



#plymcabinet

**Democratic and Member Support**

Chief Executive's Department  
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Published 18 August 2017

## Cabinet

Tuesday 29 August 2017  
4.00 pm  
Council House, Plymouth

**Members:**

Councillor Bowyer, Chair  
Councillor Nicholson, Vice Chair  
Councillors Mrs Beer, Mrs Bowyer, Darcy, Downie, Jordan, Michael Leaves, Ricketts and Riley.

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

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

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

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**Tracey Lee**  
Chief Executive

# Cabinet

## Agenda

### Part I (Public Meeting)

#### 1. Apologies

To receive apologies for absence submitted by Cabinet Members.

#### 2. Declarations of Interest (Pages 1 - 2)

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

#### 3. Minutes (Pages 3 - 4)

To sign and confirm as a correct record the minutes of the meeting held on 25 July 2017.

#### 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. Questions from the Public

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

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

#### 6. Establishing a Strategic Partnership with Torbay Council to Deliver Children's Services (Pages 5 - 26)

#### 7. Capital and Revenue Monitoring Report 2017/18 - Quarter 1 (Pages 27 - 44)

#### 8. Corporate Performance Monitoring Q1 2017/18 - TO FOLLOW

DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?



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

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

No

Yes




Declare interest and leave (or obtain a dispensation)




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



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

Yes                  No                   You can speak and vote




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

Yes                  No

Declare the interest and speak and vote



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

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

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

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## Cabinet

**Tuesday 25 July 2017**

### **PRESENT:**

Councillor Bowyer, in the Chair.

Councillor Nicholson, Vice Chair.

Councillors Mrs Beer, Mrs Bowyer, Darcy, Downie, Jordan, Michael Leaves, Ricketts and Riley.

The meeting started at 4.00 pm and finished at 4.18 pm.

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

25. **Declarations of Interest**

There were no declarations of interest.

26. **Minutes**

The minutes of the meetings held on the 27 June 2017 were approved.

27. **Questions from the Public**

There were no questions from members of the public.

28. **Chair's Urgent Business**

There was no urgent business.

29. **Temporary Agency Contract**

Councillor Riley, Cabinet Member for HR / Democracy and Governance / Licensing, introduced a report on the Temporary Agency Contract.

It was recommended to award a new agency worker contract utilising a Framework Agreement called the 'Yorkshire Purchasing Organisation Framework for HR Services and Solutions – Lot 1'.

The contract would be offered to Pertemps Network Group as a Direct Award to ensure no deterioration to the current service provision.

Agreed to -

1. make a direct award to Pertemps Network Group via the Yorkshire Purchasing Organisation (Flexible HR Framework) on the basis of a series of four rolling 12 month contracts, effective from 1 October 2017.
2. to approve the contracts for a maximum 4 years with no termination in the first 12 months of the contract and thereafter a 6 month termination clause to the effect that the earliest date the contract can terminate is 31 March 2019.

### 30. **Improved Better Care Fund**

Councillor Mrs Bowyer, Cabinet Member for Health and Adult Social Care, introduced the report, which set out the allocation of the 2017/18 Improved better Care (iBCF) funding, detailed the requirements of the Secretary of State, how the funding can be utilised and the required reporting arrangements.

Following a brief discussion Cabinet agreed –

1. to approve the allocation of the additional funding total for 2017/18 of £5.800m;
2. to note the pooling of this additional funding into the existing Better Care Fund (BCF) as set out in the government guidelines.
3. to note the terms and conditions attached to the funding, in particular the requirement for Plymouth City Council to provide a quarterly finance report to DCLG, signed by the Section 151 Officer.

### 31. **Integrated Sexual Reproductive Health Services Contract Award**

Councillor Mrs Bowyer, Cabinet Member for Health and Adult Social Care, introduced the report, which set out recommendations to fulfil the Council's statutory obligations under the Health and Social Care Act 2012 to provide confidential, open access sexual and reproductive health services for the population of Plymouth.

Following a brief discussion, which highlighted the positive impact on Child Poverty, Cabinet agreed to award a contract for an Integrated Sexual and Reproductive Health Service to a single provider, (as outlined in the Part II report), for a period of 3 years with the option to extend for a further 3 x 1 years.

**PLYMOUTH CITY COUNCIL**

**Subject:** Establishing a strategic partnership with Torbay Council to deliver Children's Services

**Committee:** Cabinet

**Date:** 29 August 2017

**Cabinet Member:** Councillor Ian Bowyer

**CMT Member:** Tracey Lee

**Author:** Alison Ward, Regional Partnerships Manager

**Contact:** Tel: 01752 398084  
E-mail: alison.ward@plymouth.gov.uk

**Ref:**

**Key Decision:** No

**Part:** I

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**Purpose of the report:**

In March 2017, Plymouth City Council was invited to submit an expression of interest to create a partnership arrangement with Torbay Council to jointly deliver its Children's Services. Torbay Council's Children's Services have been judged inadequate for several years and in May 2016, the Department for Education (DfE) appointed a Commissioner, John Coughlan, Chief Executive of Hampshire County Council, to oversee improvement.

The Commissioner's role also involves ensuring that improved performance can be sustained over the longer term by exploring alternative delivery models, including partnering with nearby councils. In April 2017, the Commissioner advised that having evaluated expressions of interest from Plymouth City Council and Devon County Council, his preferred option as a partner for Torbay Council was Plymouth. In June 2017, the DfE Minister endorsed his recommendation. (Appendix 2)

This report seeks an 'in principle' agreement to proceed to develop a delivery model and detailed partnership agreement with Torbay Council to deliver its Children's Services. A Prospectus has been jointly developed by officers from both councils. This is a high level framework document setting out the general terms and principles for the partnership (Appendix 1).

Discussions with Torbay Council regarding Children's Services are set against the backdrop of Torbay exploring longer term options for the future delivery of all their services. They have engaged Local Partnerships (a consultancy between the Local Government Association and HM Treasury) to develop business cases for several options. This work is due to be reported to Torbay Council in mid-September 2017. The options being considered include the potential for joint delivery of all their services with one, or a combination of nearby councils.

The Commissioner and the Minister have both been very clear that improvements to Children's Services in Torbay must happen at pace, and therefore unless there is a credible and compelling alternative, a partnership with Plymouth City Council will remain the preferred option for delivery of that service.

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**The Corporate Plan 2016/17 – 2018/19:**

One of the central themes of the Corporate Plan is that Plymouth City Council is pioneering; finding new ways to deliver services that are innovative and more efficient. A partnership with Torbay Council would enable us to explore new and more cost effective service delivery models based on greater economies of scale and the sharing of best practice, which will benefit both councils.

The partnership also supports our ambition to be a confident city, demonstrating strong sub-regional leadership and enhancing our reputation within the sector and with Government.

The Council has a strong track record of working in partnership which has been recognised regionally and nationally. This proposal is a further opportunity to demonstrate that strength.

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

The establishment and running of the partnership would be at no cost to Plymouth City Council, and there would be no pooling or cross subsidy with Torbay Council budgets. The set-up costs would be covered by a one-off payment from the Department for Education. In the longer term, Torbay Council would pay Plymouth City Council the extra costs incurred in providing the agreed partnership support. Any savings generated from shared working or more efficient delivery structures would be apportioned between the two councils in accordance with a pre-agreed ratio.

The partnership would involve a shared role for the Director of Children's Services across both councils. This will necessitate a review of the capacity in the senior management arrangements in Plymouth City Council's People Directorate. The remainder of the staffing structures within Children's Services would remain largely unaffected, although the necessity may arise for a minor reapportioning across middle management to take on additional responsibility for supervision and guidance, and a greater degree of deputising across senior management to accommodate the shared Director role.

There would also be opportunities for secondments and career development across the larger workforce of the two councils. The partnership would provide greater critical mass for recruitment and retention of social workers, and better opportunities for training and development based on economies of scale.

There would be an opportunity to harmonise working practices and IT systems across the joint workforce and this could lead to the standardisation of case management software. Any associated costs would be factored into the business case for transition funding from the DfE. Torbay Council would make a proportionate on going contribution to senior management costs, including any additional capacity created to ensure a robust joint DCS function.

There are no direct implications for land or buildings as each council would retain their current facilities.

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



The partnership proposal presents a number of risks that would need to be managed, but also a range of potential benefits that would need to be exploited, including financial efficiencies, workforce stability and the testing of new delivery models. Some key risk management principles are set out below:

1. The safety and wellbeing of Plymouth's children and young people is paramount. Any partnership arrangements must not detract from this. The partnership must also not disrupt Plymouth's own Children's Services improvement journey.
2. The partnership must not impact on Plymouth's finances or create issues in terms of staffing. All set up costs will be recorded and contained, and funded by the Department for Education.
3. The precise terms of the partnership arrangement would be set out in a detailed agreement including the roles and accountabilities of Members and officers in both councils.
4. Torbay Council would retain full political accountability, as well as the statutory responsibilities associated with the Director of Children's Services and the Lead Member for Children's Services. There would need to be absolute clarity to ensure that Plymouth's City Council's reputation was not harmed as a result of entering into the partnership.
5. Given the long term and binding nature of the partnership it would be crucial to secure a strong commitment from Members and senior managers before embarking on the partnership. There would be a built-in review point and other termination conditions set out in the full partnership agreement.

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

That Cabinet:

1. Agrees 'in principle' to progress the development of a partnership with Torbay Council to run its Children's Services, working with Torbay Council and the Commissioner for Children's Services, and under the auspices of the Department for Education to develop a detailed partnership agreement.
2. Delegates to the Chief Executive in consultation with the Leader and the Leader of the Opposition the development of the detailed partnership agreement.
3. Requests the Wellbeing Overview and Scrutiny Committee to examine and debate the proposal in September 2017 and provide any feedback to the Council meeting on 25 September 2017.
4. Recommends that the Council endorses the Cabinet's 'in principle' decision at its meeting on 25 September 2017, subject to continuing support for a strategic partnership with Plymouth City Council to deliver Torbay Council's Children's Services, following the latter's Council meeting on 13 September 2017.
5. Receives a further report later in 2017 following the 'due diligence' exercise and seeks further endorsement from the Council before any binding decision is made.

### **Alternative options considered and reasons for recommended action:**

Torbay Council are required to act in accordance with the recommendations of the Commissioner. At this point, the Commissioner has identified that a partnership with Plymouth City Council provides the best solution for Torbay Council to improve its Children's Services at pace and Torbay Members voted overwhelmingly to support this route in July 2017. Plymouth City Council is under no obligation to continue with the partnership at this point.

The options at this point are therefore:-

- (i) To agree 'in principle' to proceed to develop the partnership, or
- (ii) Not to proceed

#### **Option (i)**

If the Council decides to proceed to develop the partnership arrangements, officer project teams would be set up within both councils to develop the detail required, and to undertake due diligence. The project teams would report to a single project board chaired by Plymouth City Council's Chief Executive, which would provide structure and rigour to ensure all aspects are covered. The Board would provide regular updates to each council. In addition, the Cross Party Working Group would continue to meet and receive updates, as well as opportunities for wider Member involvement. A final decision will be required before the partnership can be formally established, and Plymouth City Council's Cabinet would seek further endorsement from the Council.

It is envisaged that the partnership would take approximately six months to establish. Should any issues arise during this period which cannot be resolved, or which present 'red lines', the Council could withdraw.

Whilst there are clearly implications that need to be carefully considered, there are also strong benefits and opportunities to be gained from the partnership, particularly in terms of Plymouth City Council's positioning for the future in a fast changing public services agenda.

#### **Option (ii)**

If the Council decides not to proceed, the Commissioner will have to find an alternative way forward, as the responsibility for the delivery of Children's Services cannot remain with Torbay Council alone.

Alternatives might involve forming a partnership with Devon County Council who expressed an interest from the outset and were evaluated by the Commissioner. They have subsequently reiterated their 'willingness and readiness to enter into an arrangement for the joint delivery of upper tier services commencing in April 2018' but not if this was on a 'piecemeal' basis.

The Commissioner could also decide to explore setting up an independent trust to deliver Children's Services, however this is likely to be more costly, complex and slower.

If the Council decides not to proceed at this stage, it would lose the opportunity to demonstrate strong sector-led leadership in this area, and would not be able to explore the more innovative delivery models or secure the efficiency savings that the partnership could deliver. In addition there are additional risks for Plymouth if either of the above options become a reality, these include: impact

on our recruitment and retention of social workers in a challenging national and local context; impact on our regional influence with a particular risk in relation to placement sufficiency for children in care.

The Council would also lose the opportunity to align more closely with other commisioning and governance arrangements such as those emerging in the Health and Care Sustainability and Transformation Plans and the changing public sector landscape.

**Background papers:**

- Appendix 1. Prospectus
- Appendix 2. Ministerial letter

Torbay Council’s report on the Children’s Service Alternative Delivery Model, and the minutes recording their decision.

- [Torbay Council 20 July 2017 Children's Services Report](#)
- [Torbay Council 20 July 2017 Minutes](#)

**Sign off:**

Fin	dn171 8.82	Leg	lt/2794 7/1708	HR	DA- HR17.0 8.2017	Corp Prop	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member <b>Tracey Lee</b>											
Have you consulted the Cabinet Member(s) named on the report? <b>Yes</b>											

## 1.0 Background

- 1.1 In May 2016, the Department for Education issued Torbay Council with a Statutory Direction and appointed John Coughlan, Chief Executive of Hampshire County Council as the Commissioner for Children's Services, and Hampshire County Council Children's Services as expert advisors to support improvement. This action was the culmination of poor Ofsted inspection results over a number of years. An improvement notice was first issued to Torbay Council in January 2011 following poor performance in its safeguarding services for children and young people. A further improvement notice was issued in April 2012 to revise the targets in the first improvement notice. Whilst the service was judged to have shown some improvement following an inspection in 2013, the most recent Ofsted inspection published in January 2016 found that those improvements had not been sustained and this triggered the Statutory Direction.
- 1.2 The Commissioner's primary role is to oversee the improvement of Children's safeguarding services in Torbay, reporting progress to the Secretary of State on a regular basis. However, as a consequence of repeated failure, Torbay falls into a category of intervention whereby there is a Government assumption that the governance of services will be changed and cannot be left to Torbay alone. Consequently it is within the Commissioner's remit to explore alternative delivery models for Children's Services to ensure that improvement can be sustained over the longer term.
- 1.3 Prior to the appointment of the Commissioner, Torbay Council secured funding to help to explore transferring Children's Services into the Integrated Care Organisation (ICO) model, with Torbay and South Devon NHS Foundation Trust, following a similar approach to that for Adult (Social Care) Services. Soon after the Commissioner took up his role, he identified that this work had not progressed sufficiently. An independent company, Mutual Ventures were commissioned to complete the review and reported back in December 2016.
- 1.4 Whilst the model of transferring Children's Services into the ICO was deemed feasible, the Commissioner concluded that it was not appropriate for a number of reasons, including the complexity and uniqueness of such an arrangement, and the time it would take to bring into effect.
- 1.5 In early 2017, the Commissioner started to explore the potential for partnering arrangements with other councils as an alternative delivery model. Cornwall Council, Plymouth City Council and Devon County Council were each approached. Cornwall Council withdrew when their Director of Children's Services was appointed as a Commissioner to another authority. Plymouth and Devon were invited to put forward written submissions and this was followed up with face to face discussions.
- 1.6 On 5 April 2017, the Commissioner wrote to the DfE advising them that his preferred option as a partner for Torbay Council to deliver Children's Services was Plymouth City Council. He concluded that whilst both councils offered credible proposals, on balance Plymouth City Council was a better fit. His rationale included the following points:
- Plymouth evidences a generally stronger performance profile and history than Devon, although both are currently judged as 'requiring improvement'.
  - Analysis of the data shows a stronger synergy between Plymouth and Torbay as coastal and largely urban locations.
  - Plymouth has had long term stability in its senior management team.

- 1.7 In response to the Commissioner's recommendation, the Chief Executive of Torbay Council wrote to the Chief Executive of Plymouth City Council on 25 April 2017 setting out his initial thoughts on the key features of a partnership arrangement. This formed the basis of the Prospectus document, developed by officers from both councils, as the overarching framework on which to progress the work. (Appendix 1)
- 1.8 In the early summer of 2017, Torbay Council commissioned Local Partnerships to conduct an in-depth options review of potential future arrangements for the delivery of all of Torbay Council's services. This followed ongoing discussions within the council regarding its long term viability as a unitary council, emanating from an LGA Peer Review which reported in January 2016. The review explores forming delivery partnerships with other local councils. Torbay Council is due to consider the findings at its meeting on 13 September 2017, at which point it could decide which option(s) to pursue.
- 1.9 Devon County Council has stated its willingness to deliver all of Torbay's upper tier services, but not if Children's Services is excluded as they consider it would not make operational or economic sense to have separate arrangements for that service.
- 1.10 The Commissioner and the Minister have both reiterated their strong support for Plymouth City Council as the preferred partner for Torbay Council's Children's Services, but have acknowledged that the outcome of this review could have a direct and material impact on that decision which could force them to reconsider.

## 2.0 Rationale

- 2.1 The Commissioner judged that Plymouth City Council was a good fit to support Torbay Council. Plymouth is also moving through an improvement process after services for children in need of help and protection, looked after children, and care leavers were judged as requiring improvement in 2015. Good progress has been made to address the areas highlighted by the inspection, including changes to operational practice that have seen caseloads reduced, front line staff better supported, higher retention rates for social workers and improved partnership working through programmes like Families with a Future.
- 2.2 There is also strong leadership and a clear corporate commitment to improving the outcomes and aspirations for children and young people, and for safeguarding the most vulnerable. This is demonstrated by an effective systems leadership culture, and integrated commissioning underpinned by a good understanding of demand, flow, performance and costs.
- 2.3 A recurring theme in Torbay Council inspection assessments has been a lack of strong leadership, and poor management and governance. The latest judgement, published in January 2016, and the Statutory Direction issued in response highlighted this failing, as well as the poor quality of services for children who need help and protection. [Torbay Council Ofsted Inspection January 2016](#)
- 2.4 These are areas that Plymouth City Council can help Torbay to address; in a practical sense in terms of implementing better working practices and introducing cultural change, as well as providing strong and consistent leadership and management support.
- 2.5 Hampshire County Council set up an improvement partnership with the Isle of Wight Council in 2013. This was one of the first partnerships of its kind, however it is increasingly the Government's preferred option, being less complex and more cost effective than setting up an

independent trust. It is a model that supports sector-led, peer to peer improvement which is more embedded and sustainable. A partnership with Torbay Council would be a good example of one unitary council providing sector-led improvement to a similar, nearby unitary council.

### 3.0 Risks and Benefits

#### Risks

- 3.1 The partnership would be expected to follow a similar format to that set up between Hampshire County Council and Isle of Wight Council which is designed to run for 5 years. Given this duration, which would span several local election cycles, it would be critical that the arrangement has political consensus and strong corporate commitment.
- 3.2 Inspections at Torbay have highlighted failings in leadership and management. In addition, the Mayoral governance model in Torbay presents different dynamics to the Leader and Cabinet model in Plymouth. These challenges present a potential risk to Plymouth City Council in being able to establish the partnership, and support Torbay to achieve vital service improvements.
- 3.3 Torbay Council is considering a range of options for the long term delivery of all their services. The outcome of that review may persuade councillors to opt for a different delivery partner for other key services, in which case Plymouth City Council would be likely to withdraw, and the Commissioner would be required to review his recommendation and find an alternative solution for the delivery of Torbay Council's Children's Services.
- 3.4 There must be no distraction for Plymouth City Council on its improvement journey as a result of entering into the partnership. It is crucial that the hard-won progress that the Council and its partners have achieved is not compromised in any way. This includes ensuring that the Council has sufficient capacity and capability at all levels, and is not overstretched, particularly in the event of a major safeguarding incident in either council area, or by an inspection.
- 3.5 There must be no extra costs incurred by Plymouth City Council as a result of entering into the partnership. The DfE has agreed to cover transition costs for both councils and it will be essential to ensure that sufficient funding is requested, and that the ongoing additional costs for shared senior management support after the partnership goes live are met by Torbay Council.
- 3.6 There must be absolute clarity regarding lines of accountability to ensure that Plymouth City Council's reputation is not harmed as a result of the partnership.
- 3.7 Plymouth City Council must have sufficient oversight to be confident that Torbay Council has allocated adequate funding to run Children's Services.

#### Benefits

- 3.8 Plymouth City Council already enjoys a high profile and strong influence in regional and sub-regional work; including Health and Care Sustainability and Transformation Plans; successful recruitment and retention of social workers; effective regional commissioning; and in other spheres of influence such as the Plymouth-Exeter-Torbay Growth Corridor bid which has gained early Government interest. The Council's status would be enhanced through a successful strategic partnership arrangement with Torbay to deliver Children's Services as it would add critical mass in terms of workforce numbers and the scale of delivery.

- 3.9 The partnership could strengthen the Council's own improvements and current partnership initiatives and innovations. For example, the work with the NSPCC could be scaled up and have greater impact in Plymouth, as well as delivering benefits for Torbay.
- 3.10 There are potential areas for financial efficiencies and economies of scale, and for staff development in both councils.
- 3.11 The partnership provides an opportunity to learn from Hampshire County Council which has considerable experience in this area, having established an improvement partnership with the Isle of Wight in 2013. This means that the Council could benefit from working alongside them and use their model for developing the partnership, but also learn from their strong leadership and good practice. There would also be opportunities to learn from areas of strength within Torbay Council Children's Services. Torbay has strong performance in their schools and education services.
- 3.12 The partnership would strengthen the Council's relationship with the DfE, including drawing down dedicated funding to set up the partnership to create a firm foundation for it to flourish.
- 3.13 Setting up a partnership to deliver a complex area like Children's Services would open up the potential for further strategic partnering opportunities to jointly deliver other services in the future, where it makes sense to do so.

#### **4.0 Timeline and Next Steps**

- 4.1 Based on Hampshire County Council's experience with the Isle of Wight, the detailed work to develop the partnership is likely to take 6-9 months. On this basis, the target date for the partnership to be established would be 1 April 2018.
- 4.2 Should the Council decide to proceed, a programme structure would be set up with teams across both councils, with a single Board reporting to each council.
- 4.3 Member cross party groups and separate briefings and updates for members would be programmed in throughout the development period.
- 4.4 A business case would be submitted to the DfE at the earliest opportunity to secure funding to cover the transition costs.
- 4.5 A further report would be brought back to the Council in December 2017, in order to secure final agreement to establish the partnership.
- 4.6 The DfE would issue a Statutory Direction setting out the terms of the partnership, as defined in the partnership agreement.
- 4.7 The Commissioner and Hampshire County Council would remain in place to shadow the new arrangements to ensure a smooth transition.



## **Prospectus (Heads of Terms) for a Strategic Partnership between Plymouth City Council and Torbay Council: Children's Services**

### **Context**

Children's Services in Torbay have had a history of underperformance and an inability to sustain improvements in outcomes for children. In 2010, Torbay's Children's Services were judged inadequate and a Statutory Direction issued by the Department for Education (DfE) in 2011. Although child protection services were judged 'adequate' in 2013, the latest Ofsted report in January 2016 judged services 'inadequate', identifying significant weaknesses in leadership and management. It should be noted that Torbay's Education services have been performing well, with outcomes for children and young people generally at or above comparators.

As a result of the inspection judgement, Torbay Council was subject to a Statutory Direction in May 2016 and the Chief Executive of Hampshire County Council appointed as the DfE Commissioner. The role of the Commissioner has been to oversee the improvement journey and consider what alternative delivery models might best secure sustainably improved Children's Services in Torbay. Hampshire County Council Children's Services were also appointed as the improvement partner to Torbay Council and a multi-agency Children's Improvement Board (CIB), chaired by the Commissioner, established to oversee the improvement journey. These governance arrangements will remain in place until such time as they are amended, revoked or replaced by a further Ministerial direction.

Since his appointment, the Commissioner has been working with Torbay Council and partner agencies, across the South West, to explore the potential for an alternative delivery model. This reflected a growing consensus in Torbay that it could no longer deliver Children's Services on a unilateral basis. An increasingly detailed series of discussions were commenced by the Commissioner to explore the optimum delivery model and, within that context, a capable partner agency or agencies. The work was supported by Mutual Ventures, a consultant with considerable experience of the development of alternative delivery models for Children's Services. This culminated in a recommendation by the Commissioner, in April 2017, that sustained improvement in Children's Services in Torbay would be achieved via a partnership with Plymouth City Council. This document has been prepared in advance of the Ministerial response to the Commissioner's recommendation to enable work to progress at pace thereafter.

Both Plymouth City Council and Torbay Council believe the partnership model will contribute to improved service delivery, better outcomes for children and young people and the opportunity to realise efficiencies through shared or merged service elements. The larger practitioner resource within the partnership model will better support workforce development, recruitment and retention and provide greater opportunity for service innovation. The statutory direction underpinning the partnership will also establish an ongoing dialogue with the DfE around service improvement and a stronger voice for Plymouth and Torbay within the sector led improvement agenda.



## **Purpose**

The purpose of this document is to set out the guiding principles, operating arrangements, governance and timeframe for the development and implementation of a partnership between Plymouth City Council and Torbay Children's Services. It is intended to provide the baseline for the more detailed work required for the development of a comprehensive partnership agreement and delivery model.

## **Guiding Principles**

1. The safety and wellbeing of children and young people within the administrative areas of Torbay Council and Plymouth City Council will be paramount at all times throughout the development and operation of the partnership.
2. The primary objective will be the sustained improvement of Children's Services in Torbay and Plymouth.
3. There will be a commitment to openness and transparency at all stages and by all parties.
4. Lines of accountability for politicians and officers will be clearly articulated and agreed at each stage to avoid ambiguity.
5. Any issues will be resolved as quickly as possible by working together in the spirit of cooperation, equality and mutual respect.
6. The development and operation of the partnership will be cost neutral to Plymouth City Council, with all costs recorded and recovered in accordance with an agreed cost recovery model.
7. All communications relating to the partnership arrangement will be agreed by both councils before being issued, including the content and timing of messages, and the channels and audiences.

## **Outline Partnership Arrangements**

1. Plymouth City Council's Director of Children's Services shall take full operational responsibility for Torbay Children's Services including its education and social care functions and those corporate support functions that directly support Children's Services. The role of Director of Children's Services will be as defined within Children Act 2004 and Statutory Guidance (2013).
2. Torbay Council will retain political and financial authority and statutory accountability. Plymouth City Council will take no direct political accountability but both parties will readily explore political partnership opportunities over time, such as joint scrutiny arrangements. The Executive Member for Torbay will play a key role in on-going political responsibility.
3. Executive line management and operational responsibility will rest entirely with Plymouth City Council, but with a joint Director of Children's Services reporting to both Councils and Chief Executives regarding their respective statutory duties. The role of Director of Children's Services will be as defined within Children Act 2004 and Statutory Guidance (2013).

4. The joint Director of Children's Services will be a full member of the Senior Leadership Team in Torbay and engage in place setting and wider strategy development where this involves activity related to Children's Services. This includes engagement with Torbay's corporate support and governance services as appropriate. There may also be a requirement for a nominated senior officer from Torbay Children's Services to engage with the senior leadership teams of both councils when deputising for the Director.
5. Torbay Council will retain financial accountability and provide an appropriate budget for the delivery of Children's Services, as informed by its Medium Term Financial Strategy (MTFS) which will be subject to regular review and close monitoring and reporting by both partners. The Children's Services' budgets for Torbay and Plymouth will not be pooled or subject to cross subsidy as part of this agreement. The respective Section 151 Officers will continue in their statutory roles providing budgetary oversight and working together to ensure that Torbay Council is making sufficient budgetary provision for its Children's Services.
6. The joint Director of Children's Services shall ensure that there is sufficient leadership visibility in Torbay.
7. Hampshire's role as improvement partner to Torbay Council shall continue until removed or revoked by ministerial direction, whilst also engaging with Plymouth in order to secure the progress made to date and ensure there is a shared and agreed pathway to improvement. This acknowledges a desire on Torbay's part to have continuity of leadership and improvement focus during the transitional period.
8. PCC DCS will join the Children's Improvement Board (CIB) and Torbay's Safeguarding Children's Board (TSCB) at the earliest opportunity to further support a smooth transition.
9. It is anticipated that Torbay Council will be subject to statutory direction and therefore appropriate and proportionate financial assistance will be provided by the DfE, to fully fund the logistics and infrastructure necessary to place the partnership arrangements on a secure and sustainable footing. As an example, this could include the cost of harmonisation of case management systems across both councils. Any development funding provided by the DfE would be held by Plymouth City Council on behalf of the partnership, in consultation with Torbay Council and the DfE Commissioner. This will also contribute towards the arrangements being at no additional cost to Plymouth City Council in both the development and delivery phases.
10. Plymouth City Council will lead on the appointment and development of managers and staff including redesign where appropriate, in consultation with Torbay. Similarly the redeployment of Plymouth City Council managers or staff to Torbay Council posts and vice versa will be a joint decision. Both Councils' view this as an opportunity to second and develop talented staff.
11. A particular consideration for both Councils and their elected members will be to maintain the strong, existing local relationships and high visibility with local partners, communities and schools within any partnership arrangement.
12. This partnership is an opportunity for both parties to explore the development of shared functions and merged teams. Whilst both Councils remain open to all options, it is vital that any such changes contribute to improvements and services for children and do not destabilise services, including the loss of staff or lower morale. No significant organisational changes shall

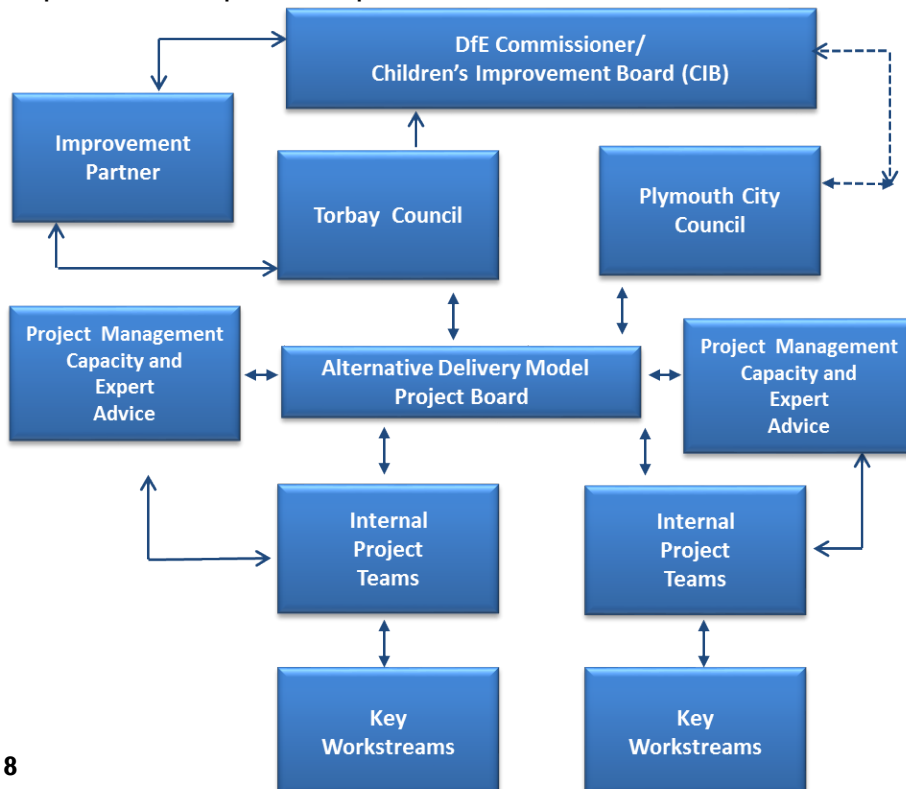
be made affecting Children’s Services without the express endorsement of Plymouth City Council, as supported by the statutory direction.

13. Clear legal arrangements to be put in place to ensure there is no confusion about the right of direction by Plymouth City Council managers to those Torbay employees working within the partnership agreement.
14. Torbay’s operational support arrangements, policies and procedures shall remain in place, particularly where these have developed through the work with Hampshire or are deemed to be important to Torbay’s wider financial position, but with Plymouth City Council having discretion to amend or develop in consultation with Torbay and Hampshire.
15. The same principle would apply to ‘back office’ functions and services, which should remain in situ but may be subject to review.
16. The arrangements for any termination of the partnership from either party will be fully set out in the partnership agreement so as to minimise disruption and risk, and to maintain the safety and wellbeing of children and young people in both localities.

**Governance**

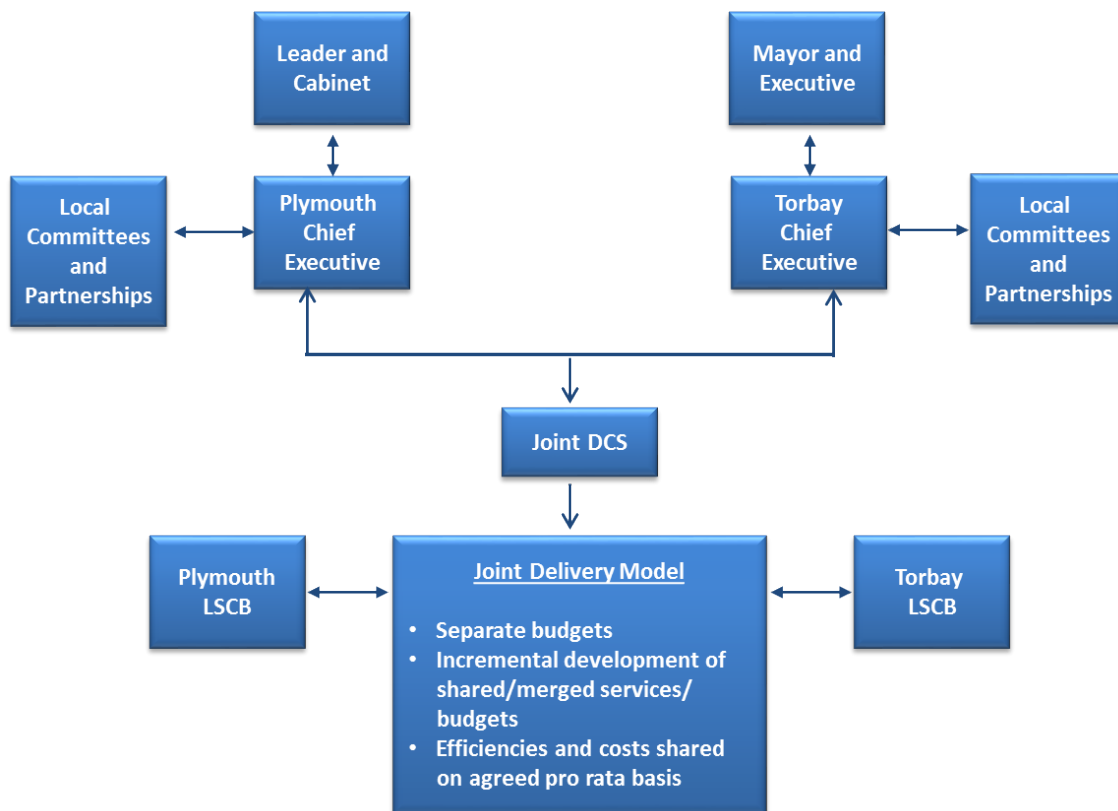
Torbay Council is currently subject to a Statutory Direction issued in May 2016 requiring it to co-operate with the DfE Commissioner, in order to improve Children’s Services and explore the most effective way of securing and sustaining these improvements over the longer term. The governance arrangements put in place by the direction will remain in place during the implementation phase.

The development phase for the partnership, which the Commissioner has indicated will take between 6-9 months from the point of a decision by the Minister, will require interim governance arrangements to be established to oversee project delivery. The arrangements will necessarily link into the DfE Commissioner and Children’s Improvement Board (CIB) put in place by the statutory direction issued in May 2016. The outline model below sets out how governance will work during the development phase for the partnership.



The Alternative Delivery Model (ADM) Project Board will comprise of appropriate senior representatives from both Plymouth and Torbay Councils, with input from the DfE Commissioner (or their representative) as appropriate. The ADM Project Board would continue to meet on a regular basis until the partnership is operating on a secure and sustainable basis.

At the point that the partnership is able to go ‘live’ it will link in with the existing political and managerial accountabilities in place within Torbay Council and Plymouth City Councils, acknowledging the longer term opportunities to develop shared arrangements for the children safeguarding boards and other aspects of assurance and scrutiny. The diagram below sets out how the partnership will integrate with the existing governance arrangements for Plymouth City Council and Torbay Council.



## Workstreams

Working within the above governance framework the joint or separate project teams working to the project board will need to progress a wide range of work streams to enable the partnership to go live.

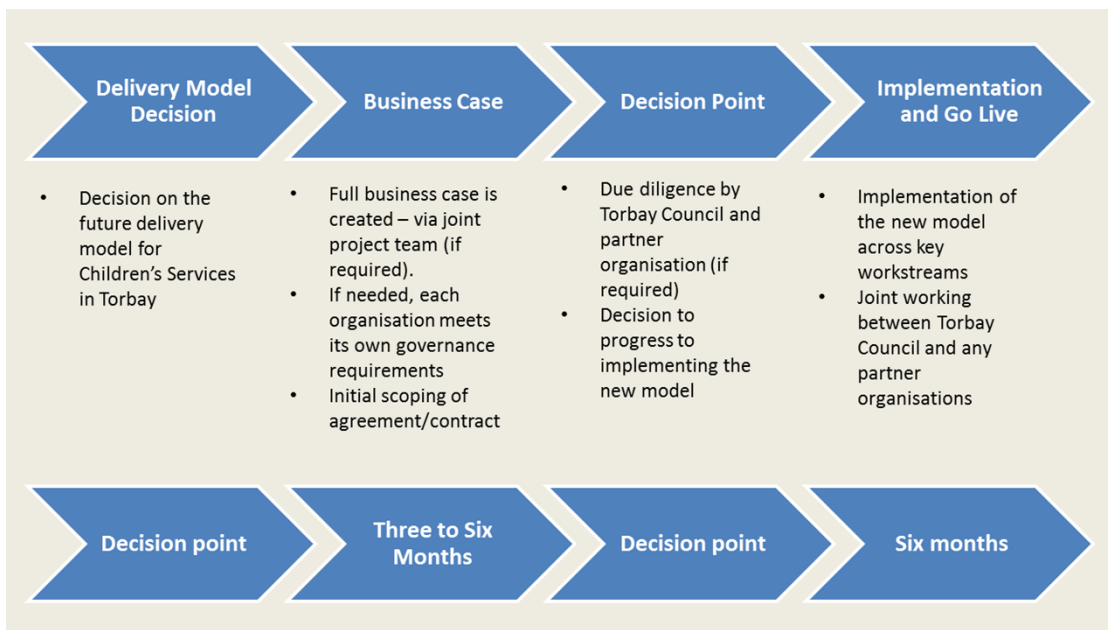
The table below sets out an illustrative set of workstreams to enable work to progress from a Heads of Terms to a detailed partnership agreement.

Number	Workstream	Description
1.	<b>Service delivery and improvement</b>	<ul style="list-style-type: none"> <li>▼ Scope of Children's Services within the agreement.</li> <li>▼ Operating model.</li> <li>▼ Organisational structure.</li> <li>▼ Quality standards and performance.</li> </ul>
2.	<b>New model governance</b>	<ul style="list-style-type: none"> <li>▼ Development of delivery model governance.</li> <li>▼ Ofsted registration.</li> <li>▼ Budget, finance and management/reporting arrangements.</li> </ul>
3.	<b>Legal and contracts</b>	<ul style="list-style-type: none"> <li>▼ Partnership Agreement between Torbay Council and Plymouth City Council.</li> <li>▼ Governance model.</li> <li>▼ Services contract.</li> <li>▼ Third party contracts/commissioned services.</li> </ul>
4.	<b>Finance</b>	<ul style="list-style-type: none"> <li>▼ Budget(s).</li> <li>▼ Restructuring the budget</li> <li>▼ Re-coding the budget?</li> </ul>
5.	<b>Staff transfer (if the new delivery model involves any transfers of staff)</b>	<ul style="list-style-type: none"> <li>▼ TUPE / HR advisory.</li> <li>▼ Pension advisory.</li> <li>▼ Staff consultation.</li> <li>▼ Payroll disaggregation if required.</li> <li>▼ Terms and conditions contracts review.</li> </ul>
6.	<b>Communication</b>	<ul style="list-style-type: none"> <li>▼ Joint Communications strategy.</li> <li>▼ Day-to-day communications management.</li> <li>▼ Press management.</li> <li>▼ Customer information.</li> <li>▼ Website.</li> </ul>
7.	<b>Stakeholder management and regulation</b>	<ul style="list-style-type: none"> <li>▼ Engagement with key Government departments.</li> <li>▼ Engagement with the requisite regulators.</li> </ul>
8.	<b>Property and assets</b>	<ul style="list-style-type: none"> <li>▼ Building and capital assets disaggregation (if required).</li> <li>▼ Valuation of transferred assets (if required).</li> <li>▼ Accommodation arrangements.</li> </ul>
9.	<b>Data and ICT</b>	<ul style="list-style-type: none"> <li>▼ Review of databases and case management platforms.</li> <li>▼ Archiving.</li> <li>▼ Disaggregation/Integration of ICT systems</li> </ul>

		(if required). <ul style="list-style-type: none"> <li>▼ Ongoing access to information and data sharing (if required).</li> </ul>
	<b>Support services</b>	<ul style="list-style-type: none"> <li>▼ Finance.</li> <li>▼ Payroll.</li> <li>▼ Legal services.</li> <li>▼ HR support.</li> <li>▼ Facilities management.</li> <li>▼ Utilities.</li> <li>▼ Telephony.</li> <li>▼ Security.</li> <li>▼ Communications.</li> <li>▼ ICT support.</li> <li>▼ Printing and office materials.</li> <li>▼ Admin and PA support.</li> </ul>

**Timeframe**

A Ministerial decision in response to the Commissioner’s recommendation is anticipated in July. The Commissioner had identified a timeframe of 6 – 9 months from the point of a decision for the partnership arrangement to go live. The timeframe below sets out how this will progress including the stages at which key decisions will be required.





**Robert Goodwill MP**  
Minister of State for Children and Families

Sanctuary Buildings 20 Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

Gordon Oliver  
Mayor, Torbay Council  
Town Hall  
Torquay  
TQ1 3DR

30 June 2017

*Dear Gordon,*

I am writing following the report from the Children's Services Commissioner, John Coughlan, on the future of Torbay's children's social care services. John has carried out a very comprehensive review and I am grateful to him for his work.

As you know, the starting place for the Commissioner's appointment was Ofsted's inspection of Torbay's children's social care services which found serious and persistent failures. John has been clear for some time that services should not remain under the operational control of the Council and has carried out a thorough analysis of the options for the future delivery of services in Torbay. I am persuaded by John's argument that a partnership with another local authority to run services on Torbay's behalf is the best way to achieve sustainable improvement.

I am encouraged that both Plymouth and Devon developed credible proposals to work with Torbay. At present I am minded to agree with John's recommendation that Plymouth is the most appropriate partner for the reasons set out in his report. I understand that Torbay and Plymouth have already engaged in discussion about how a partnership would work. However, I note that Torbay is also undertaking a wider review of the future of services, due to conclude in July. I will ask John to consider the outcome of that review and, if it materially changes his view about the most appropriate partner, to update me accordingly. You will be aware, though, that services in Torbay have not been good enough for too long and it is imperative that we act at pace to bring about long-term improvement and provide the most vulnerable children and young people in Torbay the services they deserve. I share John's concern that any alternative model that may be proposed by the separate review can only make a material difference to John's recommendation if it is able to achieve a sustainable change in the governance of children's services that can match the pace of the Plymouth proposal.

The Commissioner remains in place under statutory direction, and I expect the Council to continue working with him on the development of the new operating model. I have asked John to provide an update on progress in September.

I am copying this letter to John Coughlan and Steve Parrock.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'R. Goodwill', written over a large, loopy circular scribble.

**Robert Goodwill MP**  
**Minister of State for Children and Families**



# EQUALITY IMPACT ASSESSMENT



## STAGE 1: What is being assessed and by whom?

What is being assessed - including a brief description of aims and objectives?	This assessment considers the potential impact of a decision by the Cabinet to proceed 'in principle' to develop a partnership with Torbay Council to deliver their Children's Services. A further, final decision will be required before any operational changes are made.
Responsible Officer	Tracey Lee
Department and Service	Chief Executive
Date of Assessment	17 August 2017

## STAGE 2: Evidence and Impact

Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age	The decision relates to Children's Services, potentially affecting all children and young people across the City, particularly those receiving services under the	Services to Children and Young people in Plymouth are not expected to be impacted by this decision. The Council's Children's Services staffing	This is an 'in principle' decision to proceed with the full 'due diligence' exercise. Any potential impacts on services and the safeguards required to	The development phase to carry out the full due diligence exercise and establish the partnership is expected to take 6-9 months.  A further report will be made to Cabinet and Council later in
Disability				
Faith, Religion or Belief				
Gender - including marriage, pregnancy and maternity				

<b>STAGE 2: Evidence and Impact</b>				
<b>Protected Characteristics (Equality Act)</b>	<b>Evidence and information (e.g. data and feedback)</b>	<b>Any adverse impact?</b>	<b>Actions</b>	<b>Timescale and who is responsible?</b>
Gender Reassignment	following functions: <ul style="list-style-type: none"> <li>• Safeguarding</li> <li>• Fostering and Adoption</li> <li>• Children in care – (including the Council’s corporate parenting responsibility)</li> <li>• Early help and targeted help</li> <li>• Youth offending</li> <li>• Schools improvement</li> <li>• Schools admissions</li> <li>• Special Educational Needs and Disability services</li> <li>• Early years</li> </ul>	structures will remain unaffected, with the exception of the senior management team where an adjustment will be required to accommodate a shared Director of Children’s Services role to manage Torbay Council’s services.	avoid them will be fully explored during this phase. It is imperative that Plymouth’s Children’s Services are not negatively impacted as a result of entering into a partnership with Torbay Council and this will be a critical focus throughout the development phase.	2017 to secure the final decision on setting up the partnership.  The SRO for the programme is Tracey Lee.
Race				
Sexual Orientation -including Civil Partnership				

<b>STAGE 3: Are there any implications for the following? If so, please record ‘Actions’ to be taken</b>		
<b>Local Priorities</b>	<b>Implications</b>	<b>Timescale and who is responsible?</b>
Reduce the inequality gap, particularly in health between communities.	The Council’s Children’s Services contribute to reducing the inequality gap in the City and this will remain the case should this decision proceed.	
Good relations between different	None	

<b>STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken</b>		
<b>Local Priorities</b>	<b>Implications</b>	<b>Timescale and who is responsible?</b>
communities (community cohesion).		
Human Rights	None	

<b>STAGE 4: Publication</b>			
Director, Assistant Director/Head of Service approving EIA.	Alison Botham, Assistant Director Children, Young People and Families	Date	17 August 2017

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## PLYMOUTH CITY COUNCIL

<b>Subject:</b>	Capital & Revenue Monitoring Report 2017/18– Quarter I
<b>Committee:</b>	Cabinet
<b>Date:</b>	29 August 2017
<b>Cabinet Member:</b>	Councillor Darcy
<b>CMT Member:</b>	Andrew Hardingham – Interim Joint Strategic Director for Transformation and Change
<b>Author:</b>	Paul Looby – Head of Financial Planning and Reporting Hannah West - Finance Business Partner
<b>Contact details</b>	Tel: 01752 307271 email: <a href="mailto:paul.looby@plymouth.gov.uk">paul.looby@plymouth.gov.uk</a> Tel: 01752 305171 email: <a href="mailto:hannah.west@plymouth.gov.uk">hannah.west@plymouth.gov.uk</a>
<b>Ref:</b>	
<b>Key Decision:</b>	No
<b>Part:</b>	I

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**Purpose of the report:**

This report outlines the finance monitoring position of the Council as at the end of June 2017.

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 £4.259m. The overall forecast net spend equates to £188.142m against a budget of £183.883m, which is a variance of 1.23%. This needs to be read within the context of needing to deliver in excess of £18m of savings in 2017/18 on the back of balancing the 2016/17 revenue budget where £24m 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
<b>Total General Fund Budget</b>	<b>183.883</b>	<b>188.142</b>	<b>4.259</b>

The latest approved capital budget covering 2016/17 – 2020/21 stood at £895m which was agreed at Council on 27<sup>th</sup> February 2017. This report details a revised capital budget of £836m, now for the period 2017/18 – 2021/22.

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### **The Corporate Plan 2016/17 – 2018/19:**

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 Strategy and Resource Implications:**

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Strategy (MTFS). The Council's Medium Term Financial Forecast is updated regularly based on on-going monitoring information, both on a local and national context. Any adverse variations from the annual budget will place pressure on the MTFS going forward and require additional savings to be generated in future years.

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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**

This report monitors our performance against our approved budget 2017/18. As part of the budget setting process, EIA were undertaken for all areas.

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**Recommendations and Reasons for recommended action:**

1. Note the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;
2. It is recommended that Cabinet approve the non-delegated virements which have occurred since 1<sup>st</sup> April 2017;
3. Cabinet are asked to recommend to Council that the Capital Budget 2017 -2022 is revised to £836m (as shown in Table 5).

**Alternative options considered and rejected:**

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

**Published work / information:**

2017/18 Annual Budget: [2017 Budget Report](#)

**Background papers:**

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

**Sign off:**

Fin	AKH1718. 72	Leg	lt/28678/ 2707	Mon Off	lt/28678/ 2707	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												

## JUNE 2017 FINANCE MONITORING

**Table 2: Revenue Monitoring Position**

Directorate	Gross Expenditure	Gross Income	2017/18 Latest Approved Budget	Forecast Outturn	Forecast Year End Variation	Movement from previous month
	£m	£m	£m	£m	£m	£m
<b>Executive Office</b>	3.749	(0.128)	3.621	3.621	0.000	0.000
<b>Corporate Items</b>	14.961	(14.732)	0.229	0.529	0.300	0.000
<b>Transformation and Change</b>	149.376	(116.630)	32.746	33.686	0.940	0.005
<b>People Directorate</b>	253.700	(131.390)	122.310	124.558	2.248	(1.553)
<b>Public Health</b>	19.657	(19.457)	0.200	0.200	0.000	0.000
<b>Place Directorate</b>	75.742	(50.964)	24.777	25.548	0.771	0.771
<b>TOTAL</b>	<b>517.185</b>	<b>(333.302)</b>	<b>183.883</b>	<b>188.142</b>	<b>4.259</b>	<b>(0.777)</b>



**Table 3: Key Issues and Corrective Actions**

Issue	Variation £M	Management Corrective Action
<b>EXECUTIVE OFFICE</b>	0.000	There is currently a nil variance to report.
<b>CORPORATE ITEMS</b> The budget includes the management of the Council's treasury activities, insurance provision and cross cutting savings targets.	0.300	The Procurement budget includes an increase of £0.300m over the previous year. An action plan to meet this pressure in full before the end of the financial year is being developed.
<b>TRANSFORMATION and CHANGE – Finance</b> The Finance Department holds a number of budgets on behalf of the whole Council including utilities and Facilities Management.	0.045	The department are continuing to hold vacancies and to manage demand led services. A review of Document Management, Postage and Cleaning Services is currently underway in order to deliver those services within budget and mitigate any potential year end overspends.
<b>TRANSFORMATION and CHANGE – Legal</b>	0.000	There is currently a nil variance to report.
<b>TRANSFORMATION and CHANGE – Customer Services</b> There continue to be pressures regarding managing Housing Benefit subsidy and overpayments budget as preparation continues for the introduction of Universal Credit.	0.311	The Council has reviewed the costs of debt recovery through the court system. At this stage of the year pressure has arisen from Court costs resulting in a forecast shortfall of £0.311m against the target budget.

<b>TRANSFORMATION and CHANGE – Human Resources &amp; OD</b>	0.000	There is currently a nil variance to report.
<b>TRANSFORMATION and CHANGE – Departmental</b>	0.369	The budget for 2017/18 included a number of efficiency savings targets associated with service reviews. Plans are in place to deliver some of these savings whilst other plans (e.g. Commercialisation) are still being developed. Staff savings of £0.098m contribute.
<b>TRANSFORMATION and CHANGE – Transformation and Portfolio</b>	0.215	In year vacancy savings across the department (£0.090m) have been offset by pressures delivering the Smart Working target of £0.305m.
<b>TRANSFORMATION and CHANGE – ICT Commissioned Service</b>	0.000	There is currently a nil variance to report.
<p><b>PEOPLE – Children Young People and Families</b></p> <p>The Children Young People and Families Service are reporting a pressure attributed to the increased cost and volume of looked after children’s placements but are on track to achieve savings; made assumptions this will be met by the end of the year. However one off savings carried forward from 2016/17 remain a budget pressure and are included.</p> <p>There are currently two young people placed in ‘welfare’ secure.</p>	1.500	<p>As part of the MTFs for 2017/18, CYP&amp;F are expected to make savings of over £1.500m (in order to contribute to the £7.117m Directorate target) as well as £0.710m of savings brought forward from 2016/17 that were realised from one off savings and will need to be realised in this financial year.</p> <p>A piece of work has been undertaken to ensure a systematic review of all young people in supported living and new arrangements for plans for them are in place. This will ensure appropriate plans are in place for young people improving timeliness and reducing cost pressure.</p>

<p>There are currently 98 Independent Foster Care (IFA's) placements with a budget for 92 but we are aiming to achieve savings from the transformation of our In House Foster Care Service.</p>		<p>Extensive work is underway to review all placements in order to reduce the pressure on cost and volume where appropriate.</p>
<p><b>PEOPLE – Strategic Co-operative Commissioning</b></p> <p>The Strategic Co-operative Commissioning (SCC) service is forecasting a year end overspend against budget of £0.437m at month 3. The main reasons for the variations are:</p> <ul style="list-style-type: none"> <li>• £0.485m – Supported Living – this forecast is currently under review.</li> <li>• £1.011m Domiciliary Care – this variation is being reviewed as part of Intermediate Care review.</li> <li>• £0.291m Residential / Nursing - client base still shifting from residential to nursing.</li> <li>• (£0.326m) Additional contributions from Health for joint funded care packages.</li> <li>• (£0.406m) Direct Payments - a further reduction in client's numbers.</li> <li>• (£0.724m) Client Contributions – work is underway to ensure that this figure is not overstated as clients are assumed to pay in full for their service if information is not provided within 14 days.</li> </ul>	<p>0.437</p>	<p>Strategic Co-operative Commissioning will need to make over £4.300m of savings in 2017/18 as part of the overall People Directorate target of £7.117m.</p> <p>It is however noted that £1.300 million of this still does not have well developed plans.</p>

<p><b>PEOPLE – Education Participation and Skills</b></p> <p>Education Participation and Skills is forecasting a breakeven position at year end. However, we are continuing to review the cost of provision of community meals and school transport costs. There is a further pressure within the People directorate of £1.370m regarding the on-going legacy liabilities from the 1998 transfer to Unitary status.</p>	0.000	<p>A plan is being written to scope all of the education-related services within Education, Participation and Skills and recommend an approach and plan for transforming in order to realise savings.</p> <p>The specific legacy costs will be considered as an overall council issue with options worked through during the year. At this stage it is not being reported as a budget pressure as plans are in place to resolve prior to the financial year end.</p>
<p><b>PEOPLE – Community Connections</b></p> <p>Average Bed &amp; Breakfast numbers for Quarter 1 have been 59 placements per night with nightly costs increasing, as demand has increased use of nationwide accommodation providers together with increasing accommodation needs for families. Cost pressure for maintaining an average 60 per night placement level £0.703m.</p>	0.311	<p>Action is ongoing to limit the overall cost pressure through lower placements and prevention work.</p>
<p><b>PEOPLE – Management &amp; Support</b></p> <p>This budget is projecting to balance for 2017/18.</p>	0.000	
<p><b>PUBLIC HEALTH</b></p> <p>Although the 2017/18 Public Health ring-fenced grant was cut by a further £0.398m for Plymouth City Council, the Directorate is on track to achieve a balanced budget. However there are pressures with achieving some income targets.</p>	0.000	<p>In order to achieve a balanced budget ODPH is working with the Commercialisation team to increase income streams.</p>

<p><b>PLACE - Strategic Planning and Infrastructure</b></p> <p>The major fee income activities have been performing well for the first part of the financial year, and spend budgets being kept substantially on track.</p> <p>Key risks looking ahead relate to the potential for increased costs in relation to concessionary fares, a drop off of performance on planning application and building control fees, unknown cost of the forthcoming public examination into the joint local plan, the potential for shortfall in project based income that is important for the Engineering Design and Natural Infrastructure teams, and as yet to be resolved issue regarding the source of loan repayments for Mayflower coach station</p>	(0.004)	<p>Risks are being closely monitored on a monthly basis by SP&amp;I Management Team to ensure early action where necessary.</p> <p>At present this include positive actions to maintain and drive planning and BC income, review level of legal representation for joint local plan public examination and negotiation of full cost recovery of contribution from South Hams &amp; West Devon, and seeking S151 officer confirmation about funding options to cover borrowing costs for Mayflower coach station.</p>
<p><b>PLACE - Economic Development</b></p> <p>Forecast income generation, including from Asset Investment Fund acquisitions, have enabled a number of expected spend pressures within Economic Development to be met. This includes enabling the removal of the Corporate Landlord budget savings target for Museums “mothballing”, and earmarking resources to meet a potential net overspend within Events.</p>	0.000	<p>Whilst every effort will be taken to maximise income and reasonably contain MTV costs, there are unforeseen pressures arising from security concerns which will influence this year’s concert cost.</p>
<p><b>PLACE – GAME</b> – The New Homes Bonus target has already been achieved for 2017/18</p>	0.000	<p>Target has been met</p>

<p><b>PLACE - Street Services</b></p> <p><b>Street Scene &amp; Waste services:</b> Currently there is a nil variance against business as usual within Street Scene &amp; Waste having delivered savings of £1.3m to date via an extensive Street Cleansing &amp; Waste modernisation programme. The full implementation of AWC has resulted in further costs to manage the new arrangements. The full costs of the additional support are still to be fully determined.</p> <p><b>Fleet and Garage:</b> Currently there is a cost pressure which is a gap from 2017/18 budget setting in the sum of £0.775m. This includes legacy savings targets which have been undelivered of £0.607m.</p> <p><b>Highways and Car Parking:</b> On track to meet budget.</p>	<p>0.000</p> <p>0.775</p> <p>0.000</p>	<p>The implementation of AWC has enabled future income streams to be explored such as Trade Waste.</p> <p>Work is being done to identify potential savings, increase stock controls, and do a full service review.</p>
<p><b>TOTAL</b></p>	<p><b>4.259</b></p>	

### Overall Comments Finance AD

The projected outturn position at the end of the first quarter has identified a number of budget pressures. At this early stage of the year this is not unexpected and there is time for management action to be taken to contain spend within the approved budget or identify further efficiencies or savings. However, the Council does face a number of financial challenges due to cost and volume pressures across a number of services and the delivery of 2017/18 savings targets.

The delivery of procurement savings has been identified as a pressure with discussions ongoing to address this through reviewing contracts and maximising all possible savings options.

Staff savings have been identified within Transformation and Change which have been offset by pressures including the delivery of the Smart Working project, and reallocation of commercialisation and CST programme targets.

The People directorate is facing a challenging year primarily due to cost and volume pressures within both Children's Services and Adults. A review of all young people in supported living are ongoing and a review all placements in order to reduce the pressure on cost and volume where appropriate. Partnership working health partners continues to mitigate the pressures within Adult Social Care.

The main adverse pressure within Place is within Fleet and Garage where a review is being undertaken to try to alleviate this overspend. Forecast income generation within Economic Development has identified a favourable quarter variance and all efforts will be made to maximise income for example asset investment fund acquisitions.

### **Recommendation**

It is recommended that Cabinet note the current monitoring position.

## **VIREMENTS**

Table 4 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 4 Virements detail**

Directorate	Agreed team movements	Transfer of Grant Carry forward budgets from 16/17 to 17/18	Realignment of Delivery Plan coming out of People Mgmt and Support	GCOCD Budget Cleanse following meeting with AH, HW and HM - to ensure budget agrees to MTFS increase of £500k	Totals
	£'000	£'000	£'000	£'000	£'000
Executive Office	(10)				(10)
Corporate Items		(350)			(350)
Transformation and Change	10	58		0	68
People Directorate		66	0	0	66
Public Health		41			41
Place Directorate	0	185			185
	0	0	0	0	0

### **Recommendation**

It is recommended that Cabinet approve the non-delegated virements which have occurred since 1<sup>st</sup> April 2017.



## **Capital Programme 2017-2022**

The Capital Budget was last reported to Council on 27<sup>th</sup> February 2017, as £895m. This Capital Budget was the sum of the current approved Capital Programme and Income Assumptions 2016-21 (£478m) and, the recently approved, Priority List 2016-22 (£417m).

Since this approval the 2016-17 outturn has been reported and 2021-22 has been added. After taking into account the removal of £90m capital investment in 2016/17 this has resulted in a decrease in the overall budget for the period 2017 -2022, by £59m to £836m.

This is set out in Table 5 below.

**Table 5: Current Capital Resources**

Description	£m
Latest Approved Budget 2016 - 2022	895
Addition of 2021-22	26
Less 2016-17 Outturn	(90)
Other changes	5
<b>Total Revised Capital Budget for Approval (2017-2022)</b>	<b>836</b>

The Capital budget consists of the following elements:

Description	£m
Capital Programme	186
Priority List (original approval)	417
Less: Priority list approved in Capital Programme	(35)
Income Assumptions *	268
<b>Total Revised Capital Budget for Approval (2017-2022)</b>	<b>836</b>

\* Estimate of income to be received to finance future capital projects

Within the approved budget (representing forecast resources), the Capital Programme represents projects that have been approved by the City Council Investment Board (CCIB). Project officers prepare detailed business cases and present them to the board and if approved the CCIB recommends them to the Leader for approval. Once the executive decision has been signed by the leader the projects are added to the Capital Programme for delivery.

Table 6 below shows the revised annual programme for the period 2017-22, as at the end of June 2017.

**Table 6: Revised Capital Programme**

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Directorate	£m	£m	£m	£m	£m	£m
Transformation & change	5.612	-	-	-	-	5.612
People	8.074	3.019	0.225	0.225	0.225	11.768
Place	105.156	44.884	14.220	2.717	2.004	168.981
Total	118.842	47.903	14.445	2.942	2.229	186.361

**Recommendation**

Cabinet are asked to recommend to Council that the Capital Budget 2017 -2022 is revised to £836m (as shown in Table 5).

Table 7: Capital Budget

Approved Capital Programme	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£000	£000	£000	£000	£000	£000
Celebrating Mayflower						
Mayflower 400 - Public Realm Improvements	674	160	281	-	-	1,115
<b>Total Celebrating Mayflower</b>	<b>674</b>	<b>160</b>	<b>281</b>	<b>-</b>	<b>-</b>	<b>1,115</b>
Connecting the City						
Mayflower Coach Station	49	-	-	-	-	49
Creation of Non-Scheduled Coach Drop Off Points	66	-	-	-	-	66
<b>Total Connecting the City</b>	<b>115</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115</b>
Delivering More/Better Housing						
Self Build Housing Sites	188	-	-	-	-	188
Former Whiteleigh Community Centre	180	-	-	-	-	180
Empty Homes / Enabling	63	-	-	-	-	63
North Prospect Phase 5	-	500	450	-	-	950
Prince Maurice Road	359	-	-	-	-	359
Bath Street	3,036	1,353	-	-	-	4,389
Plan for Homes	300	200	200	300	-	1,000
Homes for Veterans (Nelson Project)	225	-	-	-	-	225
Extra Care Housing Support Millbay	450	-	-	-	-	450
How Street Specialist Housing Programme	275	-	-	-	-	275
Bournemouth Churches Housing Association	80	-	-	-	-	80
<b>Total Delivering More/Better Housing</b>	<b>5,156</b>	<b>2,053</b>	<b>650</b>	<b>300</b>	<b>0</b>	<b>8,159</b>
Delivering Oceansgate						
South Yard Remediation/separation works	1,726	7,729	-	-	-	9,455
South Yard Area 1 East Direct Development	6,121	-	-	-	-	6,121
<b>Total Delivering Oceansgate</b>	<b>7,847</b>	<b>7,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,576</b>
Delivering The History Centre						
The History Centre	11,158	12,120	6,455	-	-	29,733
<b>Total Delivering The History Centre</b>	<b>11,158</b>	<b>12,120</b>	<b>6,455</b>	<b>-</b>	<b>-</b>	<b>29,733</b>
Ensuring Essential City Infrastructure						
Clean Vehicle Technology Improvements	81	-	-	-	-	81
Electric Car Charge Points	5	-	-	-	-	5
Bus Punctuality improvement plan (BPIP)	253	-	-	-	-	253

Access Road to Housing Site in Estover	112	-	-	-	-	112
SI06 Transport Projects	123	162	-	-	-	285
Millbay School Creative Arts highway work	49	-	-	-	-	49
Billacombe Footbridge	692	-	-	-	-	692
Derriford Community Park	322	299	22	4	4	651
European Marine Sites - Recreational Behaviour Changing Measures	28	28	55	-	-	111
Home Energy	80	-	-	-	-	80
Development Funding	460	-	-	-	-	460
Capitalised Maintenance Schemes	9,250	6,000	5,042	2,000	2,000	24,292
Flood defence Works	44	-	-	-	-	44
Container Provision	672	-	-	-	-	672
West Hoe Pier	105	-	-	-	-	105
Mount Edgcumbe Sea Wall Repairs	569	-	-	-	-	569
Mount Edgcumbe Commercialisation	180	84	-	-	-	264
<b>Total Ensuring Essential City Infrastructure</b>	<b>13,025</b>	<b>6,573</b>	<b>5,119</b>	<b>2,004</b>	<b>2,004</b>	<b>28,725</b>
<b>Ensuring Good Quality School Places</b>						
Pennycross Basic Need	1,750	-	-	-	-	1,750
Pomphlett Basic Need	893	1,600	-	-	-	2,493
Oreston Academy Basic Need	226	-	-	-	-	226
Yealmpstone Farm Primary School Basic Need	1,796	1,004	-	-	-	2,800
Woodford Primary School - Decking	59	-	-	-	-	59
<b>Total Ensuring Good Quality School Places</b>	<b>4,724</b>	<b>2,604</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,328</b>
<b>Growing the Economy</b>						
Social Enterprise Fund	824	29	-	-	-	853
Langage Development Phase 2	2,301	870	-	-	-	3,171
STEM Provision at City College	481	-	-	-	-	481
39 Tavistock Place	202	15	-	33	-	250
<b>Total Growing the Economy</b>	<b>3,808</b>	<b>914</b>	<b>0</b>	<b>33</b>	<b>0</b>	<b>4,755</b>
<b>Improving neighbourhoods and delivering community infrastructure / facilities</b>						
MVV Devonport Biodiversity Improvements	219	-	-	-	-	219
Active Neighbourhoods	77	-	-	-	-	77
The Big Greenspace Challenge	4	-	-	-	-	4
Infrastructure Works at Honicknowle	-	26	-	-	-	26
Bond Street Playing fields (Southway Community Football Facility)	40	473	-	-	-	513
Staddiscombe Sports Improvements	58	-	-	-	-	58
Higher Efford Play Pitch Enhancements	50	400	66	-	-	516
Central Park Sports Plateau	40	340	89	-	-	469

Central Park Improvements	2,000	-	-	-	-	2,000
Improving Outdoor Play	593	264	-	-	-	857
Central Park Wooded Valley	35	-	-	-	-	35
Dunstone Woods	13	-	-	-	-	13
Blockhouse Park Playground Refurbishment	2	-	-	-	-	2
Manadon Play Pitches	648	-	-	-	-	648
St Budeaux Tennis Courts	3	-	-	-	-	3
MAP Early Years Capital Fund	300	-	-	-	-	300
<b>Total Improving neighbourhoods and delivering community infrastructure / facilities</b>	<b>4,082</b>	<b>1,503</b>	<b>155</b>	<b>-</b>	<b>-</b>	<b>5,740</b>
<b>Securing Growth in Derriford and Northern Corridor</b>						
Forder Valley Link Road- Development Costs	2,390	-	-	-	-	2,390
Derriford Transport scheme - Derriford Roundabout / William Prance Road	12,221	50	-	-	-	12,271
Derriford Hospital interchange scheme	37	-	-	-	-	37
N Corridor Junction Imps - PI Outland Rd	196	1,200	-	-	-	1,396
Purchase of 444 Tavistock Road	32	-	-	-	-	32
Northern Corridor Strategic Cycle Network	550	1,750	840	-	-	3,140
Marjons Link Road	6	-	-	-	-	6
<b>Total Securing Growth in Derriford and Northern Corridor</b>	<b>15,432</b>	<b>3,000</b>	<b>840</b>	<b>-</b>	<b>-</b>	<b>19,272</b>
<b>Securing Growth in the City Centre and Waterfront</b>						
Devonport Market High Tech 'Play Market'	657	1,374	-	-	-	2,031
Sutton Harbour Public Realm Improvements	32	-	-	-	-	32
Visitor signage	86	-	-	-	-	86
Cobourg House	3,573	-	-	-	-	3,573
Quality Hotel	336	-	-	-	-	336
Colin Campbell Court	965	-	-	-	-	965
Plymouth City Market Major Refurbishment	1,289	-	-	-	-	1,289
City Centre Shop Fronts Grant Scheme	173	116	-	-	-	289
West End Public Realm	74	-	-	-	-	74
<b>Total Securing Growth in the City Centre and Waterfront</b>	<b>7,185</b>	<b>1,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,675</b>
<b>Securing Growth in the Eastern Corridor</b>						
Eastern Corridor Junction Improvements	1,500	1,500	340	-	-	3,340
Eastern Corridor Strategic Cycle Network	1,657	1,489	380	380	-	3,906
Woolwell to The George	420	-	-	-	-	420
<b>Total Securing Growth in the Eastern Corridor</b>	<b>3,577</b>	<b>2,989</b>	<b>720</b>	<b>380</b>	<b>-</b>	<b>7,666</b>

Transforming Services						
Street lighting bulb replacement	119	-	-	-	-	119
Highways Information Management System	342	-	-	-	-	342
Fleet Replacement Programme	1,478	-	-	-	-	1,478
Bell Park Industrial Estate	335	-	-	-	-	335
Friary Retail Park	50	-	-	-	-	50
Next	8,701	6,353	-	-	-	15,054
10 New George Street	1,780	-	-	-	-	1,780
Purchase of St Catherine's House	2,372	-	-	-	-	2,372
Royal Mail	20,377	-	-	-	-	20,377
Mayflower 400	6	-	-	-	-	6
Disabled Facilities (incl Care & Repair works)	16	-	-	-	-	16
Schools Condition Works	366	-	-	-	-	366
SEN Access and Safeguarding	60	-	-	-	-	60
Schools Devolved Projects	447	415	225	225	225	1,537
ICT	2,021	-	-	-	-	2,021
Corporate Asset Lifecycle Maintenance	802	-	-	-	-	802
Corporate Heritage Maintenance	166	-	-	-	-	166
Other Corporate Property	1,303	-	-	-	-	1,303
Transformation Accommodation	1,173	-	-	-	-	1,173
Boiler Replacement Programme for Council Properties	145	-	-	-	-	145
<b>Total Transforming Services</b>	<b>42,059</b>	<b>6,768</b>	<b>225</b>	<b>225</b>	<b>225</b>	<b>49,502</b>
<b>TOTAL CAPITAL PROGRAMME</b>	<b>118,842</b>	<b>47,903</b>	<b>14,445</b>	<b>2,942</b>	<b>2,229</b>	<b>186,361</b>
Forecast future income streams	75,522	98,038	43,003	28,227	22,372	267,162
Priority List	37,736	116,721	128,285	65,100	34,301	382,143
<b>TOTAL CAPITAL BUDGET</b>	<b>232,100</b>	<b>262,662</b>	<b>185,733</b>	<b>96,269</b>	<b>58,902</b>	<b>835,666</b>