressed and the service area will come in on budget despite the significant savings target set for 2016/17.</p>	0.100	<p>Finance Fit is delivering savings, with over £0.850m 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>
<p><b>TRANSFORMATION and CHANGE – Legal</b></p>	(0.028)	<p>Service pressures within Elections and Legal are currently being offset by underspend on Court Fees, Legal Agents and Legal expenses resulting in a small underspend for the Department.</p>

<b>TRANSFORMATION and CHANGE – Customer Services</b>	0.219	Housing Benefit Subsidy is showing a significant pressure of £0.741m. This is a £306k improvement on Q2 due to increased overpayments income. The pressure is currently being offset in part by salary savings elsewhere within the service.
<b>TRANSFORMATION and CHANGE – Human Resources &amp; OD</b>	(0.465)	£0.310m efficiency target delivered in full. Underspend reflects staff salary savings and the reduction in training budget as agreed.
<b>TRANSFORMATION and CHANGE – Departmental</b>	0.189	Reallocation of Commercialisation and CST programme targets.
<b>TRANSFORMATION and CHANGE – Transformation and Portfolio</b>	(0.285)	£0.500m efficiency target delivered in full and a further £0.285m underspend identified.
<b>TRANSFORMATION and CHANGE – ICT Commissioned Service</b>  There is currently a nil variance to report.	0.000	Processes and Service Levels monitored through the ICT Review Group.
<b>PEOPLE – Children Young People and Families</b>  The Children Young People and Families (CYP&F) Service are continuing to report a budget pressure of £0.560m a reduction of £0.093m in the month.  The Service continues to face unprecedented pressures, care applications are up, and the service are struggling to purchase	0.560	The reduction is as a result of the quarter three ‘Star Chamber’ exercise.  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



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 continued increase in numbers of children in care is in line with national and regional trends.

There are risks that continue to require close monitoring and management:

- 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.
- 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.
- There are currently 102 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.

place for young people improving timeliness and reducing cost pressure.

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.

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><b>PEOPLE – Strategic Co-operative Commissioning</b></p> <p>The Strategic Co-operative Commissioning (SCC) service is reporting a budget pressure of £0.510m at month 9 – a decrease of (£0.195m) from last month. The main reasons for the reduction in the forecast were:          (£0.120m) - Management actions to postpone the cost increases on residential and nursing clients and,          (£0.040m) - Reduction to the numbers of short stay clients.</p> <p>However there are still overspends forecast on the care packages as reported in previous months.</p> <p>The savings target for grant maximisation of £2.219m will be offset using set aside balance sheet provision.</p>	<p>0.510</p>	<p>As part of the transformation project for 2016/17, the SCC budget is making 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 have been achieved via savings around reduced client numbers, reviews of high cost packages and contracts.</p>
<p><b>PEOPLE – Education Participation and Skills</b></p> <p>Education Participation and Skills is still reporting a breakeven position at the end of month 9. Star Chamber exercises have taken place within the Service and these will continue to drive out savings during the year, to mitigate emerging pressures.</p>	<p>0.000</p>	<p>During 2016/17 the Education Participation and Skills 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. Circa £1.159m has been saved to date through EVRS and the transformation of services.</p>
<p><b>PEOPLE – Community Connections</b></p> <p>Community Connections is continuing to deliver (£0.097m) savings.</p>	<p>(0.097)</p>	<p>The demand for emergency accommodation has increased by £0.048m to £0.153m, this has been contained mainly through additional one-off income repaid renovation grants and previously unreported letting income Community Centres.</p> <p>The emergency B &amp; B placements average between April and December is 33 per week, which exceeds the profiled budget of 28 placements per week. The forecast for the remainder of the year is for 40 per week average placements which reflects the current trend,</p>

		notably December average 41. Action is ongoing to limit the overall cost pressure through lower placements and prevention work.
<p><b>PEOPLE – Management &amp; Support</b></p> <p>Projecting a balanced budget for 2016/17 .Further consideration required for disaggregated corporate income maximising delivery plan £0.667m.</p>	0.000	
<p><b>PUBLIC HEALTH</b></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. As part of this balanced budget, Public Health is making contributions towards schemes in other Council departments, and will continue to prepare plans to achieve the anticipated further reduction to 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><b>PLACE - Strategic Planning and Infrastructure</b></p> <p>Salary savings arising from vacancy management and increased income from commercialisation of viability services and transport projects are currently more than mitigating pressures arising from a shortfall on Planning Application fees and other cost pressures resulting in a further improvement in the projected under spend for the department.</p>	(0.324)	We continue to monitor the impact of Brexit in relation intelligence being gathered around property and housing investment decisions which are being widely reviewed by investors. There is precedent in the department to respond to market failure through market recovery measures and appropriate responses will be kept under close review, including through the consideration of the Plymouth and South West Devon Joint Local Plan.

<p><b>PLACE - Economic Development</b></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><b>PLACE - Management Support</b> (Director's budget)</p> <p>£127k Redistribution of formerly centrally held targets for 2016/17.</p>	0.013	Review all areas to identify savings and removal of non-essential spend to meet £127k target.
<p><b>PLACE - Street Services</b></p> <p><b>Waste:</b> 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, increase in tonnages, staffing costs and loss of income at the RTS which is now close to being resolved with a new occupant but the financial effect will not materialise until next year. The decision not to charge for non-domestic waste at HWRCs has also added to the overspend.</p> <p>Staffing levels across the service have also been revised which will provide some mitigation against the pressure. The capitalisation of bin purchases will also help in terms of mitigation</p> <p><b>Cost &amp; Volume indicators</b> Budget 81,500 tonnes Forecast of Tonnage 83,100 tonnes Increase in tonnes = 1,600 tonnes which equates to potential</p>	0.867	<p>A plan to modernise waste and street scene services has been agreed through Cabinet. It is a series of measures to ensure the service is fit for purpose and modernised 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>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>

<p>increase in cost of £146k</p> <p><b>Fleet and Garage:</b> 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><b>Street Cleansing and Grounds:</b> Street Cleansing and Grounds are reporting to budget.</p> <p><b>Highways and Car Parking:</b> Highways, Parking &amp; 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.</p>		<p>The re-profiling of fleet vehicle purchases has reduced borrowing costs by £170k.</p>
<b>TOTAL</b>	<b>1.272</b>	

### Overall Comments Finance AD

Overall there is a significant improvement from Quarter 2. The progress made within housing benefit overpayment billing and recovery is the biggest contributor to this.

Discussions are ongoing with the Council's Highways Contractor, Amey, for recovery of significant amounts outstanding for third party claims due under the December 2014 Settlement Agreement. Failure to recover these amounts would result in a significant deficit in the Insurance Provision. The position is being carefully monitored.

It is expected with continued tight control of expenditure that any overspend can be eliminated by the year-end, particularly given the increased controls over agency expenditure.

### 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**

Directorate	Life Centre Dowry Contribution to Reserves	Agreed transfer of Community Youth Service	Totals
	£m	£m	£m
Executive Office			
Corporate Items	(0.150)		(0.150)
Transformation and Change			
People Directorate	0.150	0.00	0.150
Public Health			
Place Directorate			
	0.000	0.000	0.000

### Recommendation

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

## Capital Programme 2016-2021

The latest approved capital budget was reported to Council on 21 November 2016, as £475m. 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 £3m to £478m. This is set out in Table 6 below.

**Table 6: Current Capital Resources**

Description	£m
Latest Approved Budget 2016 - 2021	475
Addition of ring-fenced grants 2016-2021	5
Other Changes	(2)
<b>Total Revised Capital Budget for Approval (2016 – 21)</b>	<b>478</b>

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 December 2016.

**Table 7: Revised Capital Programme**

Directorate	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Transform & change	4.628	1.603				6.231
People	12.182	5.543	0.464			18.189
Place	86.182	59.314	22.512	9.214	2.713	179.935
Public Health	0.224					0.224
<b>Total</b>	<b>103.216</b>	<b>66.460</b>	<b>22.976</b>	<b>9.214</b>	<b>2.713</b>	<b>204.579</b>

### Recommendation

Cabinet are asked to recommend to Council that the Capital Budget 2016 -2021 is increased to £478m (as shown in Table 6)

## Appendix 1: Plymouth Integrated Fund



Northern, Eastern and Western Devon  
Clinical Commissioning Group



# NHS NEW Devon CCG Plymouth Integrated Fund Finance Report – Month 9 2016/17

## Introduction

This report sets out the forecast financial performance of the Plymouth Integrated Fund for the month of December 2016 (month 9).

The report is in two sections. The first section details the performance of the Integrated Fund, including the section 75 risk share arrangements. The second section details the financial performance of the Western Planning and Delivery Unit (PDU) of the Clinical Commissioning Group.

In summary, the Integrated Fund is forecasting to deliver against budget with a nil risk share impact.

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## SECTION 1 – PLYMOUTH INTEGRATED FUND

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### Plymouth Integrated Fund Finance Position

The summarised financial performance of the Integrated Fund for both the CCG and the City Council is set out in **Appendix 1**. Both the Health and Local Authority elements of the Integrated Fund are forecasting to be overspent against budget by year end. There are risks in delivery of this position for both organisations.

The impact of the risk share in the year remains minimal, at less than £50k. This is because the extent of the overspend forecast in each element of the fund is relative to the risk share percentages. This could fluctuate as the year end is reached and the final positions crystallise.

### Health Contribution to the Fund

The financial plan for 2016/17 is not yet approved by NHS England but negotiations are nearing conclusion with the national Arm's Length Bodies of the CCG share of the system wide control total and the contractual arrangements to support this. As in



## Appendix 1: Plymouth Integrated Fund

previous months, the month 9 budget has been set based on a partial move towards the proposed system plan at PDU level.

Overall the Health contribution to the fund is forecast to be overspent against budget at £1.3m. Within this there are some pressures as identified, and the forecast includes an assumption about further cost recovery actions and agreements in the latter part of the year.

### Acute Care

The CCG is forecasting an underspend of £0.4m for acute care for the Integrated Fund. This has improved since last month, mainly as a result of revised assumptions around the Independent Sector usage.

### Community Services

This position has not changed since last month, and reflects a small overspend forecast at £0.8m, due mainly to the inclusion of the risk in capital resources. A mitigation plan continues to be explored.

### Placements

The overspend, as in previous months, is due to higher than planned numbers of clients and costs of care packages. The position has improved slightly from last month and now is forecast to be £1.2m over budget.

### Other

The other lines have worsened this month due to the inclusion of a number of risks in the system, where there is a higher likelihood that the mitigations will not deliver to the extent planned in previous months.

## Local Authority Contribution to the Fund

### Children, Young People and Families

The Children Young People and Families Service are reporting a budget pressure of £0.560m a reduction of £0.093m in the month. The reduction is as a result of the quarter three star chamber exercise.

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 continued increase in numbers of children in care is in line with national and regional trends.

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

## Appendix 1: Plymouth Integrated Fund

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 peninsula to provide children's secure places. In addition Children's Improvement Board will be considering a project to address in year pressures including accelerating the In House Fostering Action Plan.

There are risks that continue to require close monitoring and management:

- 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.
- 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
- There are currently 102 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.

The overall number of children in care at the end of November stands at 404 - a reduction of 2 in the month.

The quarterly 'Star Chamber' exercise is planned to continue to mitigate budget pressures.

The number of children placed with independent fostering agencies stands at 102 against a target budget of 70 placements. Residential placements stands at 27 against a target of 20 budgeted placements with a number of these placements being high cost due to the complex nature of these children's needs. There is currently one young person placed in 'welfare' secure. The In-House Foster Care placements have 174 including connected carer's placements against a target budget of 219 placements, and 3 placements in 'Other Local Authority' Foster Care. There is currently 2 In House Parent & Child Assessment Placement, 1 court ordered Independent foster care placement and 1 high cost Residential placement. There are 18 young people 16+ placed in supported living against a target budget of 20.

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.

## Appendix 1: Plymouth Integrated Fund

This will ensure appropriate plans are in place for young people improving timeliness and reducing cost pressure.

Extensive work is underway to review all placements in order to reduce the pressure on cost and volume where appropriate.

### Strategic Co-operative Commissioning

The Strategic Co-operative Commissioning (SCC) service is reporting a budget pressure of £0.510m at month 9 – a decrease of (£0.195m) from last month. The main reasons for the reduction in the forecast were:

- (£0.120m) - Management actions to postpone the cost increases on residential and nursing clients and,
- (£0.040m) - Reduction to the numbers of short stay clients.

However there are still overspends forecast on the care packages as reported in previous months.

As part of the transformation project for 2016/17, the SCC budget is making 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 have been achieved via savings around reduced client numbers, reviews of high cost packages and contracts.

### Education Participation and Skills

Education Participation and Skills is still reporting a breakeven position at the end of month 9.

During 2016/17 the Education Participation and Skills 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. Circa £1.159m has been saved to date through EVRS and the transformation of services.

Star Chamber exercises have taken place within the Service and these will continue to drive out savings during the year, to mitigate emerging pressures.

### Community Connections

Community Connections is continuing to deliver (£0.097m) savings.

The demand for emergency accommodation has increased by £0.048m to £0.153m, this has been contained mainly through additional one-off income repaid renovation grants and previously unreported letting income Community Centres.

The emergency B & B placements average between April and December is 33 per week, which exceeds the profiled budget of 28 placements per week. The forecast

## Appendix 1: Plymouth Integrated Fund

for the remainder of the year is for 40 per week average placements which reflects the current trend, notably December average 41.

Action is ongoing to limit the overall cost pressure through lower placements and prevention work.

### Public Health

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.

As part of this balanced budget, Public Health is making contributions towards schemes in other Council departments, and will continue to prepare plans to achieve the anticipated further reduction to the ring fenced grant in 2017/18.

### Conclusion

The Integrated Fund is currently forecasting an overspend against budget in both the Health and Local Authority elements of the Fund. There is currently a minimal impact from the Section 75 risk share agreement, but this could fluctuate over the coming months as positions begin to crystallise.

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## SECTION 2 – WESTERN PDU MANAGED CONTRACTS

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### Context / CCG Wide Financial Performance at Month 9

The financial plan for 2016/17 is not yet approved by NHS England but negotiations are nearing conclusion with the national Arm's Length Bodies of the CCG share of the system wide control total negotiated between the 4 main providers within the Devon footprint. The CCG budget has therefore been set on the draft financial plan to deliver an in year deficit of £29m. In addition to this the brought forward deficit from 2013/14 to 2015/16 of £78.4m is repaid bringing the CCG to a planned cumulative deficit position of £107.4m.

As in previous months, the budget and forecast outturn positions for month 9 are reported in line with the CCG share of the system wide control total. This is a deficit position of £34m following the release of the non-recurrent headroom reserve. This move to the system position has been made in agreement with NHS England. However, the ability to reach this position for the CCG is predicated on a non-recurrent movement of deficit between the CCG and provider organisations. This is the element of the financial plan that remains outstanding, and is still the subject of discussion with NHS England. This results in a currently unmitigated risk to the reported deficit which is reflected in the CCGs risk position.

### Month 9 Summary financial position

## Appendix 1: Plymouth Integrated Fund

	Planned Deficit £'000	Actual Deficit £'000	Variance £'000	Movement from previous mth
Year To date in year position	24,603	28,039	3,436	380
B/fwd deficit	52,257	52,257	0	0
<b>Total In year Position</b>	<b>76,860</b>	<b>80,296</b>	<b>3,436</b>	<b>380</b>
Forecast in year deficit	29,006	33,561	4,555	0
B/Fwd deficit	78,386	78,386	0	0
<b>Total Forecast Deficit</b>	<b>107,392</b>	<b>111,947</b>	<b>4,555</b>	<b>0</b>

**Year to date**

The year to date financial position of the CCG reflects the move to the CCG share of the system wide gap as described above. This results in an in-year deficit of £28.0m (prior to the repayment of brought forwards deficits). Within the commissioning budgets there are some under and over spends which are detailed in the report below and significantly the year to date impact of the FNC national price change and continued growth in Independent Patient Placement (IPP) spend.

**Forecast**

The forecast outturn of the CCG is in line with the CCG's share of the system wide gap, proposed as part of the negotiation on a system wide control total and organisations relative share of the financial gap. In addition, the CCG has had to absorb cost pressures, the material issue being £3.5m due to the impact of FNC and IPP as described above. This has been offset through the partial release of contingency reserves and benefit within the CHC forecast in the forecast to meet the planned level of in year deficit.

**System Wide Savings Plan**

The CCG is reporting 80% achievement of the net CCG share of the System Wide Savings plan as at month 9 with a forecast achievement of 73%. This is following alignment with the system wide savings plan and the release of the system wide gap budget offset by the headroom and increased deficit.

**Risk**

The CCG financial position shows no movement from month 8. The remaining unmitigated risk is £11.4m and should it materialise would result in the CCG having a deficit of £45.0m. Work is ongoing within the system to mitigate this risk position.

**Western PDU Finance Position****Introduction**

The initial draft budget (as described within the context above) for the contracts managed in the Western PDU is £306.5m. Adjustments to budgets this month include the remapping of Mental Health contracts into the Locality to better reflect

## Appendix 1: Plymouth Integrated Fund

where the contracts are managed. The total budget now stands at £318.2m. The increase is mainly due to the allocation of budgets and risks into the position that were previously held corporately, but which are nearing conclusion and now more appropriately reflected in the local position. This is mainly due to negotiations around RTT capacity in the acute sector.

The Locality is currently forecasting a marginal underspend against the budgets for the contracts that are managed in the West. This is a net position and includes some overspending and some underspending contracts. This is an improvement from last month of £0.5m, mainly linked to updated NCA's forecasting (part of an ongoing review), and to the RTT Capacity mentioned above. The most significant variances to plan include:

- Livewell Southwest, resultant from the use of Minor Injuries Services for which we hold a variable contract. Also included this month is the risk that capital resources will not be received and for which the CCG is contractually committed. We continue to seek resolution to this risk.
- Acute Trusts. The NCA position is improving due to an ongoing review of activity and forecasts. In general the remainder of acute variations are offsetting and balanced (albeit with some under and some over spending contracts).
- Wheelchair Services, resultant from a technical improvement due to a clarification on the application of VAT

The detailed analysis for the PDU is included at **Appendix 2**.

### **Acute Care Commissioned Services**

#### **Plymouth Hospitals NHS Trust**

As explained in the context above, at the time of writing, the final contract value for Plymouth Hospitals NHS Trust is unconfirmed and the contract unsigned. The contract performance will still be reported on and scrutinised at the same degree of granularity and as such detail can be provided in this report.

At this stage the budget allocation and forecast spend reflect the anticipated final contract value of £176.7m.

#### ***Capacity Constraint***

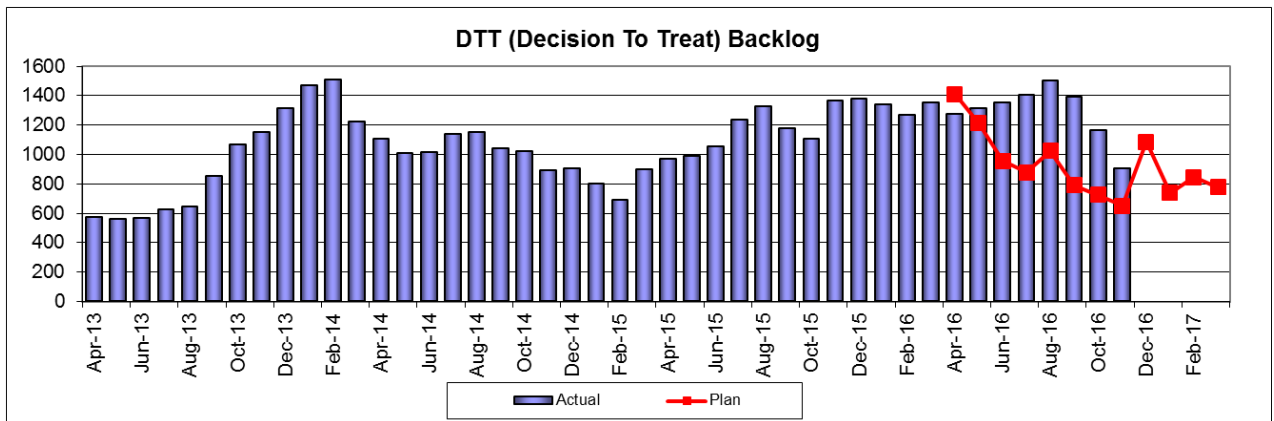
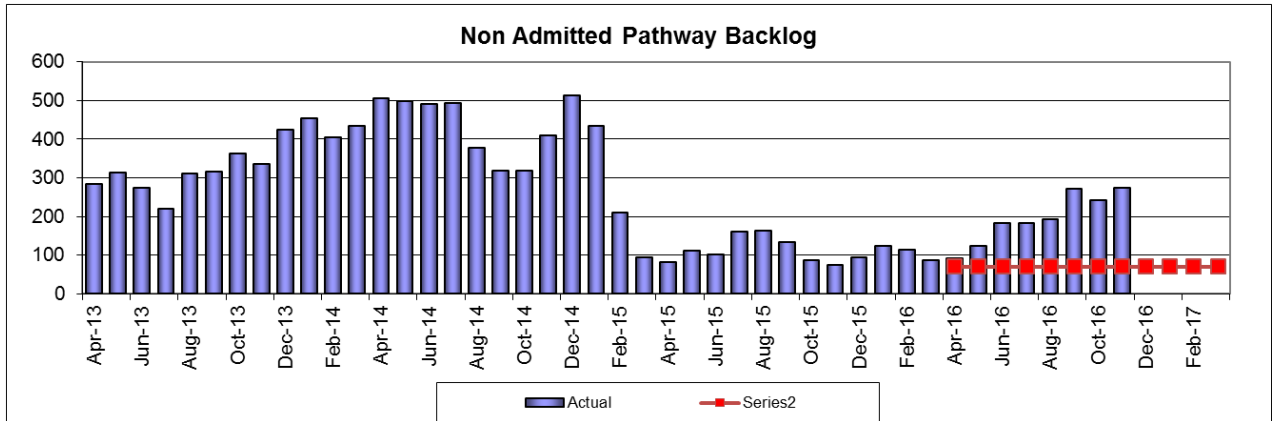
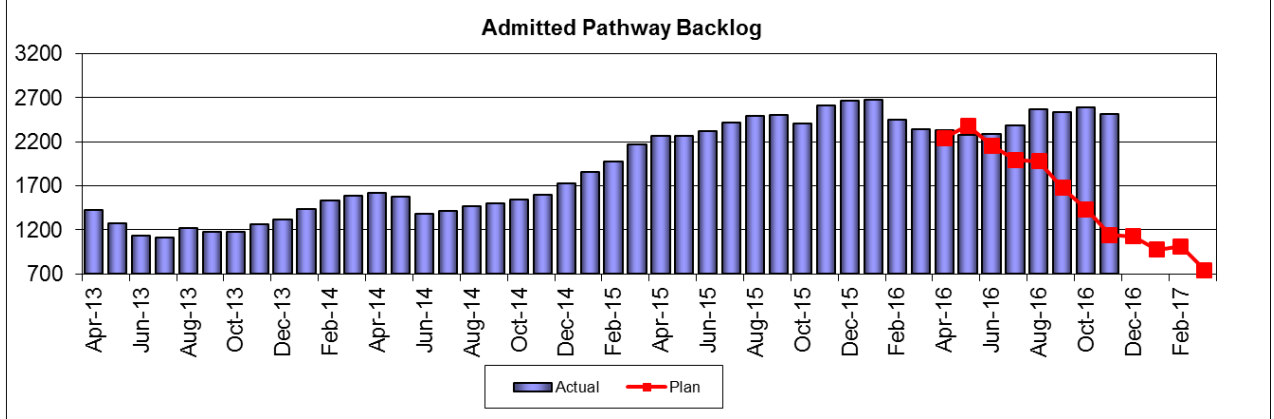
There are a number of specialities that the Trust has been unable to provide sufficient capacity to deliver RTT and match the demand in the system. The agreed level of capacity shortfall has been excluded from the contract, and the locality has been working with the Trust and other providers to bring appropriate levels of additional capacity online. This includes plans with Care UK to open a 3<sup>rd</sup> theatre whilst they have already started providing General Surgery and Endoscopy, with

**Appendix 1: Plymouth Integrated Fund**

PHNT to refurbish and increase the throughput of Tavistock theatre and to bring modular theatres online.

**RTT Compliance**

Performance to month 8 is summarised in the following tables.



**Contract Performance**

The month 8 performance information showed a year to date overperformance against the contract plan of £1.34m.

The main reasons for the contractual underperformance are summarised below.

## Appendix 1: Plymouth Integrated Fund

2016/17 M08	Planned Spend	Actual Spend	Variance	Variance Activity	Variance Spend
	£000s	£000s	£000s		
Elective	25,493	25,075	- 418	-2.7%	-1.6%
Non Elective	39,311	40,084	773	2.0%	2.0%
A&E	5,817	5,962	145	3.9%	2.5%
Outpatients	20,515	21,440	925	5.2%	4.5%
Excluded Services	25,029	24,914	- 115		-0.5%
Penalties			-		
CQUIN	2,681	2,709	28		
Contract Adjustments			-		
<b>Total</b>	<b>118,846</b>	<b>120,184</b>	<b>1,338</b>		<b>1.1%</b>

The **Elective** position is £0.4m (1.6%) behind plan from a financial perspective but 2.7% behind plan in overall activity terms. The main contributors to this position are under performances within Upper GI surgery, Vascular Surgery, Cardiology, Gynaecology and General Surgery where the Junior Doctor Strikes, theatre cancellations and bed availability have caused a reduction in capacity. This position is offset by over performances in Clinical Haematology, Endoscopy and Plastic Surgery.

**Non Elective** has overperformed in medical and surgical specialties, whilst women's and support services were slightly under plan. The year to date overperformance is £0.8m which is over plan by 2.0% in both financial and activity terms. £0.4m of this overperformance occurred in month 8 highlighting the pressures this part of the hospital have been under.

In **Accident and Emergency** the Trust have seen 1,875 (3.9%) more patients than planned for so far this year. The majority of this overperformance has occurred in month 7 and 8.

The overall position of an overperformance of £0.9m (4.5%) on **Outpatients** masks a wide variation in performance at individual specialty level with over performances in ENT, Paediatrics, Dermatology, Colorectal Surgery and most significantly Ophthalmology. Clinical Haematology, Endoscopy and Pain Management are behind the year to date plan. Within this position there is also variation in the type of outpatient attendance where follow ups account for £34k of the over performance, first attendances £227k and procedures £664k. The rate of monthly overperformance had slowed in month 6 and 7 but has increased again in month 8.

### Referral Information

Referral information for month 8 of 2016/17 showed an overall decrease of 3.6% compared to the same period last year, with GP referrals being 4.5% below the equivalent 2015/16 volumes.

PHNT	Referral Source	2015/16	2016/17	Variance	%
Externally Generated	GP	38,629	36,889	- 1,740	-4.5%
	Dentist	122	118	- 4	-3.3%
<i>Sub Total</i>		<b>38,751</b>	<b>37,007</b>	<b>- 1,744</b>	<b>-4.5%</b>
Internally Generated	Consultant	10,911	11,409	498	4.6%
	Other	5,532	4,999	- 533	-9.6%
	A&E	2,523	2,216	- 307	-12.2%
<i>Sub Total</i>		<b>18,966</b>	<b>18,624</b>	<b>- 342</b>	<b>-1.8%</b>
Grand Total		<b>57,717</b>	<b>55,631</b>	<b>- 2,086</b>	<b>-3.6%</b>

The first part of 2015/16 saw higher referrals than the latter part of the year as a step change reduction was noted mid-year. Therefore this measure is comparing the high



## Appendix 1: Plymouth Integrated Fund

part of 2015/16 with the continued low referral rates seen since mid-2015/16. So whilst this measure shows a reduction compared to the previous year, it is a continuation of the reduction that we experienced last year and not a significant further reduction.

The source data in this report is taken from the Provider data supplied under schedule 6 of the contract except where the Provider is stated as 'Other'. Other Provider data is taken from DRSS Bookings. Filters are applied to the Provider data to remove any non-consultant led activity, maternity activity and specialties which are not year on year comparable. NHS England (including Specialised) activity is also excluded to provide a NEW Devon CCG view.

### Performance Measures

The Trust are appraised against a number of nationally and locally defined key performance indicators. A summary of the key measures is included below:

<b>PHNT Month 8 key performance indicators</b>			
<b>Measure</b>	<b>Target</b>	<b>This month</b>	<b>YTD</b>
RTT - Percentage seen within 18 weeks - admitted pathways	90%	67.8%	
RTT - Waits over 52 weeks	0	70	
Diagnostics - Percentage of patients waiting over 6 weeks - 15 key tests	<1%	2.9%	
Cancer - Percentage seen within 2 weeks - urgent referral to first seen	93%	94.9%	93.8%
Cancer - Percentage treated within 62 days - urgent referral to first definitive treatment	85%	75.7%	80.1%
Cancer - Percentage treated within 31 days - decision to treat to first definitive treatment	96%	94.9%	95.4%
Ambulance handovers - Number of handovers over 30 minutes	0	115	577
Ambulance handovers - Number of handovers over 60 minutes	0	5	25
A&E - Percentage of attendances seen within 4 hours	95%	83.6%	84.7%
Delayed transfers of care (acute) - bed days		1,027	6096
Clostridium difficile - Number of hospital infections	35	0	1
MRSA - Number of hospital infections	0	0	1
Cancelled operations - patients to be offered another binding date within 28 days	0	18	192
Cancelled operations - urgent operations cancelled a second time	0	0	0

## Appendix 1: Plymouth Integrated Fund

### South Devon Healthcare Foundation Trust

The 2016/17 South Devon Healthcare Foundation Trust contract value for acute services has been set at £5.24m on a variable PbR basis, with a further £0.92m fixed contract for community services.

At month 8 the contract is over performing by £191k which has increased from the overspend of £137k that was reported in month 7. This is made up of underspends within elective activity (-£89k) and overspends within non elective admissions (£94k), outpatients (£25k) and high cost drugs (£55k).

The contract also has a QIPP target of £147k which is being reported as undelivered and so represents a further £98k overperformance so far this year.

### Independent Sector

The IS position at most providers remains constant this month. However the position has improved as a result of a review of additional RTT activity due to new capacity being brought on line.

### London Trusts

There are no significant movements from the previous month within the London trusts. Significant over-performance due to high cost critical care patients remains at Guys and the Royal Brompton.

### Livewell Southwest

The Livewell Southwest (LSW) Contract is blocked, with a single variable service (the Minor Injuries Unit). LSW produce a monthly performance/finance databook which allows both parties to shadow monitor the block contract and review key performance metrics.

We are currently validating activity data to understand the underlying activity position within this contract.

### Care Co-ordination Team

We have continued to see a drop in CCRT numbers on the caseload, and are currently forecasting an outturn of £8.2m for 2016/17, which is an underspend of £48k.

### Primary Care Enhanced Services

Whilst the budgets and expenditure are reported in the Western PDU report, this is to ensure that all lines of expenditure for the CCG are reported in a PDU and there is integrity to the reports produced. There is, however, a separate governance

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## Appendix 1: Plymouth Integrated Fund

structure for Enhanced Services that sits outside and alongside the two PDU structures to ensure there is segregation of decision making in primary care investments. The forecast expenditure is in line with budgets.

### QIPP Savings Delivery

NORTHERN, EASTERN AND WESTERN DEVON CLINICAL COMMISSIONING GROUP

2016/17 FINANCE BOARD REPORT

FOR THE PERIOD FROM 01 APRIL 2016 TO 31 DECEMBER 2016

Month 09 December	Year To Date			Current Year Forecast		
	Budget	Actual	Variance Adv / (Fav)	Budget	Forecast	Variance Adv / (Fav)
	£000's	£000's	£000's	£000's	£000's	£000's
<b>SAVINGS LEDGER REPORT</b>						
NHS Royal Devon & Exeter Foundation Trust	-720	-504	216	-2,442	-1,408	1,034
NHS Plymouth Hospitals NHS Trust	-2,056	-831	1,225	-4,516	-2,633	1,883
NHS Northern Devon Healthcare Trust	-899	-369	530	-1,720	-1,287	433
Prescribing	-2,742	-3,159	-417	-3,995	-3,995	-
Continuing Healthcare	-5,978	-7,569	-1,591	-10,000	-12,000	-2,000
Individual Patient Placements Adult	-337	-416	-79	-449	-502	-53
Other Community Services	-867	-867	-	-1,300	-1,300	-
Care Co-ordination Team	-360	-398	-39	-531	-531	-
System Gap	-14,541	-1,917	12,623	-19,389	-	19,389
<b>GROSS SAVINGS</b>	<b>-28,499</b>	<b>-16,030</b>	<b>12,469</b>	<b>-44,342</b>	<b>-23,656</b>	<b>20,686</b>

<b>TOTAL INVESTMENT</b>	-3,918	-3,918	0	-4,832	-2,069	2,763
Contractualisation of system position	-8,120	-10,632	-2,513	-10,826	-14,176	-3,350
<b>NET SAVINGS</b>	<b>-40,537</b>	<b>-30,580</b>	<b>9,957</b>	<b>-60,000</b>	<b>-39,901</b>	<b>20,099</b>
<b>IHAM Growth Mitigation</b>	<b>-10,500</b>	<b>-10,500</b>	<b>-</b>	<b>-14,000</b>	<b>-14,000</b>	<b>-</b>
<b>NHS England monitored QIPP</b>	<b>-51,037</b>	<b>-41,080</b>	<b>9,957</b>	<b>-74,000</b>	<b>-53,901</b>	<b>20,099</b>

80%

73%

### System wide savings plan

The above savings report has been aligned to the system wide savings plan with the balance of the system gap being held within the system gap reserve. In order to fund the opening system budget positions, the System leaders agreed to utilise the non-recurrent RTT reserve and the system investment reserve in the opening position. The commitments to reach the opening position over drew these reserves by £4.8m.

In order to recreate the system reserves it was agreed that a £15m stretch target would be applied to the programmes of work to recover the position. After changes in organisations' positions, this target is now £10m and the system chief executives have committed to delivering this for 2016/17. This element is currently being worked on and will be contractualised once plans are signed off.

## Appendix 1: Plymouth Integrated Fund

The above year to date position is aligned to the system wide plan savings report for the CCG element of the plan. Overall the CCG is reporting 80% delivery of plan with 73% delivery forecast by year end.

During month 9, the CHC forecast has increased by £2m as delivery of their stretch target has been established. This has enabled the negative investment reserve to be reduced for the CCG contribution towards clearing the stretch target. The balance is assumed to be met through the wider Devon system. The elective care forecast reduced by £3.35m during month 8 which is reflected in the shortfall in providers' delivery. This shortfall is mitigated by an increase in contractualised QIPP as a result of the block contract arrangements. This is being managed as part of the overall risk management of the system to achieve the system wide control total. As part of the monitoring of the system wide savings plan, each Senior Responsible Officer (SRO) for the 6 work streams is required to sign off the forecast of the savings they are responsible for as a system. The CCG element of savings will be driven by and aligned to the SRO forecast.

### Conclusion

In summary, the forecast outturn position for the Planning and Delivery Unit is marginally underspent against plan. This incorporates the impact of the Integrated Fund, for which the risk share forecast is currently zero.

**Ben Chilcott**  
*Chief Finance Officer, Western PDU*

**David Northey**  
*Head of Integrated Finance, PCC*

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**APPENDIX 1**

**PLYMOUTH INTEGRATED FUND PERFORMANCE AND RISK SHARE**

NORTHERN, EASTERN AND WESTERN DEVON CLINICAL COMMISSIONING GROUP

PLYMOUTH INTEGRATED FUND

2016/17 FINANCE BOARD REPORT

FOR THE PERIOD FROM 01 APRIL 2016 TO 31 DECEMBER 2016

Month 09 December	Year to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
<b>CCG COMMISSIONED SERVICES</b>						
Acute	129,902	129,328	-574	171,959	171,582	-377
Placements	31,663	32,338	675	41,730	42,931	1,200
Community & Non Acute	55,973	56,580	607	74,651	75,497	846
Mental Health Services	941	916	-26	1,255	1,229	-26
Other Commissioned Services	10,984	10,562	-422	15,108	14,669	-439
Primary Care	36,604	36,129	-476	48,574	48,295	-278
<b>Subtotal</b>	266,068	265,853	-215	353,278	354,204	926
Running Costs & Technical/Risk System Plan Agreement	-960	1,055	2,015	2,421	3,319	899
					-300	-300
CCG Net Operating Expenditure	265,108	266,908	1,800	355,698	357,223	1,525
Risk Share					-	-
CCG Net Operating Expenditure (after Risk Share)	265,108	266,908	1,800	355,698	357,223	1,525
<b>PCC COMMISSIONED SERVICES</b>						
Children, Young People & Families	25,525	25,945	420	34,033	34,593	560
Co-operative Commissioning & Adult Social Care	56,819	57,201	383	75,758	76,268	510
Education Participation and Skills	7,526	7,526	-	10,035	10,035	-
Community Connections	2,340	2,267	-73	3,120	3,023	-97
<b>Subtotal</b>	92,210	92,939	730	122,946	123,919	973
Public Health Commissioning	10,919	10,919	-	14,559	14,559	-
Recovery Plans in Development					-300	-300
PCC Net Operating Expenditure	103,129	103,859	730	137,505	138,178	673
Risk Share					-	-
PCC Net Operating Expenditure (after Risk Share)	103,129	103,859	730	137,505	138,178	673
Combined Integrated Fund	368,237	370,767	2,530	493,203	495,401	2,198

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## Appendix 1: Plymouth Integrated Fund

### APPENDIX 2

### PDU MANAGED CONTRACTS FINANCIAL PERFORMANCE

NORTHERN, EASTERN AND WESTERN DEVON CLINICAL COMMISSIONING GROUP

2016/17 FINANCE BOARD REPORT

FOR THE PERIOD FROM 01 APRIL 2016 TO 31 DECEMBER 2016

Month 09 December	Year To Date			Current Year Forecast		
	Budget	Actual	Variance	Budget	Forecast	Variance
	Adv / (Fav)			Adv / (Fav)		
	£000's	£000's	£000's	£000's	£000's	£000's
<b>ACUTE CARE</b>						
NHS Plymouth Hospitals NHS Trust	135,518	135,337	-181	179,298	179,106	-192
NHS South Devon Healthcare Foundation Trust	4,785	5,011	225	6,353	6,622	270
NHS London Contracts	1,223	1,369	147	1,623	1,837	214
Non Contracted Activity (NCA's)	6,639	6,310	-329	8,813	8,283	-530
Independent Sector	10,333	9,648	-685	13,721	13,232	-489
Other Acute	-	5	5	-	32	32
<b>Subtotal</b>	158,498	157,680	-818	209,807	209,111	-697
<b>COMMUNITY &amp; NON ACUTE</b>						
Livewell Southwest	54,220	54,970	750	72,294	73,294	1,000
GPWSI's (incl Sentinel, Beacon etc)	1,323	1,308	-15	1,764	1,733	-31
Community Equipment	486	480	-6	648	640	-8
Ultrasound (Sonarcare)	192	177	-14	256	245	-11
Reablement	1,138	1,125	-13	1,517	1,500	-17
Other Community Services	192	191	-1	256	255	-1
Better Care Fund_Plymouth CC	6,416	6,416	0	8,555	8,555	0
<b>Subtotal</b>	63,967	64,668	700	85,290	86,223	933
<b>MENTAL HEALTH SERVICES</b>						
Mental Health Contracts	19	19	-	25	25	-0
Other Mental Health	746	746	0	994	994	-
<b>Subtotal</b>	765	765	0	1,020	1,020	-0
<b>OTHER COMMISSIONED SERVICES</b>						
Stroke Association	115	120	5	153	159	6
Hospices	2,010	1,899	-111	2,679	2,551	-128
Care Co-ordination Team	6,227	6,192	-35	8,252	8,204	-48
Patient Transport Services	315	356	41	420	475	55
Wheelchairs Western Locality	1,612	1,351	-261	2,150	1,790	-360
Commissioning Schemes	143	147	4	191	191	-0
All Other	377	382	5	503	392	-111
<b>Subtotal</b>	10,799	10,447	-352	14,348	13,762	-586
<b>PRIMARY CARE</b>						
Enhanced Services	5,679	5,679	-0	7,573	7,573	-
Other Primary Care	130	-130	-259	173	171	-2
<b>Subtotal</b>	5,809	5,550	-259	7,746	7,744	-2
<b>TOTAL COMMISSIONED SERVICES</b>	239,839	239,110	-729	318,211	317,858	-352

**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	Staff Survey “The View from You”
<b>Committee:</b>	Place and Corporate Overview and Scrutiny Panel
<b>Date:</b>	1 March 2017
<b>Cabinet Member:</b>	Councillor Riley
<b>CMT Member:</b>	Dawn Auger (Joint Interim Strategic Director for Transformation and Change (Transformation))
<b>Author:</b>	Guy Dickson (Head of Organisational Development and Talent)
<b>Contact details</b>	Tel: 01752 307326 email: <a href="mailto:guy.dickson@plymouth.gov.uk">guy.dickson@plymouth.gov.uk</a>
<b>Ref:</b>	Staff Survey Scrutiny Report v3
<b>Key Decision:</b>	No
<b>Part:</b>	1

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**Purpose of the report:**

This report was originally prepared for the Place and Corporate Overview and Scrutiny Panel on 26 January 2017. At the request of the panel, it is returning for further discussion, with more detailed information on 1 March 2017, alongside the People Strategy. The original overview report shared on 26 January is included. The additional detail provided is a table showing the detailed responses against every question, for the Council as a whole and for individual directorates; changes against questions since last year; and comparisons to other similar Councils.

Every year since 2010 we have run a staff survey to ask employees their views on working for the Council. During November and December 2016, employees were asked to respond anonymously to an online questionnaire.

This report shares the results from the survey.

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**The Corporate Plan 2016 - 19:**

In order that Plymouth City Council can lead in achieving its vision of a Pioneering, Growing, Caring and Confident city, we need a ‘motivated, skilled and engaged workforce’. Our People Strategy is our high-level medium term plan for how we will ensure we achieve that aim by focussing on three workforce themes: Talent, Leadership and Culture (TLC).

The staff survey helps us measure our progress towards a motivated, skilled and engaged workforce through our plans as outlined in the People Strategy. It highlights areas of success and good practice, as well as where we need to focus on improving. It therefore both informs and measures the progress of the People Strategy on an ongoing basis.

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

HR and OD manage and run the staff survey and produce the results.

Following the publication of results, leaders and managers across the Council will be discussing the results with their departments and teams. These discussions then enable managers and employees to identify potential improvements and put action plans in place.

Other council-wide interventions for improvement will be led by HR and OD.

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

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? No, although the equalities questions and data collected through the Staff Survey is reviewed as part of the data analysis and informs the Council's work in this area.

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**Recommendations and Reasons for recommended action:**

Awareness of the results of the staff survey and support its role in working towards a motivated, skilled and engaged workforce.

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**Alternative options considered and rejected:**

N/A

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**Published work / information:**

N/A

**Background papers:**

N/A

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

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**Sign off:**

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Originating SMT Member: Dawn Auger													
Has the Cabinet Member(s) agreed the contents of the report? Yes													



# THE VIEW FROM YOU - STAFF SURVEY 2016

Human Resources and Organisational Development



## 1. INTRODUCTION

Every year since 2010 we have run a staff survey to ask employees their views on working for the Council. During November and December 2016, employees were asked to respond anonymously to an online questionnaire with 36 questions across 9 categories.

## 2. REPORT HEADLINES

The initial analysis of the 2016 staff survey shows that, overall, the Council is showing a similar picture to last year.

The employee engagement level (the commitment and enthusiasm employees have for their work) has been maintained at 64%, its highest level since we launched the survey in 2010.

This is despite 2016 having been a challenging year for the Council's workforce, with the transformation of services in many areas and reductions in the size of our workforce.

54% of the Council's workforce took the opportunity to have their say, a slight drop from last year's 60% response rate but still significantly higher than in previous years.

As can be seen in section 3 below, our workforce remain committed to work hard with their teams and our partners to do the best they can to deliver the Council's goals, significantly more so than other comparator Councils. There have been improvements this year in perceptions of senior management, the availability of training and development, and the way we manage change.

However there are areas to focus on this coming year too. Career opportunities in the council was our overall lowest scoring question. Morale in teams has increased slightly but remains low. Perceptions of senior management are improving, but they remain low. Our research found that careers, morale and senior management are all consistently low scoring in councils, however in these particular areas our results are lower than other councils that we compared ourselves with.

This year we are launching our People Strategy. This defines our approach to developing a motivated, skilled and engaged workforce, through themes of Talent, Leadership and Culture. This will ensure that at a Council-wide level we address the areas of concern raised in the survey and build on improvements and areas of good practice.

In addition, as in previous years, over the coming weeks and months Assistant Directors will lead conversations with their teams about what the department level results mean, and what can be done to improve things.

### 3. 2016 COUNCIL RESULTS

EMPLOYEE ENGAGEMENT SCORE: **64** (same as 2015, increase of 3 points from 2014)

#### 3.1 SUMMARY RESULTS (scores out of 100):

Category	Plymouth City Council Results	Change Since 2015	Comparison to Other Councils
My Job	66	-2	-1
My Career	47	0	-10
My Employer, the Council	56	-1	1
My Team	64	1	3
My Line Manager	68	-1	-2
Senior Managers (Directors and Assistant Directors)	37	3	-12
The Council	73	-1	2
Equality and Diversity	73	-2	-1
Communications	58	n/a	n/a

#### 3.2 HIGHS AND LOWS

Three highest scoring questions:

I support the Council to achieve its goals.	86
Working in this job makes me want to do the best work I can.	83
My team works with other departments and partners to deliver better services	81

Three lowest scoring questions:

I have career opportunities in the Council.	34
Morale is high in my team.	35
Our senior managers (Directors and Assistant Directors) lead by example.	37

Three biggest increases since 2015 survey:

There are enough opportunities for training and development.	Increase of 7 (now 48)
I have the opportunity to contribute my views before changes are made which affect my job.	Increase of 6 (now 48)
I am satisfied with my total benefit package.	Increase of 5 (now 60)

Three biggest decreases since 2015 survey:

My appraisal helped me to understand what my strengths and development areas are.	Decrease of 5 (now 57)
I feel my pay is fair.	Decrease of 4 (now 51)
I feel valued for the work I do.	Decrease of 4 (now 55)

Best and worst comparison to other councils:

I feel a strong sense of belonging in my team.	18 better than other councils
Our senior managers (Directors and Assistant Directors) lead by example.	14 worse than other councils

#### 4. 2016 DIRECTORATE RESULTS

	Executive Office	ODPH	People	Place	Transformation & Change
<b>RESPONSE RATE</b>	<b>65%</b>	<b>77%</b>	<b>41%</b>	<b>50%</b>	<b>72%</b>
<b>ENGAGEMENT</b>	<b>54</b>	<b>59</b>	<b>66</b>	<b>63</b>	<b>65</b>

Survey Category	Executive Office	ODPH	People	Place	Transformation & Change
<b>My Job</b>	49	65	70	63	65
<b>My Career</b>	26	42	47	47	48
<b>My Employer, the Council</b>	48	51	59	58	57
<b>My Team</b>	50	60	67	63	63
<b>My Line Manager</b>	53	71	70	60	71
<b>Senior Managers</b>	31	39	41	45	31
<b>The Council</b>	71	70	75	73	71
<b>Equality and Diversity</b>	56	71	74	73	75
<b>Communications</b>	59	59	59	60	56

(High scores of 70% positive or more are highlighted green, low scores of 50% positive or less are highlighted red. Scores are out of 100.)

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# Staff Survey 2016 - COUNCIL

70 High Scores  
50 Low Scores

	COUNCIL			Executive Office		ODPH		People		Place		Transformation & Change	
	2016	2015	2016	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Response Rate</b>	54%	-6%	61%	65%	7%	77%	5%	41%	-3%	50%	-27%	72%	3%
<b>Overall Engagement Score</b>	64%	0%	64%	54%	-15%	59%	5%	66%	-1%	64%	1%	63%	-1%
<b>My Job</b>	66	-2	-1	49	-25	65	6	70	1	63	-2	65	-3
1. Working in this job makes me want to do the best work I can.	83	1	9	68	-30	79	8	88	2	78	3	82	-3
7. I feel valued for the work I do.	55	-4	-4	35	-22	54	13	59	1	52	-13	55	-1
15. My job makes good use of my skills and abilities	67	-2	-7	47	-24	66	-4	73	-1	68	3	64	-5
31. I feel I have the right tools to perform my job well.	57			44		60		61		54		57	
<b>My Career</b>	47	0	-10	26	-20	42	4	47	-1	47	2	48	0
6. My appraisal helped me to understand what my strengths and development areas are.	57	-5	-11	32	-30	48	-20	62	-6	52	3	58	-7
14. I have career opportunities in the Council.	34	-1	-6	29	-6	24	13	32	-2	36	-1	37	-1
16. There are enough opportunities for training and development.	48	7		21	-20	44	12	46	3	52	10	48	6
18. There are enough opportunities for me to improve my skills in my current job.	49	1	-12	21	-26	53	11	49	1	50	-4	48	2
<b>My Employer, the Council</b>	56	1	1	48	-7	50	7	57	0	57	4	56	8
3. I have an opportunity to contribute my views before changes are made which affect my job.	48	6	5	41	0	54	14	48	6	55	10	44	5
9. The Council motivates me to contribute more than is normally required.	38	-2	-5	35	-4	27	9	38	-3	43	2	36	-3
10. I regard this Council as a good employer.	61	0	-2	56	-5	33	1	62	-4	64	4	63	1
12. I am happy with my working environment.	58	-2	-2	53	-7	63	17	57	-2	50	-8	63	-1
17. I feel my pay is fair.	51	0	5	47	-4	48	-4	55	0	46	7	52	52
20. I have the right balance between my work and my home life.	60	-1	-5	29	-32	57	22	61	-3	61	-2	60	0
21. I would like to be working for the Council in 12 months' time.	75	-2	8	71	-6	67	-5	77	-2	76	-1	73	0
34. I am satisfied with my total benefits package.	60	10	7	52	2	54	0	60	9	59	18	61	5
<b>My Team</b>	64	1	3	50	-13	60	14	67	2	63	4	63	-3
4. Morale is high in my team.	35	2	-13	9	-24	29	22	35	3	41	6	33	-4
8. My team acts on feedback from customers about the service they receive.	71	2	5	56	-13	67	11	73	2	75	10	68	-2
25. I feel a strong sense of belonging in my team.	69	0	18	56	-13	58	16	73	2	63	-2	71	-2
27. My team works with other departments and partners to deliver better services.	81	-1		79	-3	87	8	86	-1	73	1	82	-3
<b>My Line Manager</b>	68	-1	-2	53	-16	71	0	70	-4	60	-2	71	2
2. My line manager encourages me to put forward ideas.	72	-1	-2	62	-12	78	-4	74	-3	68	2	74	0
13. My line manager gives me useful feedback on how I do my job.	65	-2	-3	44	-23	67	6	68	-5	55	-6	69	4
22. My line manager leads by example.	66	-1		53	-14	68	-2	68	-4	58	-2	70	2
<b>Senior Managers (Directors and Assistant Directors)</b>	37	3	-12	31	-5	39	15	41	2	45	5	31	2
5. Our senior managers (Directors and Assistant Directors) lead by example.	37	3	-14	29	-4	37	19	42	5	44	5	30	3
24. Our senior managers (Directors and Assistant Directors) are open and honest.	38	1	-10	32	-5	40	12	41	-1	45	5	31	1
<b>The Council</b>	73	-1	2	71	-3	70	8	75	-3	73	3	71	-3
19. The Council makes a positive difference to the people of the city.	67	-3		66	-4	76	20	69	-4	69	0	63	-5
26. I support the Council to achieve its goals.	86	-1	2	82	-5	83	-1	89	-1	83	3	87	-3
28. I speak highly of the Council to other people.	64	0		65	1	51	6	67	-4	66	8	63	-1
<b>Equality and Diversity</b>	73	-2	-1	56	-19	71	6	74	-3	73	2	75	-4
11. I feel able to report bullying, harassment or discrimination.	73	-2	2	53	-22	71	7	75	-1	73	1	74	-4
23. I am treated with fairness, respect and without discrimination.	74	-2	-3	59	-17	71	6	73	-6	73	3	76	-3
<b>Communications</b>	58			59		59		59		60		56	
29. My line manager tells me about issues affecting the whole Council.	60			67		68		61		56		61	
30. I am clear about how I contribute to the Council's priorities.	71			74		67		73		73		70	

# Staff Survey 2016 - COUNCIL

70 High Scores  
50 Low Scores

	COUNCIL			Executive Office		ODPH		People		Place		Transformation & Change	
	2016	2015	2016	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>Response Rate</b>	54%	-6%	61%	65%	7%	77%	5%	41%	-3%	50%	-27%	72%	3%
<b>Overall Engagement Score</b>	64%	0%	64%	54%	-15%	59%	5%	66%	-1%	64%	1%	63%	-1%
32. The Council is effective at communicating with staff.	43			38		41		45		50		38	

**PLYMOUTH CITY COUNCIL**

<b>Subject:</b>	People Strategy
<b>Committee:</b>	Place and Corporate Overview and Scrutiny Panel
<b>Date:</b>	1 March 2017
<b>Cabinet Member:</b>	Councillor Bowyer
<b>CMT Member:</b>	Dawn Auger (Joint Interim Strategic Director for Transformation and Change (Transformation))
<b>Author:</b>	Guy Dickson (Head of Organisational Development and Talent)
<b>Contact details</b>	Tel: 01752 307326 email: <a href="mailto:guy.dickson@plymouth.gov.uk">guy.dickson@plymouth.gov.uk</a>
<b>Ref:</b>	People Strategy v9
<b>Key Decision:</b>	No
<b>Part:</b>	1

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**Purpose of the report:**

This report was originally prepared for the Place and Corporate Overview and Scrutiny Panel on 26 January 2017. At the request of the panel, it is returning for further discussion on 1 March 2017 alongside the Staff Survey 2016 results.

In order that Plymouth City Council can lead in achieving its vision of a Pioneering, Growing, Caring and Confident city, we need a 'motivated, skilled and engaged workforce'.

Our People Strategy is our high level medium term plan for how we will ensure we achieve that aim by focussing on three workforce themes: Talent, Leadership and Culture (TLC).

We are seeking feedback and recommendation prior to finalising the People Strategy for Cabinet approval.

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**The Corporate Plan 2016 - 19:**

The People Strategy is our 'People Plan on a Page' with supporting narrative for ensuring that Plymouth City Council has a "motivated, skilled, and engaged workforce".

This is one of the themes under "Confident" in our Corporate Plan.

Our People Strategy will be performance monitored by the Corporate Management Team on a quarterly basis, alongside more detailed Directorate workforce plans. It has been developed over the last 6 months with input from CMT, SMT, Team Plymouth, HROD and Trade Unions.

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

Resources: The People Strategy will be owned by managers across the Council and driven forward by HROD.

Specific interventions for Talent Management, Leadership Development and Culture Change will be driven and resourced by the existing in-house HR & OD department. The annual corporate training budget will support some of this activity.

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

Health, Safety & Wellbeing: Improving the wellbeing of our staff is an important consideration that has been factored into the People Strategy as part of a high employee engagement approach.

**Equality and Diversity**

Has an Equality Impact Assessment been undertaken? Yes

**Recommendations and Reasons for recommended action:**

We are seeking (subject to Scrutiny suggestions for improvement) that the People Strategy be recommended to Cabinet for approval to support the delivery Our Plan, One City Council.

**Alternative options considered and rejected:**

N/A

**Published work / information:**

N/A

**Background papers:**

N/A

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

**Sign off:**

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Originating SMT Member: Dawn Aunger													
Has the Cabinet Member(s) agreed the contents of the report? Yes													



# EQUALITY IMPACT ASSESSMENT

Human Resources and Organisational Development



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

<b>What is being assessed - including a brief description of aims and objectives?</b>	<p>Council People Strategy.</p> <p>In order that Plymouth City Council can lead in achieving its vision of a Pioneering, Growing, Caring and Confident city, we need a motivated, skilled and engaged workforce. The People Strategy is our plan for how we will ensure we achieve that aim, by focussing on three themes: Talent, Leadership and Culture, between now and 2020.</p> <p><u>Positive Impacts:</u></p> <p>We expect there to be a positive impact, via our Talent theme in the people strategy, in ensuring that:-</p> <ul style="list-style-type: none"><li>• We will have a diverse workforce across all levels of our organisation reflecting the diversity in our communities and acting as a role model in the city and region.</li><li>• Our leaders will foster a climate of trust and respect.</li><li>• Workforce planning will ensure that we consciously review the demographics of our workforce, and, for example, encourage pathways into the organisation for protected characteristic where they are under-represented (eg younger people, through apprenticeships).</li><li>• We will focus on management development, which will ensure that development opportunities, performance management, selection processes, etc are applied fairly, objectively and consistently, reducing the risk of subjective bias.</li></ul>
<b>Author</b>	Guy Dickson (Head of Organisational Development and Talent)
<b>Department and service</b>	Human Resources and Organisational Development
<b>Date of assessment</b>	15/12/16

## STAGE 2: EVIDENCE AND IMPACT

Protected characteristics	Evidence and information	Any adverse impact	Actions	Timescale and who is
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(Equality Act)	(eg data and feedback)	See <a href="#">guidance</a> on how to make judgement		responsible
<b>Age</b>	<p>Teens = 1.07%  20s = 8.50%  30s = 18.26%  40s = 29.55%  50s = 33.64%  60-65 = 7.91%  Over 65= 1.07%</p> <p>Young people have told us that training and employment, particularly apprenticeships are a priority for them.</p>	<p>No adverse impact expected.</p> <p>Younger people are currently underrepresented in our workforce. In the context of a shrinking workforce this may be difficult to address.</p>	<p>We will have strong pipelines into the organisation and developing, keeping and maximising the talent we have.</p> <p>We will measure our progress by monitoring the number of apprenticeships as a percentage of our workforce.</p>	<p>Head of Organisational Development 2016 -20.</p>
<b>Disability</b>	<p>Disabled = 3.57%  Not disabled = 23.74%  Not declared = 1.47%</p> <p>Not recorded = 71.22%  In our 2014 staff survey Disabled staff were more likely to agree that they had the right balance between my work and my home life and to be happy with their working environment</p>	<p>No adverse impact anticipated.</p>	<p>We will continue to monitor the proportion of disabled people in our workforce and encourage more of our staff to record whether or not they are disabled on Itrent.</p>	<p>HR Specialist Services / Social inclusion team 2016-20</p>
<b>Faith/religion or belief</b>	<p>Buddhist = 0.18%  Christian = 17.67%  Hindu = 0.11%  Jewish = 0.11%  Muslim = 0.07%  None = 2.99%  Other = 0.88%  Prefer not to say = 3.24%  Not recorded = 64.74%</p>	<p>No adverse impact anticipated.</p>	<p>We will continue to monitor the faith and belief of staff our workforce and encourage more of our staff to record their faith or belief on Itrent.</p>	<p>HR Specialist Services / Social inclusion team 2016-20</p>

<b>Gender - including marriage, pregnancy and maternity</b>	Female =63.23% Male =36.77%	No adverse impact anticipated. We are an employer of choice for women. Whilst they are over represented in our workforce this is not consistent across all occupational groups and grades.	We will analyse the distribution of women across the organisation and consider whether proactive measures are needed to attract more women into area where they are underrepresented. In 2015 we have included questions designed to explore these issues.	HR Specialist Services / Social inclusion team 2016-20
<b>Gender reassignment</b>	We do not record this information.	No adverse impact anticipated.	We should consider collecting this data from staff as we already do for service users.	HR Specialist Services / Social inclusion team 2016-20
<b>Race</b>	Asian or Asian British - Indian =0.07% Asian or Asian British – Pakistani = 0.04% Asian or Asian British - Bangladeshi = 0.00% Any other Asian background = 0.15% Black or Black British - African = 0.33% Black or Black British - Caribbean = 0.11% Any other Black background = 0.04% Chinese = 0.07% Mixed - White and Asian = 0.15%	No adverse impact anticipated. Several of our BME communities are currently under-represented in our workforce. In the context of a shrinking workforce this may be difficult to address.	We have policies and procedures in place to analyse our recruitment data and ensure there is no bias in our recruitment processes.	

	<p>Mixed - White and Black African = 0.07%</p> <p>Mixed - White and Black Caribbean = 0.04%</p> <p>Any other mixed background = 0.26%</p> <p>White – British = 84.62%</p> <p>White - Gypsy or Traveller = 0.04%</p> <p>White – Irish = 0.59%</p> <p>Any other White background = 2.02%</p> <p>Any other ethnic background = 0.37%</p> <p>Non Declared = 2.28%</p> <p>Not recorded = 8.76%</p>			
<b>Sexual orientation - including civil partnership</b>	We do not record this information	<p>No adverse impact anticipated.</p> <p>Whilst we do not record this information on our workforce profile we do ask in our Staff Survey and this suggests that numbers are broadly what you would expect.</p>		HR Specialist Services / Social inclusion team 2016-20

**STAGE 3: ARE THERE ANY IMPLICATIONS FOR THE FOLLOWING? IF SO, PLEASE RECORD ACTIONS TO BE TAKEN**

Local priorities	Implications	Timescale and who is responsible
<b>Reduce the gap in average hourly pay between men and women by 2020.</b>	The council has set 'reducing the gap in average hourly pay as one of our 3 equality objectives. We already have corporate policies in place to support this action, such as our adoption on the Living Wage which is paid to all our staff.	HR Policy Specialist 2016-20 / Policy and Intelligence Team C.Exec's Office.
<b>Increase the number of hate crime incidents reported and maintain good satisfaction rates</b>	Our staff are aware of how they can report hate crime whether it is on their own behalf or on behalf of customers with whom they are a dealing. Staff survey data includes that a relatively small number of staff	Head of Organisational Development 2016 -20.

<b>in dealing with racist, disablist, homophobic, transphobic and faith, religion and belief incidents by 2020.</b>	experience incidents of this nature, less than in other similarly sized organisations and below the TUC reported work place average.	
<b>Good relations between different communities (community cohesion)</b>	N/A	
<b>Human rights</b> Please refer to <a href="#">guidance</a>		

**STAGE 4: PUBLICATION**

Responsible Officer Dawn Auger

Date 15/12/16

Assistant Director of Human Resources and Organisational Development

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# OUR PEOPLE STRATEGY 2016 - 2020

Human Resources and Organisational Development



## WORKFORCE VISION

A motivated, engaged and skilled workforce focused on meeting the needs of the citizens of Plymouth

We will focus on three key themes to support the transformation of the Council

### TALENT

We will attract and retain talented people and develop their strengths

### LEADERSHIP

Our leaders will be confident, inspiring, and role model our values

### CULTURE

The way we will do things around here to be at our best

How we will know we have been successful?

When our people tell us

- I have **opportunities to learn and develop** my career
- Our **leaders live by our values** and are positive role models
- I am **inspired** to **give my best** every day
- I believe Plymouth City Council **cares about me** and is committed to **my health, safety and wellbeing**
- I work hard but still enjoy a healthy **work life balance**
- I feel that **what I do matters** and my contribution counts and is **rewarded fairly**
- I can access **simple, standard tools and processes** which help me to **achieve my objectives**

When our Council transforms to

- Match the **talents, strengths and interests** of our staff to the work we need to do
- **Retain and motivate staff** with a total reward approach to **pay, reward and recognition**
- Be an employer staff are **proud to work for**, promoting our vision, purpose, values and goals
- Foster a **culture of collaboration, innovation and engagement** that **enables or empowers** staff to listen, understand and **work together** to respond to our citizens' needs
- Be an **outcome focussed, values led** culture
- Increasingly **celebrate and value** its diversity

Our people plan will be underpinned by our corporate 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.

## INTRODUCTION TO OUR PEOPLE STRATEGY

“Plymouth is an ambitious City with huge growth potential and is undergoing exciting changes. Plymouth City Council takes a lead role in these ambitions, driving towards the vision in our Corporate Plan of a Pioneering, Growing, Caring and Confident city. In order to achieve this, we need a motivated, engaged and skilled workforce who are focused on meeting the needs of the citizens of Plymouth. This People Strategy will ensure that the Council has the workforce our City needs in the future.”

*Councillor Ian Bowyer  
Leader, Plymouth City Council*



“Our Council has faced some huge challenges over the past few years: reducing funding and increasing demand for services has meant that we had to meet a £65 million gap in funding. Our workforce has done a fantastic job in meeting those challenges, but there are more ahead. Over the next three years we must meet a further £37 million gap in funding as well as improve services to meet the changing expectations of our citizens and embrace digital technology. The coming three years will see further big changes in the way that we work. To achieve all of this it is critical that we develop and invest in our workforce. This People Strategy is our plan for how we will do that; by focusing on three key themes: our Talent, our Leadership and our Culture.”

*Tracey Lee  
Chief Executive, Plymouth City Council*



“Our People Strategy was developed in 2016, taking a co-design approach, involving the Council Leader and Cabinet Members and our Corporate Leadership team and Management teams, with advice and input from our Human Resources and Organisational Development (HR & OD) experts. Our HR & OD department will be guardians of the people strategy and will monitor, support and enable it; but it is a plan for our whole organisation that will ultimately lead to a higher performing Council and better outcomes for the Citizens of Plymouth. We are kicking off our People Strategy in 2017 and will review our progress and update it annually.”

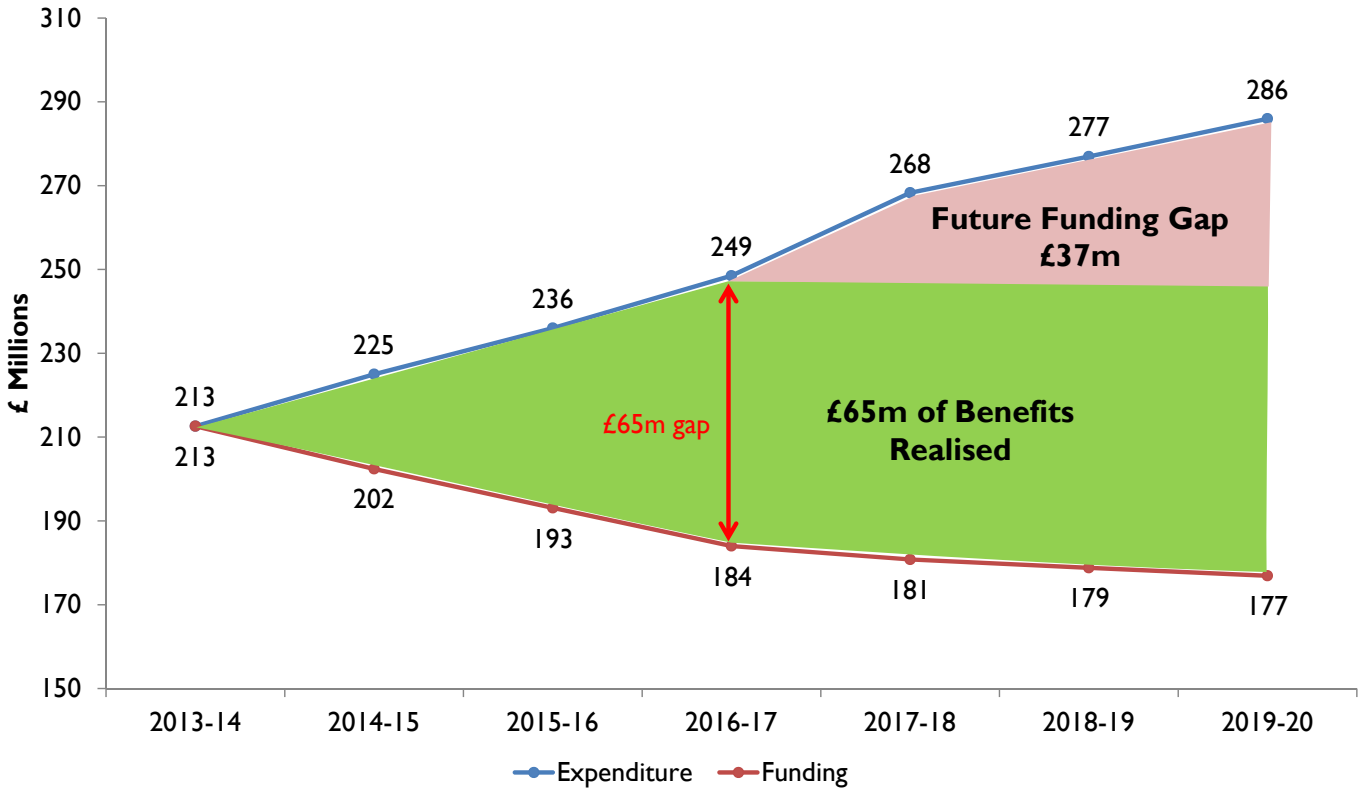
*Dawn Aunger,  
Assistant Director of Human Resources and  
Organisational Development, Plymouth City Council*





# KEY FACTS AND FIGURES

**We have met a £65 million funding gap, but have another £37 million to meet over the next 3 years**



**Our workforce provides and commissions over 300 services for the citizens of Plymouth**

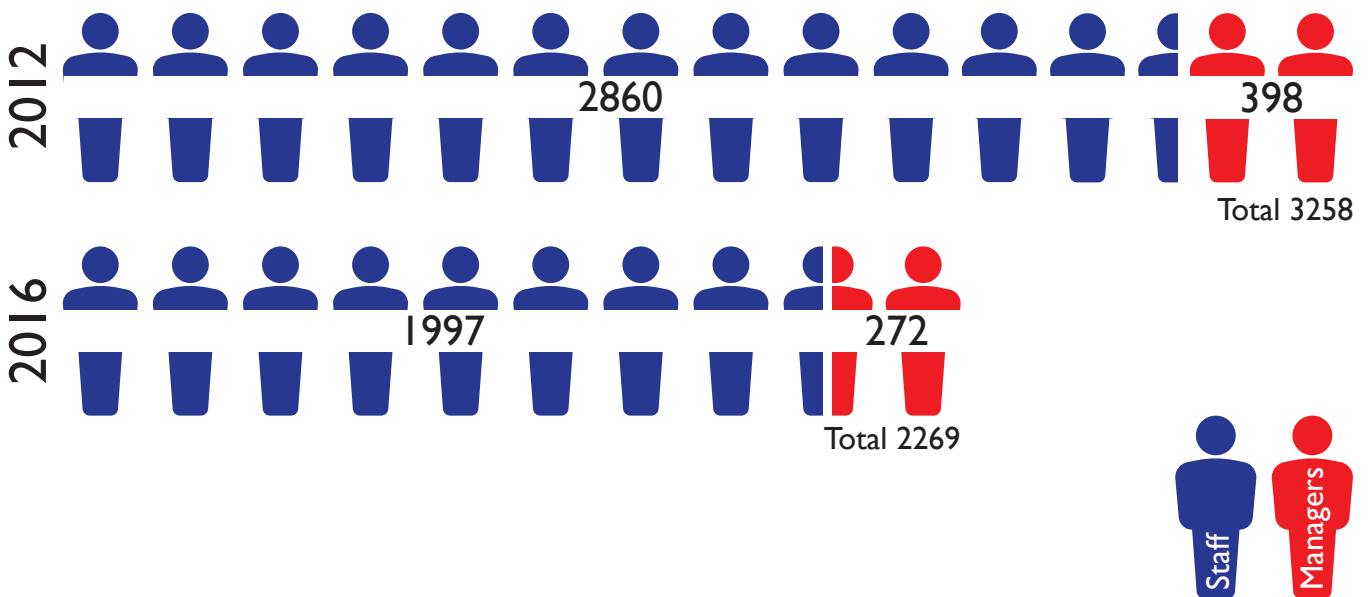


**In 2016/17 we invested over £800,000 in developing our workforce to do the jobs of the future**

## THE CHANGING SHAPE OF OUR WORKFORCE

By working with our partners in new ways, and in response to the financial challenges, we have reduced our workforce significantly over the past four years. This has been done through voluntary release schemes, service reviews, and transferring sections of our workforce to new or partner organisations such as CaterEd, Delt, and Livewell SW. Overall, the Council has shrunk by approximately a quarter since 2012 (or approximately 7% year on year). We cannot predict exactly what the workforce will look like by 2020, although we are planning our workforce to help us identify what it might need to look like. What we do know, is that we will continue to change the way we work and reshape the Council, in response to the future challenges we face. This means that we may see a similar shrinking of the workforce over the coming years.

### PLYMOUTH CITY COUNCIL WORKFORCE NUMBERS (full time equivalent)



'Managers' are defined as roles higher than salary grade H that have people responsibility.

Despite the challenges facing the Council, our workforce is more engaged than ever

2010  
57%

2015  
64%

## TALENT

We will attract and retain talented people and develop their strengths

### WHY FOCUS ON TALENT?

Talent management will enable us to build a future workforce that is engaged, motivated, has the right knowledge, skills and behaviours, is cost effective, and focused on delivering the right outcomes for the citizens of Plymouth.

We work in a complex system and we need to create new ways of enabling whole system change and improvement through talent management across this system. Future challenges include: systems leadership; digital services; integrated and joint teams; working across teams; equip people with the ability to 'passport' flexibly between organisations and sectors; behavioural change to empower and enable people to deliver organisational outcomes.

### WHAT WILL WE DO?

We will ensure we have strong pipelines for bringing talent into the organisation and the system, and developing, keeping and maximising the investment in the talent we have. This means: addressing skills gaps with targeted learning and development solutions, creating talent pathways to get the most from our staff; and improving our employer brand, workforce planning, career management and succession planning, and ensuring the diversity of our organisation.

We have six council-wide workforce development priorities set by DMTs in 2015: management development; commercial finance; political awareness; customer focus; ICT and projects. This is in addition to the core offer (induction, health and safety, core e-learning and soft skills courses for staff and managers).

We are committed to investing in our people, and we allocated £800,000 in 2016 to support the Council's transformation by enabling a step change in the capability of our workforce. For 2017 we are continuing this commitment and further building our capability with an investment of £200,000.

### HOW WILL WE KNOW WE HAVE BEEN SUCCESSFUL?

We will have workforce plans in place that enables us to understand our workforce profiles, to forecast what roles we need to recruit to, retain or remove, what skills we will need to meet shortages in supply, and to proactively manage our largest cost: our pay-bill.

We will have a workforce that is well integrated with and connected to the wider system.

We will benchmark ourselves against the highest performing organisations.

We will have a high performing and diverse workforce.

We will have a strong employer brand, being seen internally and externally as a great employer with a strong total reward offer.

We will have high employee engagement levels that demonstrate high productivity.

We will have more transparency on workforce development spend and a clear understanding of the return on our workforce development and talent investments.

We will meet ambitious apprenticeship targets and grow leaders that are fit for the future.

We will have a diverse workforce across all levels of our organisation, reflecting the diversity in our communities and acting as a role model in the city and region.

### HOW WILL WE MEASURE PROGRESS?

- Apprentices as a percentage of our workforce
- External hires as a percentage of roles we fill
- Percentage of the organisation covered by a workforce plan

## LEADERSHIP

Our leaders will be confident, inspiring, and role model our values

### WHY FOCUS ON LEADERSHIP?

Leadership drives culture and employee engagement which in turn drives productivity.

Our leaders will enable our people plan: living our values, managing our talent and shaping our culture to meet the needs of Plymouth citizens.

### WHAT WILL WE DO?

We will drive systems leadership development to build visionary, ambitious and effective leaders who build connections and work across boundaries.

We will implement a leadership framework for all levels of leaders across the organisation and for multi-agency systems leadership development.

We will ensure the fundamental management skills are in place to enable leadership – e.g. strategic thinking; performance management; planning; risk management; commercial skills; decision making; problem solving; resilience, communication skills; emotional intelligence, health, safety and wellbeing.

We will support our leaders to deliver more and different things with less, remaining resilient in face of unprecedented change and financial challenge, embracing creativity and innovation.

### HOW WILL WE KNOW WE ARE SUCCESSFUL?

Our people will say they trust and respect leaders.

Our people will say that leaders role model our values and demonstrate positive behaviours.

Our people believe that leaders value their health, safety and wellbeing and drive this agenda.

Our employee engagement levels will continue to rise.

Our people will say they are managed well and treated with trust and respect.

Our workforce productivity will increase.  
Our leaders work in partnership with other leaders across the system to create the right conditions for success.

Our leaders create an inspiring vision of the future and engage the workforce with this narrative.

### HOW WILL WE MEASURE PROGRESS?

- Employee satisfaction with managers
- Employee satisfaction with senior leaders
- Percentage of managers and leaders who have received targeted leadership development.

## CULTURE

The way we will do things around here to be at our best

### WHY FOCUS ON CULTURE?

Corporate culture can have a huge impact on an organisation's work environment and output.

Organisational elements (stories, symbols, power structures, organisational structures, control systems, rituals and routines) need to be aligned with one another and with corporate strategy to enable our organisation to perform at its best.

### WHAT WILL WE DO?

We will seek to explore and understand who we are as an organisation, how we do things, and how we can be at our best. We will do this through an ongoing, organisation-wide series of conversations.

Deliver a significant change programme for flexible (Smart) working.

Improve internal communications to be at the heart of changing culture.

Enhance positive employee relations.

Bring our values to life throughout the employee lifecycle.

Deliver the Wellbeing Charter to embed health, safety and wellbeing in the organisation.

Focus on increasing employee engagement by developing a strong strategic narrative, organisational integrity, engaging managers and employee voice.

Focus on Organisational Development: culture change, employee engagement, workforce planning, talent management and organisational design; aligned to business priorities.

Apply a new Total Reward Framework that positively influences people's behaviours on a day to day basis.

### HOW WILL WE KNOW WE ARE SUCCESSFUL?

Our values will be reflected in our culture, the way we do things around here to be at our best.

'How we do things around here' will enable the workforce vision to become a reality.

Our employee engagement index will continue to rise.

Our staff will say that Plymouth City Council is a better place to work and act as advocates for our organisation.

Our staff will feel we are serious about improving wellbeing, and supporting them to be healthy, safe and resilient, including proactive health and safety management.

We will achieve external recognition for our achievements locally, regionally and nationally.

We will see a shift in the way we do things, including:

- Thinking about our **Customers** as **Citizens** – a different kind of relationship with them
- Thinking first about the **Outcomes** we want and then designing **Services** around them
- Using our **Data**, including listening to people, to make more **Intelligent** decisions
- Considering **Risks** but also looking for **Opportunities**

### HOW WILL WE MEASURE PROGRESS?

- Employee engagement levels
- Employee views on the way that the organisation manages change
- Employee advocacy of our organisation

## PEOPLE STRATEGY ROADMAP

2016-2017		
TALENT	LEADERSHIP	CULTURE
<p>Every department will produce a three year workforce plan to ensure that they have the workforce they need both now and in the future to deliver provide citizens with the services they need.</p> <p>Our new Total Reward Framework will ensure a modernised and joined up approach to pay, reward and recognition so that we can attract and retain talented people.</p> <p>We will complete our investment of over £800,000 in staff to support them to do the jobs of tomorrow.</p>	<p>50% of our managers will receive a targeted form of leadership development that helps them motivate and engage our workforce and drive service changes.</p> <p>Leaders will lead by example, role modelling desired behaviours and values.</p> <p>Our previous investment in Systems Leadership training will be cascaded by targeted 'Team Plymouth' development events for our top 100 leaders.</p>	<p>Managers will confidently tell the story of 'Our Journey' and our future purpose and vision.</p> <p>We will introduce new ways of engaging our workforce and giving our people a stronger voice.</p> <p>We will introduce Smart Working across the organisation, enabling our people to work in a more agile way, trusted and empowered, to help drive workforce productivity.</p>

2017-2018		
TALENT	LEADERSHIP	CULTURE
<p>We will deliver our departmental workforce plans and develop whole organisation workforce plans. We will seek to engage with Plymouth partner organisations to develop a place-based approach to talent.</p> <p>We will develop an employer value proposition and brand.</p>	<p>All of our managers will have received a targeted form of management development over the past two years.</p> <p>Our leaders will be managing across departmental and, where possible, across organisational (whole system) boundaries.</p>	<p>We will improve our performance management approach, ensuring performance, behaviours and development needs are regularly discussed throughout the year and training is targeted to need.</p> <p>We will complete our Smart Working rollout, enabling work to become an activity, not a place.</p> <p>Our engagement strategy will drive the conditions for success: we will have a strong strategic narrative, engaging managers, organisational integrity and employee voice.</p>

2018-2020		
TALENT	LEADERSHIP	CULTURE
<p>Public sector workforce development plans will be developed across organisational boundaries</p>	<p>Our leaders will increasingly be managing across organisational boundaries, in partnership with public sector leaders and sharing responsibility for outcomes for citizens.</p>	<p>We will have a highly engaged workforce, focused on outcomes for citizens, working in an agile way across organisational boundaries.</p>

# PLYMOUTH WATERFRONT BUSINESS IMPROVEMENT DISTRICT

PLACE AND CORPORATE OVERVIEW & SCRUTINY COMMITTEE: MARCH 2017



## I. Background

Plymouth Waterfront Partnership Ltd established a Business Improvement District for Plymouth Waterfront in April 2012 and it is due to be renewed for another 5 year term from 1 April 2017.

Plymouth City Council Cabinet, at its meeting on 17<sup>th</sup> January 2017 received a paper on the proposals for a further 5 year term to take effect from 1 April 2017. The paper; Waterfront Business Improvement District (BID) Renewal, described the significant achievements and improvements in the Waterfront over the last 5 years and how the Plymouth Waterfront Partnership has provided a major voice for many businesses, organisations and partnerships within the City.

The Cabinet supported the proposals and approved the recommendations, namely to;

1. Endorse the principles and overall approach of the draft Waterfront BID2 Business Plan 2017-2022.  
**Reason:** To confirm the partnership approach to the Waterfront Business Improvement District and establish a framework for service improvement mechanisms within the Business Improvement District area.
2. Approve the City Council's existing and new commitments to secure financial, match and in kind contributions (totaling c.£8,911,000) and continued commitment to support the Waterfront BID at existing levels through the proposed BID Contract for the provision of services within the Waterfront Business Improvement District area.  
**Reason:** To enable the Plymouth Waterfront Partnership to implement the Business Plan 2017-2022.
3. Authorise the Chief Executive to instruct a Ballot Holder to undertake a ballot of appropriate businesses with the Waterfront Business Improvement District area.  
**Reason:** To enable a ballot in the Business Improvement District area to be conducted in accordance with Section 35 of the Representation of the People Act 1983.
4. Delegate to the Strategic Director for Place authority to vote on behalf of the City Council in the Waterfront Business Improvement District ballot.  
**Reason:** To discharge the City Council's responsibilities in relation to the ballot as an occupier within the Waterfront Business Improvement District area in a timely manner consistent with the Business Improvement District ballot programme and in order to achieve the City Council's wider economic and regeneration objectives for the city.
5. Delegate to the Strategic Director for Place authority to approve the Waterfront Business District Contract provided that it accords with the general principles set out in this report.  
**Reason:** To allow the Business Improvement District Contract to be formally signed after the Business Improvement District ballot and in advance of the formal commencement of the new Business Improvement District for the period 2017-2022.

6. PCC is responsible for managing Street Trading activity within the Waterfront BID area, with an agreed surplus of a minimum £20k generated from street trading, café licenses, events, fairs, festivals being transferred from PCC to PWP following the end of each financial year.  
**Reason:** To enable the PWP (working closely with PCC, promoters, event managers and others) to generate revenues that can then be reinvested for the BID's delivery.
7. The City Council will assist PWP with cash flow over the initial 6 months of its new BID.  
**Reason:** This will ensure that PWP can establish a trading operation and deliver BID Projects in a timely period.
8. Referral to Scrutiny/Select Committee for consideration of the ballot result and the right to exercise the veto. That meeting will then make a recommendation to Full Council. Request the Overview and Scrutiny Commission to insert into their scrutiny work programme a review of the Business Improvement District proposals with a view to making a recommendation to the City Council regarding exercising its power of veto.  
**Reason:** To meet the requirements of Regulation 12 of the Business Improvement District (England) Regulations 2004 in relation to the use of the power of veto and to provide independent scrutiny of the Business Improvement District proposals.

## 2. The Ballot

The Council, as Ballot Holder, are currently undertaking a democratic ballot of all eligible businesses located within the BID boundary with a ballot deadline of 5.00pm, 1st March 2017. The formal ballot proceedings are being conducted by the Electoral Reform Service. The result of the BID ballot will be announced by 8<sup>th</sup> March 2017 and assuming a majority of businesses vote 'Yes' in the ballot (both by number and rateable value), the BID will be renewed.

## 3. The legislative framework

The legislative framework for BIDs includes a provision permitting a local authority to veto BID proposals regarding specific matters. With Plymouth BID being effectively a partnership between the City Council and the business sector in the shape of the Plymouth Waterfront Partnership it is considered important that a degree of independence is maintained when the time comes for the Council, as a whole, to consider whether the power of veto is applicable. The Place and Corporate Overview and Scrutiny Committee have been asked to review these matters in accordance with the Secretary of State BID regulations;

**Question 1.** Does the BID conflict to any material extent with any policy formally adopted by the Council?

*Answer. No, the Waterfront in Plymouth is vital to the heart of the community and the businesses which trade within it. It is a key priority for Plymouth City Council and for the future of the City's overall regeneration.*

**Question 2.** Does the BID place a significantly disproportionate financial burden on any person/ class of persons in the geographical area of the BID?

*Answer. No, the BID, if successful, will apply a 1.5% levy to all business rate payers within the BID area.*

**Question 3.** Has the geographical area of the BID changed? If so why?

*Answer. Yes, the BID area has been extended. Following detailed consultations with businesses, PWP have decided on the precise BID boundary area, which will continue to cover the primary attraction areas of The*



*Barbican, Sutton Harbour, The Hoe and foreshore, Millbay and Royal William Yard. In addition PWP have decided to expand the BID boundary to encompass Mount Batten, Mayflower Marina and parts of Union Street and Durnford Street, to ensure a wide view is taken on the visitor experience. The Waterfront BID area will continue to buffer against the boundary of the City Centre Company's existing BID area, ensuring enhanced links between the two areas and a seamlessly positive visitor experience.*

**Question 4.** What is the level of support as evidenced by the result of the BID ballot for the BID proposals?

*Answer. The voting mandate and the result of the ballot will be widely publicised following the announcement of the result by 8 March 2017.*

**Question 5.** What were the costs in developing the BID proposals and canvassing?

*Answer. Costs have been met by the Plymouth Waterfront Partnership as the BID Proposer.*

#### **4. Summary**

This paper provides evidence that the Plymouth Waterfront Business Improvement District, BID proposals and the ballot comply with matters in accordance with the Secretary of State BID Regulations. This information is to be considered by the Place and Corporate Overview and Scrutiny Committee in order for it to determine whether it chooses to exercise its power of veto.

The Committee is invited to view the final Waterfront BID Business Plan 2017-22 (BID Proposal) at: [www.waterfrontbid.co.uk](http://www.waterfrontbid.co.uk)

#### **5. Recommendation**

It is recommended that the City Council does not exercise its power of veto.

**Author:** Patrick Knight, Economy, Partnerships and Regeneration Manager, Economic Development.

**Date:** 14 February 2017.

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## LEAVING THE EU

### Scrutiny Briefing Report



#### Introduction

On 23<sup>rd</sup> June 2016, the UK voted to leave the EU. Since this date, the Leaving the EU Working Group has been gathering evidence as to how this will impact upon Plymouth and the wider region. While the scale of the impact is largely dependent on the terms negotiated on leaving the EU, the recent Brexit White Paper and other government announcements have given an insight into what sort of a 'Brexit' is anticipated. This briefing provides an initial high-level summary of the information collected so far.

#### Brexit White Paper

Following the parliamentary vote on the European Union (Notification of Withdrawal) Bill which granted Theresa May the power to invoke Article 50, the government published its White Paper on 2<sup>nd</sup> February 2017, setting out how the UK proposes to leave the EU.

#### Key points:

- Article 50 will be triggered no later than the end of March this year.
- An immigration system will be designed to control EU migration and therefore, in future, the Free Movement Directive will no longer apply.
- The Government are seeking to secure 'the freest and most frictionless trade possible in goods and services' with the EU outside of the single market via 'an ambitious and comprehensive free trade agreement.' The UK will also leave the customs union but wants to seek a new customs agreement with the EU. The UK will not seek to adopt an existing model used by other countries but will try to take in elements of current Single Market arrangements.
- A Great Repeal Bill will be introduced which will remove the European Communities Act of 1972 from the UK statute book and convert the body of existing EU law into domestic law. Following exit from the EU, Parliament will then be able to decide which elements of legislation to keep and which to repeal.
- The Government will ensure the continued protection of workers' rights as the body of EU law is converted into domestic legislation and also seeks to enhance them.

#### Opportunities and risks of leaving the EU

##### Potential opportunities

- Opportunities to drive local growth following access to new markets and linking in with the Government's Industrial Strategy
- Ability to influence legislation as it devolves back from the EU
- A predicted increase in tourism and 'staycations'

Identified risks:

- Reliance on access to EU markets
- Potential workforce shortages in key sectors such as manufacturing, construction, tourism, care and higher education
- Replacing EU funding and the what form this will take

## **Opportunities**

### ***Local growth***

The Government's new Industrial Strategy, which aims to improve living standards and economic growth by increasing productivity across the whole country, was published in January 2017 for consultation. Plymouth and the wider HotSW region have a number of ambitious plans for economic growth and work is now underway to identify how the opportunities provided through Brexit and the Industrial Strategy will allow us to build on these.

### ***Legislation***

Procurement and State Aid are two areas of legislation that will need immediate replacement following departure from the EU and where a domestic alternative will be needed. This provides an opportunity to allow greater flexibility in the procurement process, which is one of the main priorities. Additional priorities include:

- Allowing for post tender negotiations
- Increasing thresholds
- Narrowing the criteria for suppliers to bring about a challenge

Reform is recommended rather than the total abandonment of existing procurement rules. However, it is necessary to recognise that much EU legislation is based on rules that originate from the World Trade Organisation (WTO). Adherence to EU Procurement Directives may be a prerequisite of trading with Europe following exit from the EU depending on the terms negotiated.

Exiting the EU provides an opportunity to review and reform the state aid regime. In the post Brexit landscape, greater flexibility to ensure how public grants and subsidies can be used to maximise the benefit to business is of great interest in particular administering grants and subsidies to;

- Local suppliers who support the economic development of the city;
- Suppliers who support the economic development in the region;
- Local social enterprises

### ***Tourism***

Plymouth had over 5 million visitors in 2014 and the total value of tourism to the city is £316 million, supporting 7,420 jobs. Plymouth has the highest amount of day visits in the region at 4.2 million annually. Recent research from Visit England into domestic tourism and the impact of Brexit suggests that more people in the UK are now choosing to take breaks in the UK rather than go abroad. Plymouth has ambitious plans to grow visitor numbers by 20% by 2020 and raise the profile of Plymouth and its positioning as a place to visit and invest, focusing on its outstanding marine credentials. Also, Plymouth will be the UK centre for the Mayflower 400 celebrations in 2020 which is an incredible opportunity to put Plymouth on the cultural map and foster relationships with colleagues on the other side of the Atlantic. Leaving the EU provides an

opportunity to grow the sector and attract high value tourism although as mentioned below, labour market shortages are an associated risk.

### **Risks**

#### ***Labour market shortages***

It is too early to accurately assess the impact of leaving the EU on the local labour market and the scale of the risk will depend on the form that Brexit takes and negotiations going forward. Currently, only 2.7% of Plymouth's workforce is made up of EU citizens. However, EU citizens represent key skill sets in certain sectors that are important for Plymouth such as manufacturing, construction, tourism and care. The impact on the local labour market will depend on the terms negotiated. Only 4.3% of staff from Plymouth Hospitals NHS Trust are from the EU however they are concentrated in specific areas such as nursing and midwifery. Approximately 25% of Plymouth University staff are EU nationals therefore there could be a significant impact on workforce. A limit on EU nationals working and studying in the UK could reduce the ability of Higher Education organisations to attract highly-skilled staff and result in less collaboration with leading researchers across the world and reduced access to research networks.

The potential impact on the care market is currently being explored with service providers. Initial feedback indicates that whilst some domiciliary care providers employ small numbers of EU and non EU nationals, care homes employ a slightly larger number. Providers have identified this as a risk in terms of increased costs due to market demands on a smaller group of eligible workers, which could result in reduced capacity to deliver care, whilst demand is increasing. This will also present a risk to the Local Authority, particularly in light of the aging population and already stretched resources. Care providers have reported that they are finding it harder to recruit suitable applicants, with the majority of current applications being from outside of the UK. There are therefore concerns in the care industry that without access to EU (and non EU) workers it will be even more difficult to recruit.

There is an opportunity to fill some of the gaps in the labour market by training and upskilling the existing local workforce. However, if local growth continues as forecast, even without the impact of Brexit, the demand for skilled labour in the construction and marine / advanced manufacturing sectors cannot be met by the local area workforce without substantial reskilling. Therefore, any additional shortages caused by leaving the EU could exacerbate this situation further. Retraining and upskilling the local population is a long-term activity and would therefore not help to mitigate more short-term workforce shortages.

#### ***Access to market and impact on key economic sectors***

Plymouth, and the wider South West region, is particularly reliant on access to EU markets. Within the South West region, dependency on trade with EU countries is higher than the national average. 60% of all South West exports are to the EU compared to 48% nationally (in value terms). 40% of South West imports are from the EU. The impact of leaving the EU will depend on the terms negotiated post-Brexit. Also, only 21% of businesses in the South West region actually export. The South West region exported £15.3bn of goods in 2015, the second lowest of any English region. Therefore, whilst a significant proportion of what we do export goes to the EU, exporting is not a large proportion of overall production so the risk is arguably not as great as it first appears. There is a risk however in that, as Plymouth does not export a significant amount of goods and services, trying to build new trading relationships following exit from the EU could be harder than for other cities.

Plymouth has a strong advanced manufacturing sector and has the highest concentration of manufacturing and engineering employment of any city in the South of England. Locally, manufacturing accounts for 13% of the total economy and a similar proportion of the labour market. A recent Plymouth Manufacturing Group 'Health of the Sector' Survey shows that respondents believe that growth will be as strong as ever next year. However, 55% of respondents feel that a 'hard Brexit' would 'impair the performance' of their business, whilst 39% felt that 'we would do just fine'. Two-thirds of our larger manufacturing firms (employing 100+ people) are foreign direct investors. Some service the globe from Plymouth and some only trade within the UK. Some of them chose to locate here in the UK originally to serve the European market and would therefore have wanted the Government to maintain single market access. Plymouth has some exposure to risk due to a disproportionate reliance on the manufacturing sector (16% of the economy, compared with 10% nationally).

Plymouth has three Higher Education Institutes (HEIs) that collectively employ 3,886 full time equivalent staff. The success and vibrancy of these organisations contribute hugely to the city's economy with student spend estimated to be over £120m to our local GVA (Gross Value Added) and supporting almost 5,000 jobs. There is a risk that a reduction in EU students will lead to loss of income, research and a reduction in the number of skilled graduates available to the economy. The loss of this contribution to the city's economy would be a severe blow to the city and would affect businesses that support the student population. However, there is an opportunity to charge higher fees to EU students post-Brexit should they be able to study in the UK and if they still choose the UK as a study destination.

### **Funding**

In respect of regional funding, the Heart of the South West (HotSW) LEP has been allocated €117.8 million European Structural and Investment funding (ESIF) for 2014-2020. The Brexit White Paper confirmed that all European Structural and Investment Funds (ESIFs) projects signed, or with funding agreements that were in place before the Autumn Statement 2016, will be fully funded, even when these projects continue beyond the UK's departure from the EU. For projects signed after the Autumn Statement 2016 and which continue after we have left the EU, HM Treasury will honour funding for projects if they provide strong value for money and are in line with domestic strategic priorities.

It is essential that this level of funding is made available to the area following exit from the EU. EU funding is secure for a six year period so any successor scheme must have a similar guarantee to allow for strategic planning and investment.

Whilst the loss of EU funding is considered a risk, there are also potential opportunities in terms of successor funding programmes and the form they will take. EU funding programmes have been criticised in the past for being too fragmented, centrally driven and unnecessarily challenging to access. There is an opportunity for a successor regional aid scheme to be managed, commissioned and delivered at a local level. There is also an opportunity to move away from the traditional EU focus on specific geographical areas and funding could be aligned with areas based on other criteria, in line with the Industrial Strategy.

Agricultural funding has been guaranteed until 2020 however, after this time, any reduction in agricultural funding due to leaving the EU will have an impact on the HotSW region and the regional economy. The HotSW agricultural industry represents a higher proportion of the local economy than nationally. In 2015, the Agriculture, Forestry and Fishing industry accounted for 1.45% of the HotSW's GVA, whereas the same industry accounted for just 0.65% of UK GVA<sup>1</sup>.

Any loss of funding from the European Maritime and Fisheries Fund (EMFF) will impact on Plymouth Fisheries. It is now the second largest fresh fish market in England and recent research has identified that approximately 4,000 people are employed in the sector. The fishing industry brings over £12m in GVA to Plymouth each year, and accounts for around 15% of the entire English fishing fleet.

### **Next steps**

Work is ongoing to gather evidence and establish a range of accurate statistics around the areas outlined above and will continue as more detail is released from the Government. The Council is working with the Local Government Association (LGA) on issues surrounding leaving the EU and is providing evidence to Government on the local risks and opportunities through the LGA and through other routes such as the Industrial Strategy Green Paper consultation. The Leaving the EU Working Group is also contributing to the work of the regional Brexit Resilience and Opportunities group.

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<sup>1</sup> *Regional Gross Value Added (Income Approach) by Industry* - ONS, December 2016.

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## Place and Corporate Overview and Scrutiny Committee

Tracking Resolutions – 2016 – 2017

Place and Corporate Overview and Scrutiny Committee			
	Resolution	Target date, Officer responsible and Progress	
7 December 2016  Child Poverty Action Plan Update  Minute 23	The committee <u>agreed</u> –  (1) to recommend that the portfolio holder make recommendations to Council; (2) that officers should explore how to develop credit union champions within communities; (3) that future updates to scrutiny on the Child Poverty Plan will be by exception as recommended by the Child Poverty Working Group.	Date:	January 2017
		Officer:	Ross Jago, Lead Officer
		Progress:	Point (3) has been actioned.
7 December 2016  The Council's Corporate Plan Monitoring Report and Commitments Progress Report  Minute 24	The committee <u>agreed</u> that the following items are included on its work programme for future consideration –  <ul style="list-style-type: none"> <li>Plan for Sport Strategy</li> <li>Transport links to the city (rail and air)</li> </ul>	Date:	December 2016
		Officer:	Ross Jago, Lead Officer
		Progress:	These items have been added to the committee's work programme.
7 December 2016  Parking Modernisation Plan  Minute 25	The committee <u>agreed</u> to hold a select committee review to look at the Plan for Parking which would be open to all non-executive members to attend.	Date:	January 2017
		Officer:	Ross Jago, Lead Officer
		Progress:	The select committee review was held on 18 January 2017.

Place and Corporate Overview and Scrutiny Committee			
	Resolution	Target date, Officer responsible and Progress	
7 December 2016 Plan for Libraries Minute 26	The committee <u>agreed</u> to hold a select committee review to look at the Plan for Libraries which would be open to all non-executive members to attend.	Date:	May 2017
		Officer:	Ross Jago, Lead Officer
		Progress:	Arrangements are currently being drafted for the review. Membership has been agreed and Councillors have been asked whether they wish to be called as witnesses.

# PLACE AND CORPORATE OVERVIEW SCRUTINY COMMITTEE

Work Programme 2016-2017



**PLYMOUTH**  
CITY COUNCIL

Please note that the work programme is a 'live' document and subject to change at short notice. The information in this work programme is intended to be of strategic relevance.

For general enquiries relating to the Council's Scrutiny function, including this committee's work programme, please contact Helen Wright, Democratic Adviser on 01752 304022.

Date of meeting	Agenda item	Prioritisation Score	Reason for consideration	Responsible Officer
27 July 2016	Plymouth City Council Corporate Plan			
	Corporate Finance Monitoring Report		Standing Item	
	Plymouth Plan Part 2			
5 October 2016	Corporate Finance Monitoring Report		Standing Item	
	Quality Hotel			
	History Centre			
	Plan for Waste			
	Corporate Plan Performance Framework		Standing item	
7 December 2016	Capital and Revenue Monitoring Report 2016/17 – Quarter 2		Standing Item	
	The Council's Corporate Plan Monitoring Report and Commitments Progress Report		Standing item	
	Child Poverty Action Plan			
	Plan for Parking			
	Plan for Libraries			
11 January 2017 (Budget)	Draft Budget MTFs Corporate Plan Monitoring Staff Information (including the People Strategy) Staff Survey Time for Big Decision Consultation			
1 March 2017	Corporate Finance Monitoring Report		Standing Item	

Date of meeting	Agenda item	Prioritisation Score	Reason for consideration	Responsible Officer
	Corporate Plan Monitoring Report		Standing Item	
	Corporate Plan Performance Framework		Standing Item	
	People Strategy/Staff Survey			
	Waterfront BID			
	Impact of the UK Leaving the European Union			
	<i>Community Item (if forthcoming)</i>			
<b>Items to be scheduled</b>				
<b>19 April 2017</b>	Corporate Finance Monitoring Report		Standing Item	
	Corporate Plan Performance Framework		Standing Item	
	Corporate Plan Monitoring Report		Standing Item	
	<i>Community Item (if forthcoming)</i>			
<b>Select Committee Reviews</b>				
<b>31 August 2016</b>	Plan for Waste			
<b>Joint Select Committee Reviews</b>				
<b>22 September 2016</b>	Budget and Policy Decisions			
<b>30 November 2016</b>	Council Tax Support Scheme			
<b>11 January 2017</b>	Council Tax Support Scheme			
<b>18 January 2017</b>	Parking Modernisation			
<b>May 2017</b>	Plan for Libraries			