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Democratic and Member Support

Chief Executive's Department
Plymouth City Council
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CITY COUNCIL

Monday 20 November 2017
2 pm
Council House, Plymouth

Members:

Councillor Mrs Foster, Chair

Councillor Kelly, Vice Chair

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

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

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

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

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

Tracey Lee

Chief Executive

City Council

Agenda

1. Apologies

To receive apologies for absence submitted by councillors.

2. Minutes

(Pages 1 - 22)

To approve and sign the minutes of the meeting held on 25 September 2017 and 24 October 2017 as a correct record.

3. Declarations of Interest

(Pages 23 - 24)

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

4. Appointments to Committees, Outside Bodies etc

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

5. Announcements

- (a) To receive announcements from the Lord Mayor, Chief Executive, Section 151 Officer or Monitoring Officer;
- (b) To receive announcements from the Leader, Cabinet Members or Committee Chairs.

6. Questions by the Public

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

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

7. Recommendations from Cabinet

To receive recommendations from Cabinet in accordance with Council Procedure rules paragraph 5.1 (K).

7a Medium Term Financial Strategy (Pages 25 - 76)

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

8. To receive recommendations from other Committees

To receive recommendations from Tamar Bridge and Torpoint Ferry Joint Committee in accordance with Council Procedure rules paragraph 5.1 (M).

8a Tamar Bridge and Torpoint Ferry Joint Committee (Pages 77 - 98)

The Council are asked to approve the recommendations from the Joint Committee.

9. To respond to reports from the Chief Executive

To respond to reports from the Chief Executive in accordance with Council Procedure rules paragraph 5.1 (N).

9a Heart of the South West Joint Committee (Pages 99 - 118)

The City Council are asked to approve the recommendations within the report.

10. To respond to reports from the Section 151 Officer

To respond to reports from the Section 151 officer in accordance with Council Procedure rules paragraph 5.1 (N).

10a Capital & Revenue Monitoring Report 2017/18- Quarter 2 (Pages 119 - 150)

The City Council are asked to approve the recommendations within the report.

11. Motions on notice

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

12. Questions by Councillors

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

City Council

Monday 25 September 2017

PRESENT:

Councillor Mrs Foster, in the Chair.

Councillor Kelly, Vice Chair.

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

Apologies for absence: Councillors Lowry and Penberthy

The meeting started at 2.00 pm and finished at 8.40 pm.

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

20. Minutes

The Lord Mayor moved a procedural motion to vary items on the agenda to take item four after item seven. The motion was seconded by the Deputy Lord Mayor and following a vote the motion was carried.

The minutes of the meeting held on 3 July 2017 were agreed subject to a correction to the voting record and Councillor Patrick Nicholson's Disclosable Pecuniary Interest as an employee of Devonport Dockyard Limited.

21. Declarations of interest

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

Name	Minute Number	Reason	Interest
Councillor Stevens, Beer, Bowie, Mavin, McDonald, Smith, Tuffin, Rennie, Evans, Tuohy, Sparling, Parker Delaz-Ajete, Morris and	29 C	Member of the GMB Trade Union	Private

Dann.			
Councillors K Taylor and Storer.	29 C	Member of the UNITE Trade Union	Private
Councillor J Taylor	29 C	Wife is a Local Government Employee	Disclosable Pecuniary Interest
Councillor J Taylor and Mrs Leaves.	29 D	Clinical Commissioning Group - Commissioner	Private
Councillor K Taylor.	29 D	Employee of Mental Health Trust	Private
Councillor Tuohy.	29 B	Family member is Street Services employee	Disclosable Pecuniary Interest
Councillor Cook .	29 A	Manufacturer of fire prevention products	Disclosable Pecuniary Interest

22. **Announcements**

The Lord Mayor led the Council in a moment of silence in memory of Freeman Dicker and former Councillor Alan Weekes.

The Lord Mayor welcomed members of staff to the Council and presented awards to the Customer Service department who have achieved the Customer Service Excellence accreditation 2018 and Best Use of Technology.

Announcements from the Leader:

- (a) Winter Works Programme;
- (b) Recycling Rates;
- (c) Recent meeting with the Jake Berry, Minister responsible for devolution.

Announcements from Chair of the Wellbeing Overview and Scrutiny Committee:

- (a) Sexual Assault Referral Centres on the Peninsula

23. **Questions by the public**

There were three questions from members of the public.

Question submitted by: Terri Portman

To the Cabinet Member: Cllr Patrick Nicholson, Deputy Leader

How many voters were removed from the electoral register for the 3 Plymouth Constituencies between June 2016 and June 2017 but were not informed after they were removed of their removal, and were not given details of how to challenge the decision to remove them?

Response:

In the ordinary business of keeping the electoral register for Plymouth up to date; changes, additions and deletions are made for a variety of reasons. In the case of the deletion of registered electors there are a number of reasons for their deletion, such as elector deceased, moved to another property within Plymouth, moved away, registered elsewhere.

During the review process, some electors are recorded as “pending” electors and not registered until they provide matching details that agree with Department for Work & Pensions (DWP) records or alternative documentation to verify their identity (e.g., Passport or Driving Licence). Those that fail to respond to requests for evidence are subsequently deleted from the register.

For those electors that have been identified as needing deletion, their records are changed to “pending” removal. We write to the elector to give ‘Notice of Type A Review’, this gives the elector 14 days to provide evidence as to why they should not be deleted from the register. Those that fail to respond to requests for evidence are subsequently deleted.

Where we delete the elector from the register, we write to them informing them of the outcome and state whether there is a right of appeal, including the time within which notice of appeal must be given, and any other information about the appeal that we consider appropriate. However, if the reason for deletion is because the elector has died or registered with another authority, the notice of deletion (‘Notice of Review Outcome’) is surplus to requirement and therefore not issued.

During the period of June 2016 to June 2017, we processed 10,337 deletions and 27,132 additions (net 16,795 additions). Of the 10,337 deletions, 331 electors were deleted and not notified. All other deletions followed the review process and the elector will have received the ‘Notice of Type A Review’ and the notification of deletion (‘Notice of Review Outcome’) where it was appropriate to do so. We are currently investigating the ability to use the new electoral system to report the deletions by the reason for deletion, this will enable sight of those where a ‘Notice of Review Outcome’ was required.

Question submitted by: Mr Daniel Reilly

To the Cabinet Member: Cllr Jordan, Cabinet member for Culture

Will the Council add panels in the Mayflower Museum so as to include details of the 17th Century genocide of Indigenous Nations of North America and the enslavement of African people, which are part of the Mayflower Story, as the Museum is supposed to tell the uncensored Mayflower story?

Response:

The council is investing in a major exhibition to mark the 400th anniversary of the sailing of the Mayflower which will reflect on the part we have played in changing America. This national show will open in April 2020 as part of The Box Plymouth's opening programme, and will remain in place for at least 18 months.

As with all our exhibitions, this show will present an honest and thoughtful account of the Mayflower story and will share indigenous American perspectives of this history and its legacy today. It will include:

- The culture and society of the Wampanoag people before the arrival of the Europeans
- The captivity and enslavement stories which characterise the early contact period, as well as
- The challenges of conflict and co-existence during the life of the Plymouth colony

To do this, we are working closely with the Wampanoag community based in Massachusetts, who are advising us on the text, objects and imagery for the exhibition. Their contribution will give an authentic indigenous American voice, along with academic advice from Dr Kathryn Gray at the University of Plymouth and Professor Laura Peers at the Pitt Rivers Museum. Thanks to our previous exhibitions and publications 'On Human Cargo' and a new partnership with Jamestown Rediscovery, we are also exploring how we might accurately and effectively present the story of African slavery within the Mayflower story.

The knowledge and insights gained from the work done on this show will enable us to significantly reassess the story being told within the current Mayflower Museum, and address the issues its existing interpretation presents. As part of this process we will also be developing a series of heritage trails across the city, which will interpret and narrate the key part that Plymouth played in the history of America at many important locations across the city.

Mayflower is a globally recognised anniversary and will provide Plymouth with a unique opportunity to be on the world stage in 2020.

Question submitted by: Mr Danny Bamping

To the Cabinet Member: Cllr Ian Darcy, Cabinet Member for Finance and IT

Can the council confirm it charges Student Flats BUSINESS RATES as almost 4,000 homes and over 400 blocks of flats are now registered exempt from both, how is the council ensuring that they pay Business rates and in some cases Council Tax as other councils are doing with HMO properties?

Response:

The decision to rate a property for Business Rates lies with the Valuation Office Agency and not the Local Authority. If the Valuation Office have classed a property as commercial then business rates

will be payable. The amount charged will depend on the rateable value set.

There is legislation provided under the Local Government Finance Act (LGFA) 88 (sec 42) which states that all hereditaments must appear in the local (or central) rating list. There are exceptions to this and one of those exceptions is if all or part of the hereditament is domestic property – if it is domestic then it shall not appear in the local rating list.

LGFA92 states that all dwellings are charged council tax. Sec 3 defines what a dwelling is- that is a hereditament that does not appear in the local (or central) rating list and is not exempt from NNDR.

The definition of domestic property in LGFA88 is set out at section 66:

A property that is used wholly for residential living accommodation (i.e. student flats) is considered domestic property and therefore cannot be rated.

All queries regarding the rating of a property should be directed to the Valuation Office Agency, The Apex, Derriford Business Park, Plymouth, PL6 5FL – Telephone: 03000 501501.

24. **Recommendations of the Investigation into the 2017 General Election**

The Lord Mayor, in accordance with article 14.1(b) of the Constitution and Council Procedure Rule 21, moved to suspend the usual procedural rules of debate to allow Dr. Smith and the Acting Returning Officer to present to council and answer questions from members before recommendations were put to Council. The Deputy Lord Mayor seconded the motion and following a vote the motion was carried.

For the motion (55)

Lord Mayor, Deputy Lord Mayor, Councillors Aspinall, Bowie, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, Fry, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Sparling, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

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Abstain (0)

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Absent / Did not vote (2)

Councillor Lowry and Penberthy.

The Lord Mayor advised council that in order to provide assurance to members Council would receive independent advice in respect of this matter and Mr Pinwell, a solicitor in a leading private practice firm which deals with local government law, had been commissioned for this role.

Following the presentation and question and answer session the Lord Mayor moved the recommendations from the report as follows –

That Council –

1. notes the recommendations in Dr Smith's Review of Registration and Elections relating to the 2017 General Election, in the context of what happened and why;
2. notes the Acting Returning Officer's response to the review recommendations;
3. notes the costs associated with the election response, recovery and independent investigation;
4. asks the Constitutional Review Group to oversee the Council's response to the recommendations from Dr Smith's report and the implementation of the Electoral Services Improvement Plan, reporting back to Full Council on progress as required; and
5. notes that a follow-up external review of elections-readiness will be commissioned and undertaken in January 2018.

The motion was seconded by the Deputy Lord Mayor and following a vote was carried.

For the motion (55)

Deputy Lord Mayor, Councillors Aspinall, Bowie, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drear, Fletcher, Foster, Fry, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Sparling, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

-

Abstain (1)

Lord Mayor

Absent / Did not vote (2)

Councillor Lowry and Penberthy.

25. **APPOINTMENTS TO COMMITTEES, OUTSIDE BODIES ETC,**

Changes to the political composition of the council, resulting change to proportionality and committee membership reported to the monitoring officer as below was noted –

Committee	Previous Member	New Member
Chief Officers Appeals Panel	Councillor Penberthy	Councillor Carson
Chief Officers Disciplinary Panel	Councillor McDonald	Councillor Carson
Taxi Licensing Committee	Councillor Singh	Councillor Deacon
Planning Committee	Councillor Cook	Councillor Riley

26. **Report of the Independent Remuneration Panel**

Councillor Riley (Cabinet Member for HR/ Democracy and Governance / Licensing) proposed and Councillor Stevens seconded the report and recommendations of the Independent Remuneration Panel.

Following a vote the council agreed –

1. that basic allowance should remain unchanged for all Members, subject to appropriate back-dating of index-linked uplift where necessary for 2017/18;
2. to follow the developing national debate on core expectations of Members and inform the Panel of any significant developments that have implications for variance of the basic allowance;
3. that SRAs for the following roles remain unchanged subject to appropriate back-dating of index-linked uplift where necessary for 2017/18: Leader of the Council; Deputy Leader of the Council; Chair of Planning; Vice-Chair of Planning; Chair of Licensing Committee; Chair of Taxi Licensing; Chair of Audit; Leader of the largest minority party; Leader of other minority parties; and Deputy Leader of largest majority party;
4. that interim SRA determined in 2016 for the Scrutiny Committee Chairs should be confirmed and appropriate back-dating of index-linked uplift applied where necessary;
5. that the Travel and Subsistence Policy in the ‘Plymouth Book’ should continue to be applied for Member travel and subsistence claims;
6. that Co-opted members should remain unremunerated, except for the reimbursement of travel and subsistence;
7. that current provisions of the childcare and dependent carers allowance should be retained;
8. that any changes to Member allowances should be back-dated to the start of the municipal year where applicable;
9. that the arrangement of linking Members’ allowances to the annual local government cost of living pay award should be retained;
10. to note the next full review of member allowances will take place by 2021 and delegates to the Monitoring Officer responsibility for undertaking the necessary updates to Appendix One of the Council’s Constitution to reflect the agreed member allowances from 2017/18.

For the motion (53)

Deputy Lord Mayor, Councillors Aspinall, Bowie, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor,

Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, Fry, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

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Abstain (1)

Lord Mayor

Absent / Did not vote (3)

Councillor Lowry, Penberthy and Sparling.

27. **Establishing a strategic partnership with Torbay Council to deliver Children's Services**

(i) Recommendations from Scrutiny

Councillor Mrs Aspinall (Chair of Wellbeing Overview and Scrutiny) proposed and Councillor James (Vice Chair of Wellbeing Overview and Scrutiny) seconded the report of the Wellbeing Overview and Scrutiny Committee of the meeting held on the 20 September 2017.

Council agreed to note the report.

(ii) Recommendations from Cabinet

Council Bowyer (Leader) proposed, as amended, and Councillor Evans OBE seconded a report and recommendations on establishing a strategic partnership with Torbay Council to deliver Children's Services.

Following a debate council agreed to –

- I. Endorse Cabinet's 'in principle' decision to progress the development of a delivery contract with Torbay Council to run its Children's Services, subject to the following:
 - (i) Should Torbay Council decide at its meeting on 27 September 2017 that it wishes to progress a strategic partnership with another council for its other services (either upper tier or upper and lower tier), then Plymouth City Council would withdraw its 'in principle' decision for Children's Services as this would add too much complexity.
 - (ii) If Torbay Council decides at that meeting not to pursue a strategic partnership for its other services, that it formally sets out its future strategic direction, operating model and service delivery arrangements for the next 5 years so that Plymouth may consider this in the light of the Children's Services provision.

2. Endorse Cabinet's 'in principle' decision to work with Torbay Council and the Commissioner for Children's Services, and under the auspices of the Department for Education to develop a detailed contractual agreement.
3. Endorse Cabinet's 'in principle' decision to delegate to the Chief Executive, in consultation with the Leader and the Leader of the Opposition, development of the detailed contractual agreement, and adds the Torbay Children's Services Cross-Party Working Group to those with whom the Chief Executive will consult.
4. Endorses the points arising from the Wellbeing Overview and Scrutiny Committee on 20 September 2017, and notes their inclusion in the schedule referred to in 7 below.
5. Requests that the Wellbeing Overview and Scrutiny Committee further examines the arrangements as they develop, and makes recommendations to Cabinet before any final decision is made.
6. Agrees to receive a further report, following the 'due diligence' exercise and seeks further endorsement from Council before any binding decision is made.
7. Agrees that the 'due diligence' exercise must cover the issues listed in the schedule below and must provide sufficient assurance to Council that all aspects have been explored, and that appropriate monitoring and controls are in place.

DUE DILIGENCE SCHEDULE

a) Leadership, Capacity and Maintaining Focus

- Ensures that Plymouth's senior management have sufficient capacity to deliver, given the breadth of their current remit
- Provides clarity on staffing structures, including describing the controls that will be put in place to ensure that any staffing shortfalls will be addressed within the respective councils
- Provides reassurance that there will be no impact on service delivery for, or detriment to children and young people in Plymouth, nor any detriment to frontline social care staff
- Describes how Plymouth's capacity and reputation will be managed in the event of a major investigation or high profile case in either authority, setting out the details of how the Council would respond to potential scenarios
- Demonstrates how the Council will continue to maintain its own improvement journey and performance levels
- Describes how the arrangement will improve the recruitment and retention of social workers in both councils
- Includes a comprehensive risk register that is actively monitored and widely shared

b) Funding

- Provides reassurance that:
 - The set up and operation of the delivery contract will be at no cost to the Council and there will be no cross-subsidy or pooling of budgets between the two councils.
 - Sufficient funding will be made available from the DfE and/or other sources to enable both Councils to undertake effective due diligence and cover the transition phase
 - Torbay's medium term financial planning makes sufficient provision for the delivery of Children's Services for the duration of the agreement
 - There is sufficient ongoing visibility of Torbay Council's overall budget and financial planning process, and that decisions made in the medium term are assessed for any inadvertent impacts on Children's Services

c) Roles and Responsibilities

- Confirms that Plymouth City Council's accountabilities for children and young people are distinct, including around safeguarding, and provides assurance that any reputational impacts of serious incidents or negative judgements are contained within the relevant authority
- Provides clarity around the legal arrangements, including the terms under which the contract can be terminated, who will have responsibility for monitoring the contractual agreement, and who would cover any costs related to early termination
- Describes how the effectiveness of the contractual arrangement will be reported, including the impact on the improvement of Torbay's Children's Services
- Clarifies the future relationship with the DfE and arrangements under Ofsted
- Sets out the proposed senior staffing structure for the management of the contract

d) Political and Governance

- Provides clarity about the political accountabilities within both Plymouth and Torbay councils
- Ascertains the level of cross party support in Torbay for the arrangement
- Identifies the Council's response if Torbay Council were to cut the provision of non-statutory services which could have an impact on Children's Services
- Provides clarity about potential future governance and scrutiny approaches

e) Communications

- Provides clarity about the communications approach to the people of Plymouth
- Provides reassurance to Plymouth residents that Children's Services will not suffer as a result of the arrangement

- Includes a comprehensive communication and engagement plan.

For the motion (53)

Deputy Lord Mayor, Councillors Aspinall, Bowie, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, Fry, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

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Abstain (1)

Lord Mayor

Absent / Did not vote (3)

Councillor Lowry, Penberthy and Sparling.

28. **Capital and Revenue Monitoring Report 2017/18 - Quarter 1**

Councillor Darcy (Cabinet Member for Finance/ICT) presented the report on the Capital and Revenue Monitoring Report 2017/18 quarter one. Councillor Bowyer (Leader) seconded the report.

Following a short debate and vote Council agreed –

1. to note the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;
2. that the Capital Budget 2017 -2022 is revised to £836m (as shown in Table 5).

For the motion (51)

Deputy Lord Mayor, Councillors Aspinall, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, Fry, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

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Abstain (1)

Lord Mayor

Absent / Did not vote (5)

Councillor Lowry, Penberthy, Sparling, Bowie and Singh.

29. **MOTIONS ON NOTICE**

(i) **SPRINKLERS IN SCHOOLS**

Councillor McDonald proposed, as amended, and Councillor Evans OBE seconded a motion on Sprinklers in Schools.

Following a short debate and vote, council agreed to lobby the Secretary of State for Education–

1. to restore the requirement for compulsory sprinklers in new build schools and nurseries in Plymouth;
2. to require the retrofit of sprinklers within schools and nurseries in Plymouth;
3. to support the requirements with the necessary funding through capital grant.

For the motion (50)

Lord Mayor, Deputy Lord Mayor, Councillors Aspinall, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drear, Fletcher, Foster, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wogens, Mrs Bridgeman, Riley, Storer, Mavin, Carson, Winter, Mrs Loveridge and.

Against the Motion (0)

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Abstain (0)

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Absent / Did not vote (7)

Councillor Lowry, Penberthy, Cook, Sparling, Fry, Bowie and Singh.

Councillor Cook was absent due to interests declared

(ii) **PLYMOUTH'S LITTER AND STREET CLEANING PROBLEM**

Councillor Dann proposed and Councillor Coker seconded a motion titled Plymouth's Litter and Street Cleaning Problem.

Following a debate and vote the motion was lost.

For the motion (21)

Councillors Mrs Aspinall, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy,

McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Smith, Stevens, J Taylor K Taylor, Tuffin, Mavin, Vincent, Wheeler and Winter.

Against the Motion (28)

Deputy Lord Mayor, Councillors Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Carson, Mrs Loveridge and Cook.

Abstain (1)

Lord Mayor

Absent / Did not vote (5)

Councillor Lowry, Penberthy, Sparling, Bowie, Tuohy and Singh.

Councillor Tuohy was absent due to interests declared.

(iii) ENDING THE UNFAIR PAY CAP FOR LOCAL GOVERNMENT STAFF

Councillor Stevens proposed and Councillor Smith seconded a motion titled Ending the unfair pay cap for Local Government staff.

During the debate Councillor Darcy moved and Councillor Nicholson seconded an amendment to the motion. Following a vote the amendment was carried.

For the motion (47)

Deputy Lord Mayor, Councillors Aspinall, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Smith, Stevens, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

-

Abstain (1)

Lord Mayor

Absent / Did not vote (9)

Councillor Lowry, Penberthy, Sparling, Coker, Bowie, Singh, J Taylor, K Taylor and Fry,

Following a short debate on the amended motion Council agreed –

1. to note that -
 - a. National Joint Council for Local Government Services basic pay has fallen by 21% since 2010 in real terms
 - b. NJC Local Government staff had a three-year pay freeze from 2010-2012
 - c. NJC Local Government staff pay is the lowest in the public sector
2. Plymouth City Council believes the hard work and commitment shown by our staff deserve a fair and equitable pay settlement.
3. to support the 2018 NJC pay claim submitted by UNISON, GMB and Unite on behalf of Local Government and school workers and calls for the immediate end of this aspect of public sector pay restraint. NJC pay must not fall further behind other parts of the public sector.
4. to welcome the joint review of the NJC pay spine to remedy the turbulence caused by bottom-loaded pay settlements.
5. to call on the Government to fund a decent pay rise for NJC employees and the pay spine review.
6. To resolve to-
 - a. Inform local Trades Union representatives of our support for the pay claim and the pay spine review.
 - b. Actively support campaigns such as the GMB's Paypinch (www.paypinch.org) highlighting the unfairness of the pay cap on our staff.
 - c. Call immediately on the Local Government Association to make urgent representations to Government to fund the NJC claim and the pay spine review and notify us of their action in this regard.
 - d. Write to Gary Streeter MP, Jonny Mercer MP and Luke Pollard MP requesting they join us in supporting the NJC pay claim and seeking additional funding to fund a decent pay rise and the pay spine review.

For the motion (47)

Deputy Lord Mayor, Councillors Aspinall, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Smith, Stevens, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

-

Abstain (1)

Lord Mayor

Absent / Did not vote (9)

Councillor Lowry, Penberthy, Sparling, Coker, Bowie, Singh, J Taylor, K Taylor and Fry,

Councillor J Taylor was absent due to interests declared

(iv) **THE MENTAL HEALTH CHALLENGE**

Councillor Mrs Bowyer proposed and Councillor Mrs Beer seconded a motion on the Mental Health Challenge.

Following a debate and vote Council agreed that –

1. This Council notes:

- a. 1 in 4 people will experience a mental health problem in any given year.
- b. The World Health Organisation predicts that depression will be the second most common health condition worldwide by 2020.
- c. Mental ill health costs some £105 billion each year in England alone.
- d. People with a severe mental illness die up to 20 years younger than their peers in the UK.
- e. There is often a circular relationship between mental health and issues such as housing, employment, family problems or debt.

2. This Council believes:

- a. As a local authority we have a crucial role to play in improving the mental health of everyone in our community and tackling some of the widest and most entrenched inequalities in health.
- b. Mental health should be a priority across all the local authority's areas of responsibility, including housing, community safety and planning.
- c. All councillors, whether members of the Cabinet or Scrutiny and in our community and casework roles, can play a positive role in championing mental health on an individual and strategic basis.

3. This Council resolves:

- a. To sign the Local Authorities' Mental Health Challenge run by Centre for Mental Health, Mental Health Foundation, Mental Health Providers Forum, Mind, Rethink Mental Illness, Royal College of Psychiatrists and YoungMinds.
- b. We commit to appoint an elected member as 'mental health champion' across the council.
- c. We will identify a member of staff from within our Office of the Director of Public Health to act as 'lead officer' for mental health.

4. the Council will also:
- a. Support positive mental health in our community, including in local schools, neighbourhoods and workplaces.
 - b. Work to reduce inequalities in mental health in our community.
 - c. Work with local partners to offer effective support for people with mental health needs.
 - d. Tackle discrimination on the grounds of mental health in our community.
 - e. Proactively listen to people of all ages and backgrounds about what they need for better mental health.
 - f. Sign up to the Time to Change pledge.

For the motion (48)

Deputy Lord Mayor, Councillors Aspinall, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Rennie, Smith, Stevens, J Taylor, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Against the Motion (0)

-

Abstain (1)

Lord Mayor

Absent / Did not vote (8)

Councillor Lowry, Penberthy, Sparling, Coker, Bowie, Singh, K Taylor and Fry,

30. **Questions by councillors**

	From	To	Subject
1	Councillor Drean	Councillor Bowyer	Investment in public transport fleet.
2	Councillor Mrs Pengelly	Councillor Bowyer	Bus Patronage and resultant jobs.
3	Councillor McDonald	Councillor Ricketts	Union Street Road Closure.
4	Councillor Rennie	Councillor Downie	Fly posting.
5	Councillor James	Councillor Michael Leaves	Information at Scrutiny.
6	Councillor	Councillor	Improvement works at Pounds House.

	Martin Leaves	Nicholson	
7	Councillor Evans	Councillor Bowyer	Sutton Harbour bridge. (Cllr Bowyer undertook to provide a full report to the Leader of the opposition and St Peter and the Waterfront and Sutton and Mount Gould wards Councillors)
8	Councillor Jon Aspinall	Councillor Bowyer	Support available to businesses affected by bridge closures. (Cllr Bowyer undertook to provide a response in the report (above Q.7))
9	Councillor Morris	Councillor Nicholson	Impact upon Southway residents due to highway works in the north of the City.
10	Councillor Cook	Councillor Beer	Foster carers and radicalisation.
11	Councillor Stevens	Councillor Jordan	Consultation with Councillors on the registration service move to the Council House.
12	Councillor Sam Davey	Councillor Ricketts	Controlled Parking Zones (Cllr Ricketts undertook to provide a written response on timeframes for CPZ in Rectory Road and Wellington Road)

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

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City Council

Tuesday 24 October 2017

PRESENT:

Councillor Mrs Foster, in the Chair.

Councillor Kelly, Vice Chair.

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

Apologies for absence: Councillors Cook, Drean, Lowry, Parker-Delaz-Ajete, Mrs Pengelly and Winter

The meeting started at 5.00 pm and finished at 6.15 pm.

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

31. Declarations of Interest

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

Name	Minute Number	Reason	Interest
Councillor Smith	33a	Family member employed by Babcock Ltd.	Private
Councillor Mavin	33a	Family member employed at Devonport Dockyard.	Private
Councillor J Taylor	33a	Family member employed at Devonport Dockyard	Private
Councillor Vincent	33a	Family member is a Royal Marine.	Private
Councillor Murphy	33a	Family member is a Royal Marine.	Private
Councillor Dann	33a	Family member employed at Devonport Dockyard	Private
Councillor Carson	33a	Occasionally contracted for work at Devonport Dockyard	Private
Councillor Mrs Beer	33a	Family member employed at Devonport Dockyard	Private

Councillor Nicholson	33a	Contracts Manager employed by Devonport Royal Dockyard Limited part of Babcock international Group, working on their Warships Support Business, with commercial responsibility for the refits of HMS Albion, HMS, Bulwark, HMS Montrose, HMS Northumberland, HMS Kent, HMS Lancaster, HMS Richmond and HMS Portland and for Fleet Time Maintenance Periods on HMS Ocean, HMS Argyll, HMS Monmouth, HMS Somerset and HMS Sutherland	Disclosable Pecuniary Interest
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32. **Motions on notice**

- a) Defence cuts to Devonport
Councillor Evans proposed and Councillor Ian Bowyer seconded a motion titled Defence Cuts to Devonport.

Members debated the motion and, following a vote, Council agreed -

1. To urgently campaign for the retention of HMS Albion, HMS Bulwark and if it is not too late, HMS Ocean.
2. To reconvene as a matter of urgency the Devonport Taskforce, which had been set down a year ago as the future of the yard had seemed to be settled.
 - a. The Taskforce should prepare a compelling case for the base porting of the current and future frigate fleet at Devonport, representing the most cost effective and strategic location for those ships.
 - b. The Taskforce should prepare a compelling case for the retention of the Royal Marines in the City.
3. To urge all Plymouth MPs to join with us cross-party in this endeavour, and seek a meeting for a city delegation with the Secretary of State for Defence.
4. The Leader and the Leader of the opposition write jointly to all MPs in Devon and Cornwall raising our concerns about this proposal, the impact such a decision would have on the regional economy and seeking their support for this campaign.

For the motion (50)

Lord Mayor, Deputy Lord Mayor, Councillors Aspinall, Bowie, Coker, Dann, P Davey, S Davey, Evans OBE, Hendy, McDonald, Morris, Murphy, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Fletcher, Foster, Fry, James, Jordan, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Ricketts, Wiggins, Mrs Bridgeman, Riley, Storer, Sparling, Mavin, Carson, and Mrs Loveridge.

Against the Motion (0)

-

Abstain (0)

-

Absent / Did not vote (7)

Councillor Lowry, Cook, Mrs Pengelly, Nicholson, Winter, Parker-Delaz-Ajete and Dreaan.

Councillor Nicholson was absent due to interests declared.

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DECLARING INTERESTS – QUESTIONS TO ASK YOURSELF

What matters are being discussed?



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

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

No

Yes



Declare interest and leave (or obtain a dispensation)



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

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

Yes

No



You can speak and vote



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

Yes

No



Declare the interest and speak and vote



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

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

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

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MEDIUM TERM FINANCIAL STRATEGY (MTFS)

City Council: 20 November 2017



CABINET MINUTE 50 (31 October 2017)

Medium Term Financial Strategy

Councillor Ian Darcy, Cabinet Member for Finance and IT, introduced the report. During the discussion Cabinet members made contributions regarding –

- the Health and Social Care Integrated budget
- the Public Health Grant
- Children's Social provision and increase in demand
- Dedicated schools grant

Agreed –

1. to approve and recommend the Medium Term Financial Strategy to the Council at its meeting of 20 November 2017;
2. to recommend the Leader of the Council writes to the Secretary of State for Communities and Local Government to express the Council's concerns about the availability of resources for Social Care and request additional funding for Adults and Children's Services as part of the local government finance settlement.

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PLYMOUTH CITY COUNCIL

Subject: Medium Term Financial Strategy
Committee: Council
Date: 20 November 2017
Cabinet Member: Councillor Ian Darcy, Cabinet Member for Finance and ICT
CMT Member: Andrew Hardingham – Interim Joint Strategic Director for Transformation and Change (Finance)
Author: Paul Looby - Head of Financial Planning and Reporting
Contact details: Tel 01752 307271
paul.looby@plymouth.gov.uk
Ref:
Key Decision: Yes
Part: I

Purpose of the report:

Under the Council's Financial Regulations, the Responsible Financial Officer (Section 151 officer) is required to report the medium term budget prospects. Cabinet is asked to consider the Medium Term Financial Strategy for the period 2018/19 to 2020/21.

The Strategy reflects the latest funding position. The Strategy sets out projected savings over the plan period.

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

The Council Corporate Plan 2016/19:

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

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

The resource implications are set out in the body of the report and the Medium Term Financial Strategy.

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

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

Equality and Diversity:

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

Recommendations and Reasons for recommended action:

1. That Council approves Medium Term Financial Strategy.
 2. That Cabinet recommend the Leader of the Council writes to the Secretary of State for Communities and Local Government to express the Council's concerns about the availability of resources for Social Care and request additional funding for Adults and Children's Services as part of the local government finance settlement.
-

Alternative options considered and rejected:

The Medium Term Financial Strategy is a key planning document for the Council and fulfills its statutory obligations to maintain a balanced budget.

Published work / information:

[Local Government Finance Settlement 2017/18](#)

Background papers:

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

Sign off:

Fin	djn1718.112	Leg	MO – DVS/29099.	Mon Off	HR	Ass ets	IT	Strat Proc	
Originating SMT Member Andrew Hardingham									
Has the Cabinet Member(s) agreed the content of the report? Yes									

1.0 Introduction

- 1.1 The Medium Term Financial Strategy (MTFS) is the Council's primary financial strategic and planning document linking the revenue budget, the capital programme and the treasury management strategy.
- 1.2 The Strategy sets out the financial planning assumptions for the next three years and ensures resource allocation is in line with Plymouth's priorities.
- 1.3 The previously published MTFS was approved by Council in November 2016 and was last updated in February 2017 when the 2017/18 budget was approved.
- 1.4 The updated Strategy sets out the national context and the Council's assumptions for resources including changes to New Homes Bonus, over the next three years. The key assumptions in the MTFS are:
- Reduction in the revenue support grant of £6.7m as set out in the four year settlement;
 - Increase in council tax base - £1.79m;
 - Adult Social Care precept of 3% - £3.0m;
 - Increased business rates incomes - £1.1m.
- 1.5 Additional costs have been identified and built into the base budget and proposed efficiencies and savings identified to reduce the budget gap.
- 1.6 The main changes in the updated MTFS compared to the previously published strategy are set out below:
- There has been a reduction in the provision for the pay award of £0.1m reflecting a reduced organisation headcount.
 - Spend has been re-profiled for major investments in 2018/19 and 2019/20.
 - Additional provision has been made for the costs of restructuring - £0.250m in 2018/19 and £0.5m in 2019/20.
 - Additional provision has been added to the plan for increased costs with Children's Services - £2.0m in 2018/19 and a further £1.806m in 2019/20.
 - The impact of the withdrawal of the Education Support Grant amounting to £1.3m is reflected in 2018/19.
 - The impact of increased costs for Adult Social Care and national living wage in the 2019/20 budget - £0.926m.
 - Additional provision of £0.250m in 2018/19 has been made to improve Street Scene Services.
 - Additional provision of £0.1m in 2018/19 has been made to strengthen the Elections Service.

The Cabinet are committed to the growth agenda within the City and ensuring adequate budgetary provision is made available to the provision of Street Services.

- 1.7 These changes result in increased costs of £4.150m in 2018/19 and £4.013m in 2019/20.
- 1.8 The updated MTFS also reflects savings in 2018/19 due to re-profiling of City Deal expenditure and one off savings from Public Transport efficiencies.
- 1.9 It has been assumed that all savings previously identified within the MTFS have been included when arriving at the identified budget gap.
- 1.10 In response to the financial challenges faced by Plymouth, a Budget Scrutiny Select Committee has been meeting during 2017 to review the budget and make recommendations to Cabinet and Council. At its meeting on the 27 September 2017, the Select Committee reviewed a first draft of the MTFS. At this stage the 2018/19 budget gap was £4.366m.
- 1.11 The Budget Scrutiny Select Committee will at a future meeting explore the Council's revenue and capital budgets and how they deliver the Council's priorities and will consider specific delivery plans within specific service areas. The Budget Select Committee recommended the Council's reserves are included within the MTFS. These have been included in the latest version.
- 1.12 Cabinet is asked to review the latest version of the MTFS and recommend that it is presented to Council at its meeting on 20 November 2017.

MEDIUM TERM FINANCIAL STRATEGY

2018/19 to 2020/21



The Medium Term Financial Strategy takes a 3 year view from April 2018 to 2020/21 and looks at how the Council will fund Plymouth's ambitions and priorities.

Foreword



Councillor Ian Bowyer
Leader of Plymouth City Council

“Constant change is something local government is used to and recent events nationally have added to this uncertainty. However Plymouth is an ambitious City and is well placed to respond to these changes through its growth agenda. Value for money will always be the core principal in its delivery of vital services across the City. The Medium Term Financial Strategy is key to this and will support the provision of high quality cost effective services in these financially challenging but exciting times ahead.”



Councillor Ian Darcy
Cabinet Member for Finance and ICT

“The Council provides a wide range of services to the residents of Plymouth and as Portfolio Holder for Finance I continue to be determined to maximise efficiency so the quality of these services are maximised. We recognise that the amount of funding available has fallen but with a robust Medium Term Financial Strategy we will look to maximise external funding and ensure that there are financial plans in place to meet the challenges ahead.”



Tracey Lee
Chief Executive of
Plymouth City Council

“The journey for improved services and ongoing efficiencies continues with over £18m of savings delivered in 2017/18 and a further £37m of efficiencies required over the next three years. This programme of continued improvement is supported by the Council’s Transformation Agenda. The Medium Term Financial Strategy shows how our improvements link to the City; people’s jobs, homes, health and how we will pay for the services we provide.”



Andrew Hardingham
Interim Joint Strategic Director for
Transformation and Change

“The expectation of residents for high quality services in the context of reducing financial resources highlights the importance of a well developed and implemented Medium Term Financial Strategy, which forms the core part of the Council’s strategic framework. By ensuring the Council is able to plan and manage its finances, this will enable the priorities of the Corporate Plan to be put into action.”

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Introduction

The Medium Term Financial Strategy (MTFS) links the revenue budget, capital programme and treasury management strategy and;

- Is a central document for our financial planning
- Plays a key role in the budget setting process
- Ensures the budget is prepared in line with Plymouth priorities
- Covers a 3 year period and is updated and reviewed regularly and approved annually by Council.
- Identifies sustainable, alternative and increased sources of income
- Delivers the Asset Management Plan and maximise the community value of our assets

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

Financial Principles

1. Managers must contain their expenditure within their approved budget.
2. The Council will achieve a balanced budget year on year.
3. Services will be charged for under the Council's agreed Fees and Charges Policy. Charges will be increased for inflation.
4. Provision for pay inflation will be made centrally. Available resources will be allocated to service budgets following the local government pay settlement.
5. Specific grants will be included in service budgets. Any later reduction in a grant must be absorbed by the service budget, except in exceptional circumstances.
6. If appropriate cross cutting savings may be held centrally. In-year savings will be reported separately. Savings will be deducted from service budgets the year after implementation.
7. Service departments are expected to meet the capital financing costs of projects. Corporate or cross cutting schemes may be funded centrally.
8. ICT expenditure is financed by service departments. Corporate or cross cutting schemes will be funded centrally.

Financial Objectives

1. Generate the maximum possible funding towards delivering the priorities as set out in the Plymouth Plan and our Corporate Plan.
2. Prioritise capital schemes based on deliverability of tangible outcomes whilst considering the context of the overall capital and revenue affordability.
3. Support the local Plymouth economy working in partnership with local businesses.
4. Council Tax increases will be below the level to trigger a referendum.
5. Maximise income opportunities primarily through structured growth of the City and proactive partnership working.
6. Continue to maximise savings from our Transformation Programme and seek new opportunities where possible.
7. Achieve a return on investment of 1.3% in 2017/18, and 1.25% in later years.
8. Borrowing not to exceed £450m in 2017/18 and £500m in 2018/19.
9. Provide for borrowing costs in the MTFS.
10. Retain a general fund revenue balance of at least 5% of net expenditure.

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

THE PLYMOUTH PLAN 2014 - 2034

WHAT WE WANT TO ACHIEVE...

LEADING CITY

A city fulfilling its strategic role as a major economic driver for the heart of the South West

HEALTHY CITY

People live in happy, healthy, safe and aspiring communities

GROWING CITY

A city which has used its strengths to deliver quality and sustainable growth

INTERNATIONAL CITY

Plymouth is internationally renowned as the UK's premier marine city, and famous for its waterfront, maritime heritage and culture.

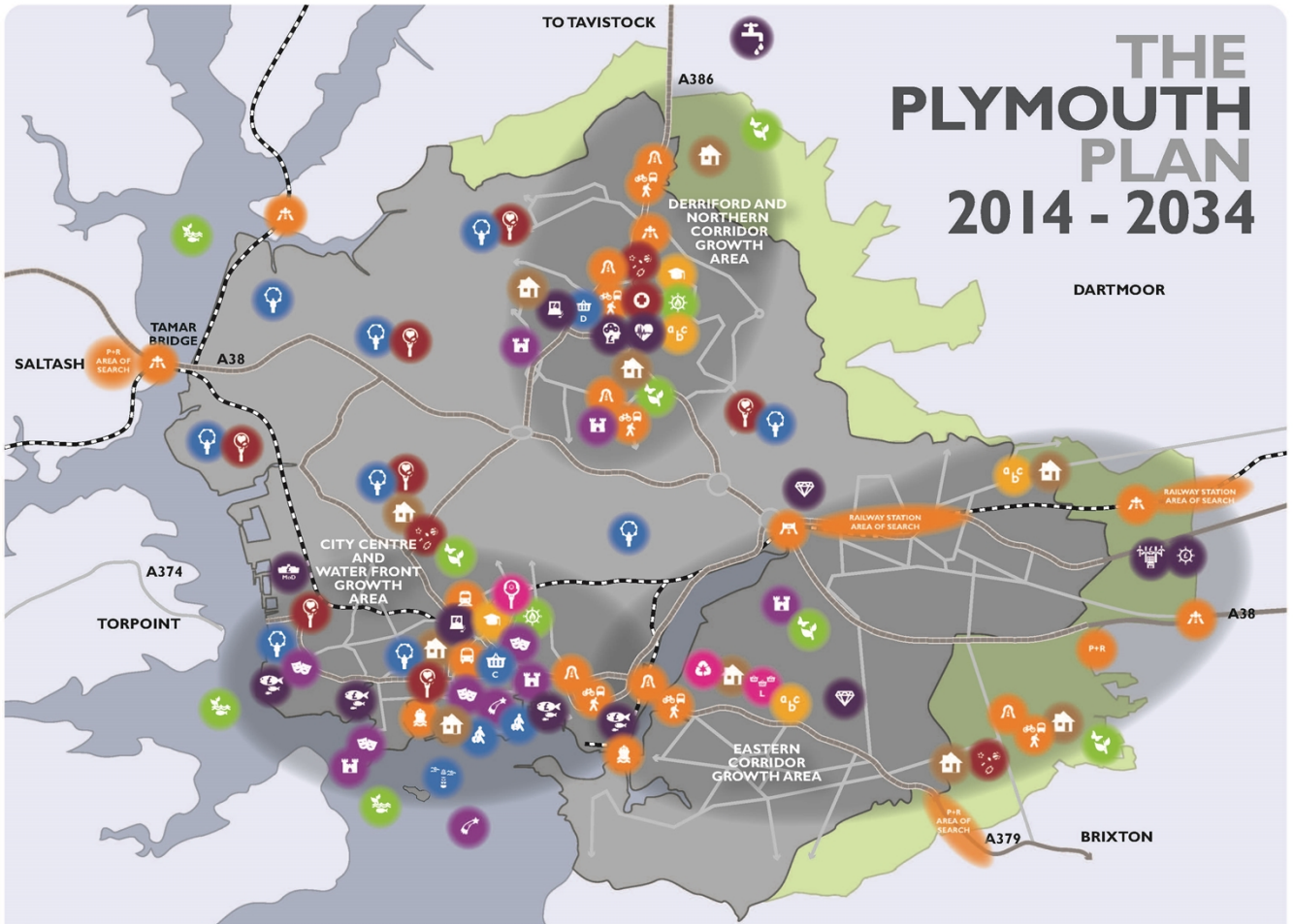
HOW WILL WE KNOW WE'RE SUCCESSFUL?

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

WHAT PRINCIPLES WILL GUIDE US?



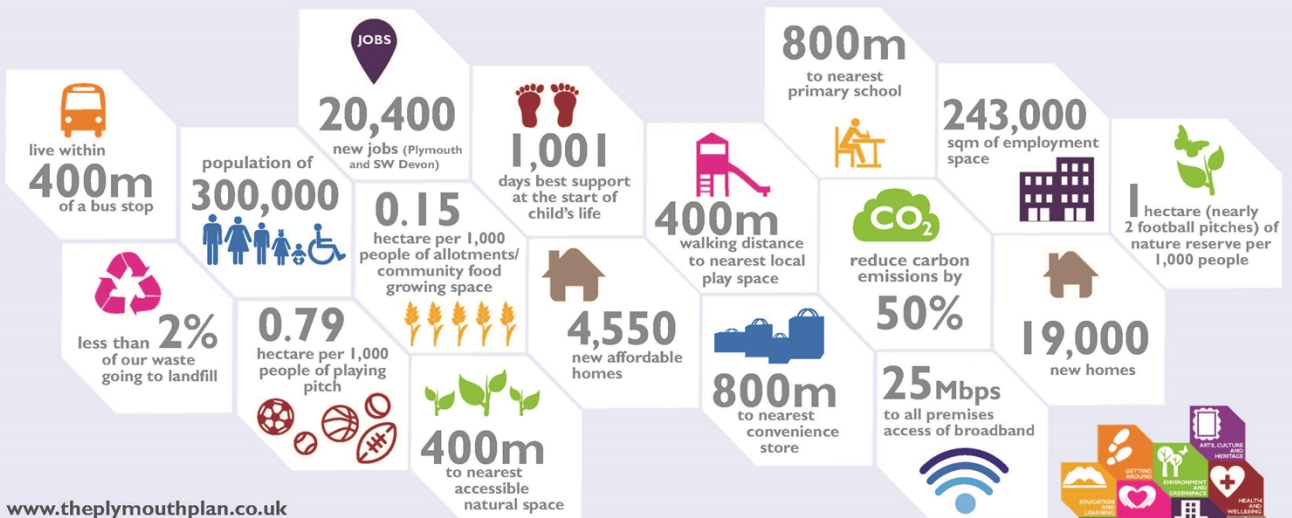
THE PLYMOUTH PLAN 2014 - 2034



KEY

- | | | | | | |
|-------------------------------|---------------------------|----------------------------|---------------------------|--------------------------|------------------|
| Hospital | Train Station | Countryside/Community Park | Strengthening communities | Offices | Waste recycling |
| Sports hub | Coach Station | European Marine Site | Visitor economy | Knowledge industries | Local Centre |
| Improving health inequalities | Park and Ride | District heating | Minerals | Medical sector | Community safety |
| Port | Transport quality gateway | Housing | Distribution | Utilities infrastructure | Urban fringe |
| Transport capacity | Transport connectivity | Ocean City | Business/energy park | Heritage assets | |
| Sustainable transport | University | City Centre | Marine industries | Cultural hub | |
| | Primary school | District Centre | Dockyard | Events | |

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www.theplymouthplan.co.uk
in association with the Plymouth & South West Devon Joint Local Plan
www.plymswdevonplan.co.uk



Corporate Plan

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

OUR PLAN ONE CITY COUNCIL



CITY VISION Britain's Ocean City

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

OUR VALUES

WE ARE DEMOCRATIC

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

WE ARE RESPONSIBLE

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

WE ARE FAIR

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

WE ARE PARTNERS

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

OUR VISION One team serving our city

PIONEERING PLYMOUTH

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

GROWING PLYMOUTH

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

CARING PLYMOUTH

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

CONFIDENT PLYMOUTH

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

OUR THEMES

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

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

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

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

National Context

Reform of local Government funding

In July 2016 the Government began a fundamental review of how local authorities are funded. Two consultation papers were issued on Fair Funding and 100% Business Rates Retention. This was one of the biggest changes to local Government finance in decades.

A further consultation paper was issued in February 2017 and it was planned for the new system to be in place by April 2019 supported by a number of pilots from April 2018. The changes could have a significant impact on the Council's budgets and would create further complexity and financial risk to the Council in terms of its medium term financial planning.

Following the General Election and Local Government Finance Bill legislation to enable 100% Business Rates retention was not included within the Queen's Speech. The Department of Communities and Local Government (DCLG) have said they are committed to deliver the manifesto pledge to help local authorities to control more of the money they raise and will work closely with local government to agree the best way to achieve this. The delay has created further uncertainty for the future of local government funding. The Council will be working to protect its financial position by lobbying and as a member of the Special Interest Group of Municipal Authorities (SIGOMA) and the Unitary Authority Treasurers Group.

The Council's response to the consultation is summarised below.

Fair Funding and Business Rates

The Council already has significant financial pressures.

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

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

Local authorities should not be expected to take on responsibilities where high demographic growth or rapidly increasing demand can be expected, without the appropriate resources.

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

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

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

Appeals risk and safety nets should operate nationally.

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

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

Working together to grow the wider economy

Plymouth City Council, together with all the councils across Devon and Somerset and Torbay Council have been working with the Heart of the South West Local Strategic Partnership, three Clinical Commissioning Groups and the two National Parks for over two years to create a strong partnership of local leaders. In February 2016, the partnership submitted a Prospectus for Productivity to Government, setting out the broad challenges and opportunities for the area and identifying the additional support required from Government to increase productivity levels to match other parts of the UK. They are now creating a Productivity Plan which will describe in more detail the type of activities and investment required over the next 15-20 years to increase economic productivity and improve the overall prosperity of the Heart of the South West area. At the same time, the partnership is moving to establish a more formal governance arrangement to oversee the Plan. All councils have therefore agreed, in principle, to establish a Joint Committee which is due to come into effect in early 2018. The Productivity Plan and the Joint Committee will create a clear focus for working together locally but will also provide a better basis to engage with Government as opportunities for greater devolved powers or more funding arise.

Four Year Local Government Finance Settlement

2018/19 will be the third year of the four year Settlement offered by government. The City Council supported the move to longer funding Settlements on the grounds of reducing financial risk and uncertainty. However an early indication as to whether longer Settlements are to continue and clarity on the timetable for Business Rates Retention would be welcomed.

The Government will consult on the 2018/19 funding Settlement in the autumn of 2017 with final figures announced in 2018.

Flexible use of Capital Receipts

A Flexible Use of Capital Receipts Strategy was submitted to Council as part of the 2017/18 budget process. This supports local authorities to deliver more efficient and sustainable services by allowing local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of transformation projects.

New Homes Bonus and Better Care Fund

The Government announced changes in the autumn 2016 budget to New Homes Bonus. Entitlements have been reduced from 6 years to 4 years and a 0.4% threshold has been introduced where no new homes bonus is paid on new property growth below this percentage. Nationally, the reduction in New Homes Bonus is being re-directed to the Better Care Fund. Provisional Better Care Fund allocations are assumed in the savings table in the Medium Term Financial Strategy. Student accommodation – whilst not subject to Council tax – attracts new Homes Bonus.

Brexit

The Government are currently in detailed negotiations on Brexit with the EU. These negotiations are expected to continue until autumn 2018. The financial and service implications of Brexit are being carefully monitored.

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

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

Responding with Innovation

The Council continues to explore innovative solutions to the resourcing challenges presented by the shift in financing local government. One such strategy is the use of Alternative Service Delivery Vehicles, such as joint venture companies or wholly owned companies, where they can improve service delivery and drive efficiency and innovation. At the same time as resolving the challenges to improve service delivery and maximise capital investment we are also taking a longer term strategic view to make sure our tax planning is also adding value.

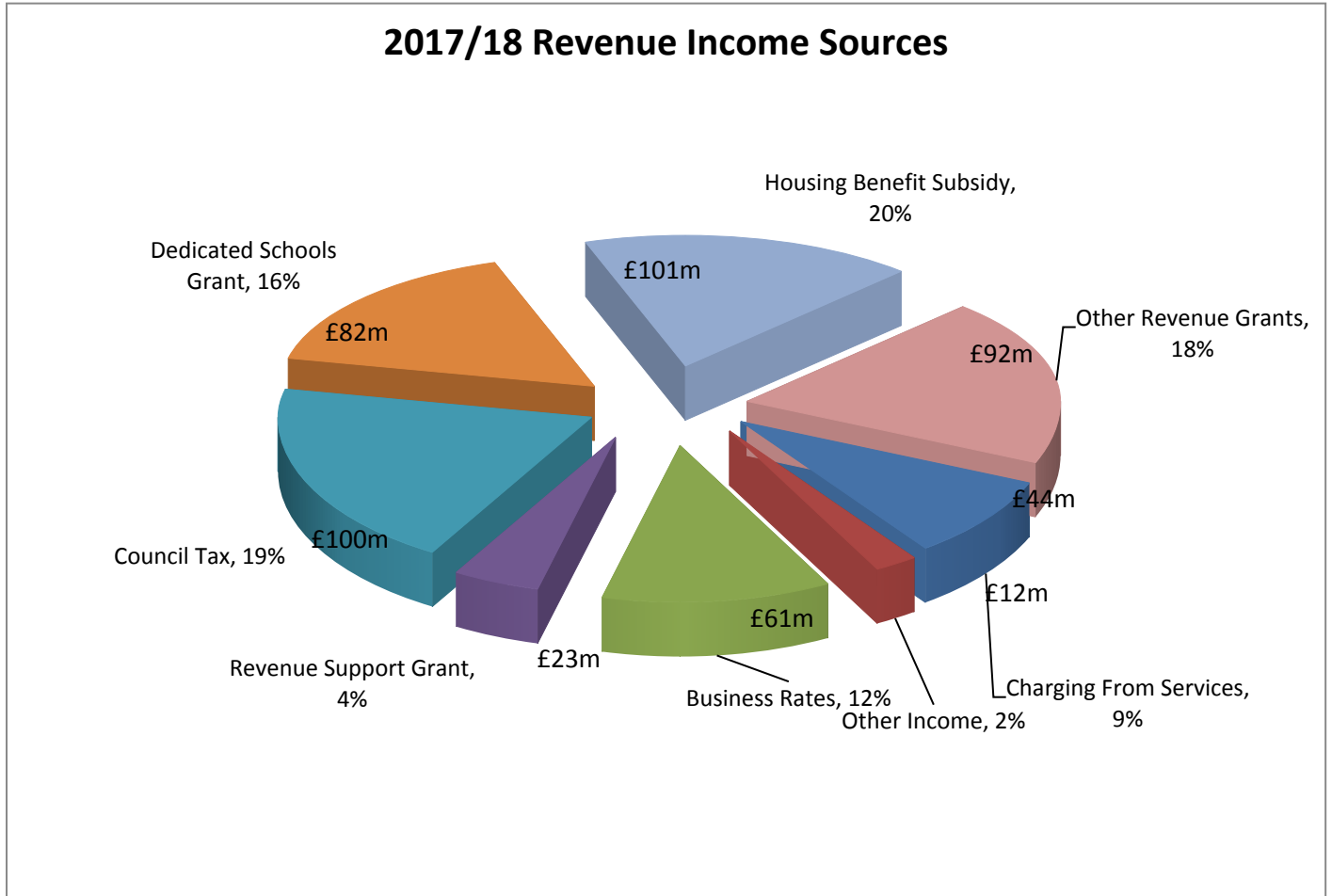
Local Economy

With a population of approximately 264,200 (2016), an economic output of £5.2 billion and 107,800 jobs, Plymouth is the most significant economic centre in the south west peninsula and the largest urban area in the Heart of the South West Local Enterprise Partnership, making it a key location for growth. The city's economic performance up to the onset of the global financial crisis and subsequent recession of 2008/09, showed some signs of improvement particularly in terms of nominal Gross Value Added (GVA), relative GVA per job/hour, and employment growth. Following the economic recovery, Plymouth's economy continues to gain strength; there has been a reduction in public-sector dependency (although it is still higher than in other cities) and unemployment is decreasing. Average house prices are rising in line with the national average and full-time median wages compare favourably with other similar cities.

- Plymouth's total GVA annual total value now exceeds £5.2 Billion (2016).
- GVA per Hour Worked is £29.20, the highest in the HotSW.
- Plymouth's (2015) Gross disposable household income rises to a record high of £15,516 per head.
- The gap in pay between Plymouth & the HotSW (Annual-Resident full-time) is -2.5% (2015).
- 1,289 new jobs were created in the city (2015).

Resources available

Although our budget is expressed in net terms of £184m, the actual gross spend for the Council is in excess of £515m per annum. This reflects a number of significant income streams which the Council either manage, or passport on to third parties.



Medium Term Financial Forecast

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
	BUDGET	FORECAST		
REVENUE RESOURCES AVAILABLE	183.883	183.069	178.739	179.423
Baseline spend requirement	186.702	183.883	183.069	178.739
One off savings brought forward	4.876			
Plus identified additional costs	10.536	11.507	10.416	10.318
Overall spend requirement	202.114	195.390	193.485	189.057
In-year shortfall to be found	18.231	12.321	14.746	9.634
Cumulative shortfall	18.231	30.552	45.298	54.932
Transformation stretch savings	18.231	7.555	8.470	(0.694)
REVISED SPENDING FOR YEAR	183.883	187.835	185.015	189.751
Budget Gap	0.000	4.766	6.276	10.328

- Funding is reducing year on year from £183m in 2017/18 to £179m in 2020/21
- Most of the increasing costs are outside of the control of the Council such as the National Minimum Wage and the cost of Adult and Children's Social Care.
- Transformation stretch savings offset the gap delivering savings of £15m over the next 3 years

Transformation Stretch Savings Summary

Transformation Stretch Savings	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
New Homes Bonus	(0.513)	(1.682)	(0.227)	(0.944)
Better Care Fund Gain	0.764	4.579	4.111	
Adult Social Care Support Grant	1.300	(1.300)		
ODPH Directorate	0.148	0.075	0.074	
Chief Executive Office	0.255	0.035	0.022	
Place Directorate including GAME 2	3.049	1.351	0.029	
People Directorate – One System One Aim	4.898	4.039	3.656	
Transformation & Change Directorate (Transformation of Corporate Centre)	4.196	2.658	1.505	
Corporate items	4.134	(2.200)	(0.700)	0.250
Total Savings	18.231	7.555	8.470	(0.694)

Transformation Stretch Savings Detail

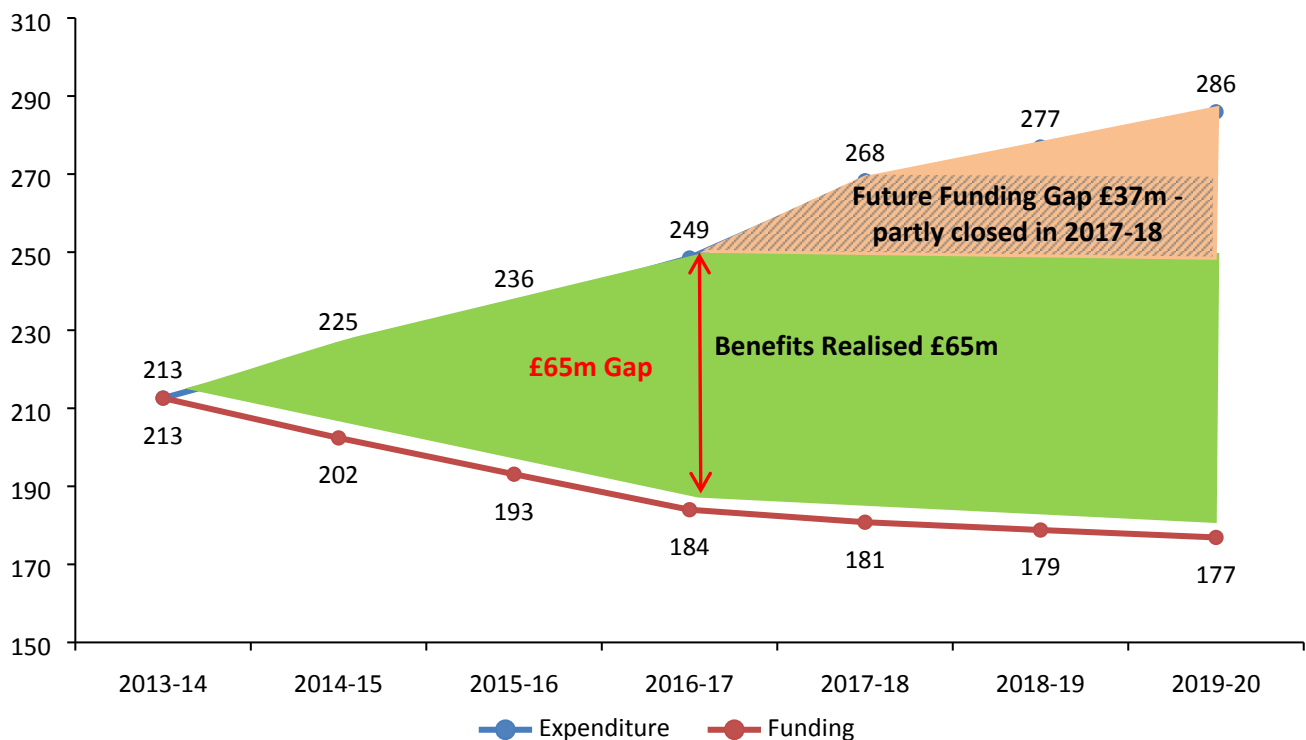
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New Homes bonus	(0.513)	(1.682)	(0.227)	(0.944)
Better Care Fund Gain	0.764	4.579	4.111	
Adult Social Care Support Grant	1.300	(1.300)		
ODPH Directorate	0.148	0.075	0.074	
Chief Executive Office	0.255	0.035	0.022	
Place Directorate including GAME 2				
Real time passenger information	0.024	0.150	(0.150)	
Economic Development Systems Review – moving towards cost neutrality	0.200			
Commercial Events		0.150	0.050	
Energy-Related Initiatives: Dividend from Ernesettle Solar Farm	0.043			
Energy-Related Initiatives: Additional Capitalisation of Low Carbon Team Posts	0.025			
Parking Modernisation Plan	0.500			
Additional Efficiencies	0.213	0.198	0.126	
Asset Investment Fund	0.950	0.350		
GAME2 – Street Service operations	0.275			
GAME2 – Highways reprocurement	0.250			
GAME2 – Strategic Planning and Infrastructure Systems Review	0.266			
GAME2 – Waste Modernisation	0.250	0.500		
Fees & Charges in accordance with Policy	0.053	0.003	0.003	
People Directorate - One System One Aim				
Integrated Delivery and Commissioning	3.000	2.105	1.650	
Community Connections		0.050		
Children, Young People and Families	1.500	1.263	0.750	
Education, Participation and Skills		0.421	0.250	
People Directorate review	0.500	0.200	0.250	
Efficiencies People Directorate	2.117		0.756	
One-off grant maximisation in People 16/17	(2.219)			
Transformation and Change Directorate (Transformation of Corporate Centre)				
Legal Department Transformation	0.200			
Transformation Review	0.835	0.500		
Smart working	0.305	0.543	0.234	
Administration and Facilities Management	0.125			
Systems Review – Community Facilities	0.470	0.033		
Further Efficiency Savings	0.317	0.294	0.187	
Service Centre		0.500		
Fees & Charges in accordance with Policy	0.339	0.002	0.002	

Transformation Stretch Savings	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Treasury Management/MRP/LOBO	0.500	0.500	1.000	
Treasury Management Savings	0.512	(0.114)	(0.118)	
Increase in Investment Diversification	0.200	0.400	0.200	
Systems and IT infrastructure	0.338			
Corporate Training	0.055			
Corporate Items				
Fees & Charges in accordance with Policy		0.250	0.250	0.250
Procurement	0.300			
Flexible use of Capital Receipts	3.500	(2.500)	(1.000)	
Reduction in Reserve	0.150			
Reduction in Working balances	0.184	0.050	0.050	
Total Savings	18.231	7.555	8.470	(0.694)

Our Financial Position – what we projected

In 2013 we worked out what the estimated gap by 2016 would be if we did nothing and this was £65m.

Transformation Programme



Due to transformation savings the Council has overcome the £65m gap identified in 2013. Forecasting further ahead the future funding gap from 18/19 is £37m and to date £15m of savings have been identified.

Financing the Council

Financial Planning Assumptions

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

Key Financial Planning Considerations

The four-year Revenue Support Grant settlement.

Uncertainty to future funding due to the delay in 100% Business Rates Retention. Reductions in other Government grant funding without matching reductions and responsibility for related services provision.

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

Increased costs of meeting new initiatives.

An expected increase in annual pay inflation of one per cent and the LGA's national review of spinal points.

A continued increase in employer pension contributions.

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

Key Assumptions

Benefit from the Devon-wide Business Rates Pool continues in 2018/19 and future years.

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

Maintain a minimum 5% Working Balance. This reserve has been steadily built up over the years and stands at £9.4 million as at March 2017. This equates to approximately 5.0% of the Council's net revenue budget which is about the average for Unitary Councils.

Revenue Resources

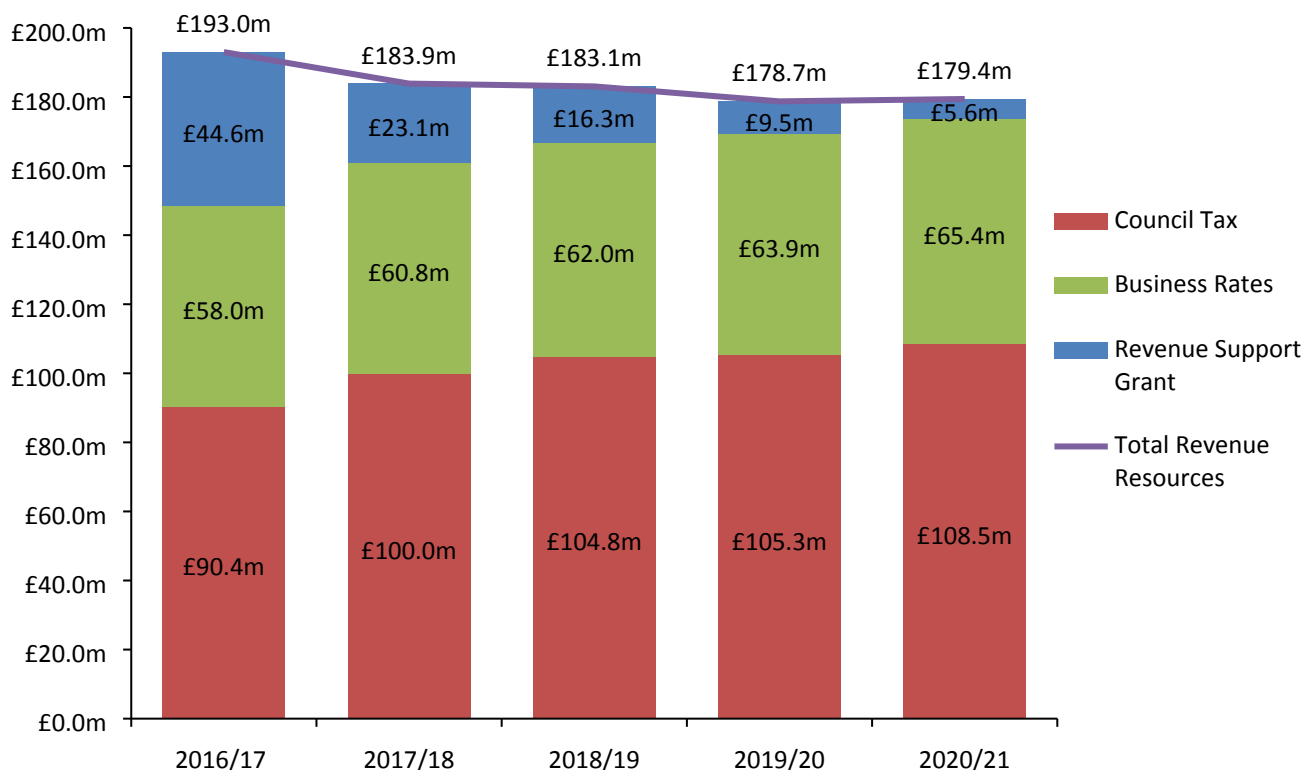
Plymouth City Council, in line with all other Local Authorities, continues to face diminishing resources and increasing demand and costs.

Our Council tax assumptions reflect a steadily increasing tax base, and the levying of an additional 3% Adult Social Care precept in 2018/19 as allowed by Government. The Business Rates forecast assumes a full growth dividend. It is expected that Devon Business Rates pooling gains will continue. A moderate RPI increase has been assumed.

	2017/18	2018/19	2019/20	2020/21
	Budget	Forecast		
	£m	£m	£m	£m
Revenue Support Grant	23.058	16.323	9.533	5.567
Council Tax	100.004	104.792	105.311	108.479
Business Rates	60.821	61.954	63.895	65.377
Total	183.883	183.069	178.739	179.423

The scale of the funding reductions is the financial challenge facing the Council over the next four years. The Council faces a continuing reduction in core central funding from the Revenue Support Grant with the expectation this will be zero in the medium term.

Revenue Resources



Treatment of Specific Grant Funding

Housing Benefit Subsidy

Normal housing benefit payments are subsidised at 100%. Housing Benefit Subsidy Grant is estimated to be £101m in 2017/18. However overpayments attract only a 40% subsidy rate.

Increased levels of claimant error are being notified to Councils by DWP under Real Time Information. An additional £0.5m has been provided in 2017/18 to address the subsidy implications.

Dedicated Schools Grant

The largest specific grant that the Council receives is the Dedicated Schools Grant (DSG) which is £82m for 2017/18. The funding is spent either directly by Schools, (Primary, Secondary and Special), through their formula allocations, or by the authority on their behalf. The Schools Forum, (a representative group of Head Teachers and relevant stakeholders), are consulted on the local authority's formula distribution and the amounts administered centrally.

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

Pupil Premium

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

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

Public Health Grant

This Government Grant supports the Council's public health responsibilities. Grant conditions apply including responsibilities for 0-5 children services.

For 2017/18 the Public Health grant is £15.735m, which is a reduction of £0.398m from 2016/17. We do not have a confirmed grant allocation for 2018/19 at this stage. The confirmation in previous years has been received in the January ahead of the financial year commencing in the April. For planning purposes Plymouth's Director of Public Health is working on an assumed reduction of a further 2.5% (£0.393m) which would provide a grant value of £15.342m.

Since 2014/15, Plymouth's allocation will have seen a cumulative reduction of more than £2.0m, nearly 12%.

Grant funds may only be spent on activities whose main purpose is to improve the public health of our local population. This includes some specific requirements around health improvement, sexual health, drug and alcohol services, children and young people's PH services, NHS Healthchecks and health protection, as well as providing healthcare public health advice to support the commissioning of health and wellbeing services.

New Homes Bonus/Better Care Fund

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

- The Council tax band of each additional property built, multiplied by the national average Council tax level from the preceding year i.e. 2017/18 allocations are based upon the average Band D Council tax set in 2016/17 at £1,606
- A payment of £350 for each affordable home
- Empty homes coming back into use
- No payment is made on growth in new homes of less than 0.4% as this is deemed to be 'normal' growth

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

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

Under the current scheme Local Authorities receive New Homes Bonus for a four year period. The decline in 2018/19 is due to the ending of previous year's allocations that were made before the 0.4% threshold was introduced. This also impacts 2020/21.

New Homes Bonus projections are detailed below.

New homes Bonus	2016/17	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m	£m
Year 1	0.832				
Year 2	0.706				
Year 3	0.868	0.868			
Year 4	1.189	1.189			
Year 5	0.602	0.602	0.602		
Year 6	1.319	1.319	1.319	1.319	
Year 7		1.025	1.025	1.025	1.025
Year 8			0.375	0.375	0.375
Year 9				0.375	0.375
Year 10					0.375
Total New Homes Bonus	5.516	5.003	3.321	3.094	2.150
NHB Year on Year Change	1.319	(0.513)	(1.682)	(0.227)	(0.944)

Part of the NHB fund was redistributed to the Better Care Fund. The net effect of this for the Council was as follows:

	2016/17	2017/18	2018/19	2019/20	2020/21
Better Care Fund Allocations		0.764	4.579	4.111	
Net Change to New Home Bonus Scheme from 6 to 4 years and introducing a 0.4% threshold		(1.281)	(3.207)	(3.517)	
Net Change		(0.517)	1.372	0.594	

Improved Better Care Fund

Referred to as iBCF, the Improved Better Care Fund was first announced in the 2015 Spending Review. This is paid as a Specific Grant to us as the local authority with a condition that it is pooled into the existing local BCF plan with the Clinical Commissioning Group (CCG). The grant allocations were announced as part of the 2017 Spring Budget.

The grant is time-limited for three years with the additional funding totalling £11.275m; it is front-loaded with the allocation for 2017/18 being £5.800m.

This is additional funding for the provision of adult social care and this is therefore not an on-going revenue stream and cannot be subsumed into “business as usual” to close the funding gap for adult social care. There are clear ministerial guidelines on the areas this money can be used for and Plymouth City Council, working in partnership with key stakeholders such as NEW Devon CCG will ensure the funds are invested in transforming the social care system and reducing delayed transfers of care.

Our allocation for 2018/19 is £3.660m with a further £1.815m in 2019/20.

The Plymouth Integrated Fund

As part of a collaborative transformation programme, Plymouth City Council and NHS Northern, Eastern and Western (NEW) Devon Clinical Commissioning Group (CCG) continue to draw on the Plymouth Integrated Fund. This has been created by pooling or aligning the vast majority of the People Directorate budget and the Public Health commissioned services budget to form a fully integrated health and social care commissioning budget. Implemented via a Section 75 Agreement under the Health and Social Care Act 2012, the Plymouth Integrated Fund has a combined net budget of £490m and was established specifically to create an integrated population based system of health and wellbeing for Plymouth.

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

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

The Plymouth Integrated Fund also incorporates the Better Care Fund, which is a national programme aimed at accelerating integration between the NHS and Local Government. It creates a local single integrated budget to incentivise the NHS and Local Government to work more closely, placing wellbeing as the focus of the health and social care services. For 2016/17 the funding we received from the Better Care Fund (BCF) was £19.351m for both partners. For 2017/18 the confirmed allocation contains the year's BCF £19.834m plus Plymouth City Council's Improved Better Care Fund (iBCF) allocations of £0.764m and £5.800m; a total of £26.398m. The Plymouth Integrated Fund is supported on the basis of a 72% Clinical Commissioning Group 28% Council share of financial benefits and risks. This agreement limits the transfer of any over or under spends between the partners to a defined prudent maximum. The development of the Plymouth Integrated Fund has created greater opportunity to deliver improved outcomes and financial savings, recognising the existing budget pressures in both organisations, which have developed plans to address underlying overspends in the Plymouth Integrated Fund. Livewell Southwest – a Community Interest Company (CIC) – deliver community health and social care to people living in Plymouth, South Hams and West Devon and is an example of how the transfer of the adult social care staff enabled a fully integrated approach to both health and social care assessments for the people of Plymouth.

Sustainability and Transformation Plan (STP)

The Wider Devon Sustainability and Transformation Plan sets out ambitious plans to improve health and care services for people across Devon in a way that is clinically and financially sustainable.

Health and care organisations as well as Plymouth City Council and the other local authorities across Devon have been working together to create the shared five-year vision to meet the increasing health and care needs of the population – while ensuring services are sustainable and affordable.

The STP provides the framework within which detailed proposals for how services across Devon will develop – between now and 2020/21.

A key theme throughout the STP is an increased focus on preventing ill health and promoting people's independence through the provision of more joined up services in or closer to people's homes.

Seven priority areas have been identified as key programmes of work:

- Ill health prevention and early intervention
- Integrated care model
- Primary care
- Mental health and learning disabilities
- Acute hospital and specialist services
- Increasing service productivity
- Children and young people

Plymouth is a key contributor to the STP and we ensure our transformation programme for Integrated Health & Wellbeing dovetails with the programme.

Council Tax

The Council increased Council Tax for 2017/18 by 1.49%. Council Tax is assumed to be 0% through to 2020/21 in the MTFs. A 3% Adult Social Care precept has been applied to 2018/19, 0% in 2019/20 and 2% in 2020/21. In the table below we have set out the implications on our overall resources for 2018/19 to 2020/21 of three alternative options on future changes:

- A general Council tax freeze in each year;
- A general Council tax increase of 1% year-on-year;

- An increase up to the referendum limit of 1.99% in each year.

Every 1% movement in the Council Tax base equates to £1.000m.

	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Adult social care precept assumed	100.004	104.792	105.310	108.478
		1.012	1.073	1.147
Based on 1.00% increase 2017/18 only	100.004	105.804	106.383	109.625
		1.047	1.053	1.085
Based on 1.99% increase 2017/18 only	100.004	106.851	107.436	110.710

Income Collection

The 2017/18 revenue budget and MTF5 assumptions are based on achieving the collection targets. Bad debt provisions are kept under regular review by the Assistant Director of Finance.

Type of debt	Target % 2016/17	Target % 2017/18	Target % 2018/19	Target % 2019/20	Target % 2020/21
Council Tax	98.5	98.6	98.7	98.8	98.8
Business Rates	98.5	98.6	98.7	98.8	98.8
Commercial Rents	98.0	98.5	98.5	98.5	98.5
Sundry Debt	97.5	98.0	98.0	98.0	98.0

The targets for Council tax collection and business rates are stretched for 2018/19 onwards. These are ambitious targets and the increase is not currently assumed in the MTF5. The average in-year Council tax collection rate for unitary authorities was 96.9% in 2016/17. The average in-year business rates collection for unitary authorities was 97.0% in 2016/17.

Additional costs

Additional costs accepted within the MTF5 are exceptional in nature with the inherent assumption that spending departments will absorb the increased cost of service demand and inflation through proactive management action and efficiencies through “business as usual” operations. A clear business case must be approved through the Corporate Management Team (CMT) in order to incorporate future year funding allocations.

Utilities have been a significant additional cost in recent years. However, through office rationalisation, carbon reduction investment and falling prices, we have not incorporated such pressures within our MTF5 at this stage. Likewise, general inflation relating to external spend and contracts has not been accounted for on the understanding that smarter procurement practices will continue to contain significantly increased spending. The additional costs within the 2018/19 MTF5 are detailed below. Additional costs are kept under constant review as part of on-going budget monitoring.

Item / area	2017/18	2018/19	2019/20	2020/21
	£m	£m	£m	£m
Salary and Pension Inflation	0.900	0.800	0.800	0.800
Pension actuarial review	1.200	0.900	0.250	0.250
Adult Social Care – Care Packages cost and volume	2.756	2.813	2.386	1.861
National Living Wage – Adult Social Care	1.670	2.304	3.393	3.364
Children’s Social Care - cost and volume	1.800	2.000	1.806	1.960
Homelessness		0.500		
Education Services Grant – Legacy Costs		1.300		
National Insurance and Insurance Tax Increase	0.050			
Major Investments – South Marine Yard/Mayflower Celebration	0.550	(0.550)	0.371	0.483
Plymouth Plan (one-off)	0.210	(0.210)		
Loss of Rental Income			0.160	
Street Services Operations		0.250		
ICT re-provisioning	0.300	0.300	0.300	0.300
Apprenticeship Levy	0.250			
Revenue costs arising from capital investment decisions	0.250	0.250	0.450	0.800
Staff costs (EVRS / redundancy)		0.750	0.500	0.500
Elections		0.100		
Housing Benefit Subsidy	0.500			
Neighbourhood Initiatives	0.100			
Total	10.536	11.507	10.416	10.318

Salary and Pension / Inflation

Pay awards have been significantly reduced over recent years, including a prolonged period of staff pay freeze. A one per cent increase in our payroll roughly equates to £0.8m added revenue spend within our base budget. Looking forward, we have assumed a one per cent award in 2018/19, 2019/20 and 2020/21. In addition to the annual pay award the LGA are currently reviewing the national ‘spinal points’. Modelling work has commenced and the MTFS will be updated to reflect local and national modelling. At this stage it

is estimated that there could be up to a 3% uplift required to reflect the outcome of the spinal point review. Additional funding has been allocated towards our pension deficit.

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

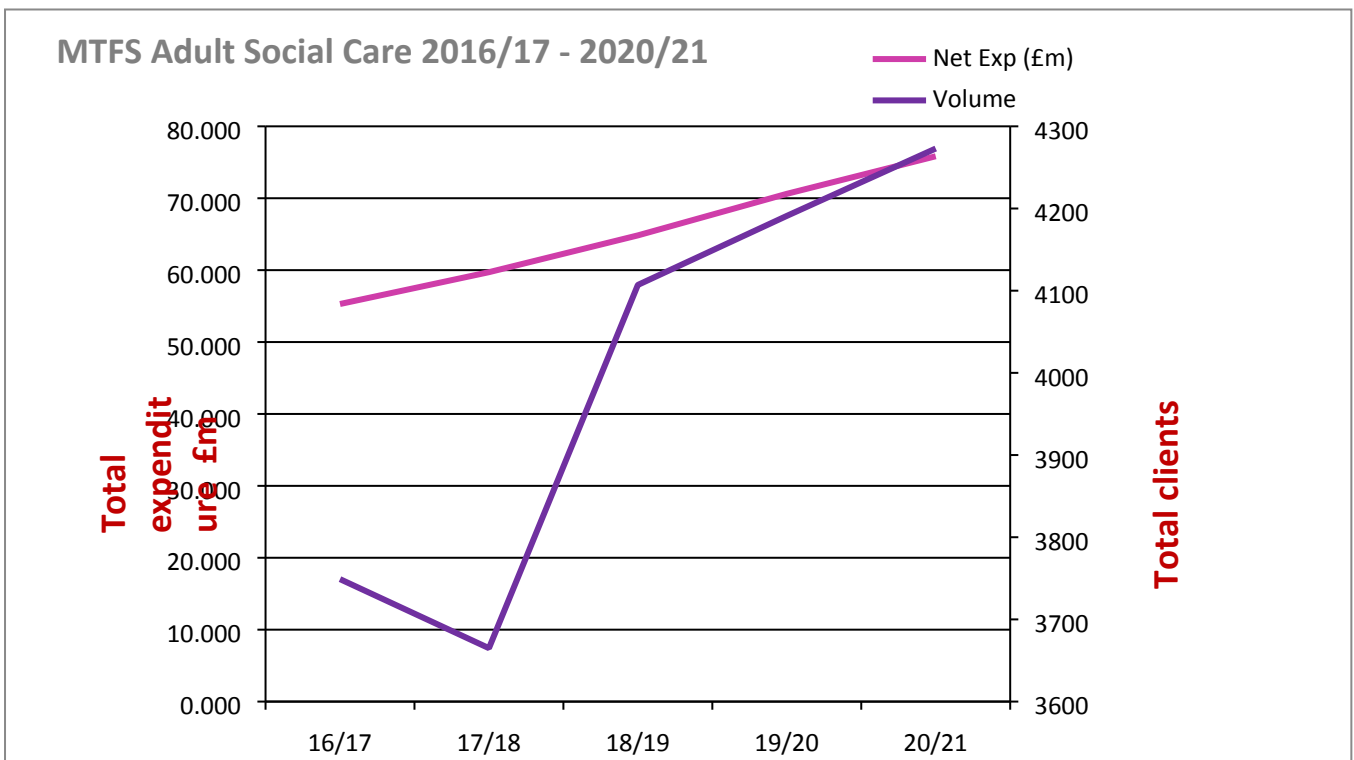
Adult and Children Social Care, plus National Living Wage

A significant proportion of our revenue budget is spent on two main areas; adult care services and children’s social care provision. Nationally and locally the costs of providing health and wellbeing services are rising as demand increases. We have an ageing population with more complex needs and higher levels of young children requiring our services.

The National Living Wage was increased to £7.50 per hour from April 2017. This increasing cost is shown separately in our additional costs analysis but in reality is a key driver in the increasing costs of providing our adult social care packages and services.

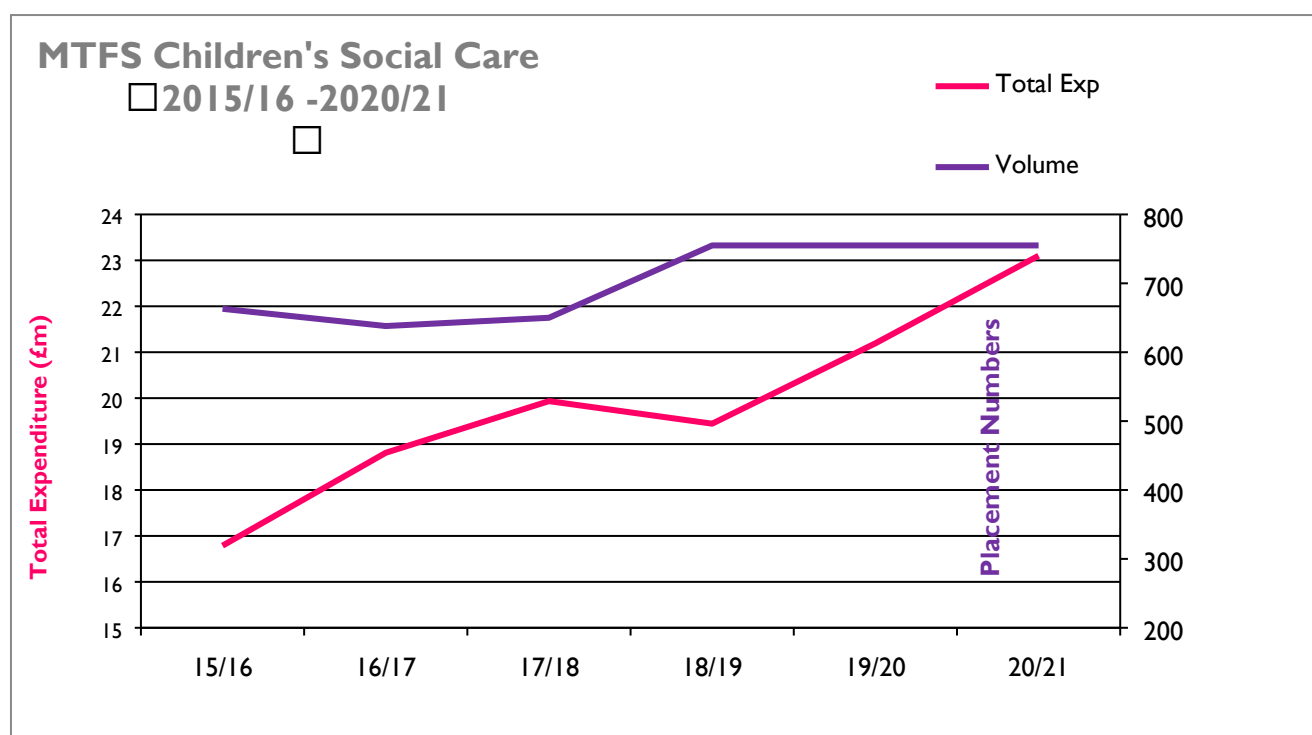
The MTFS has provided £1.670m in 2017/18 and increases in each year as we move towards the Government’s pledge of £9 per hour by 2020/21. Reflecting this year-on-year increase sees additional allocations of £2.304m in 2018/19; £3.393m in 2019/20 and a further £3.364m in 2020/21.

For our own workforce, the Council pays the Foundation Living Wage (currently at £8.25) and this will be reviewed or capped for affordability in future years whilst the new National Living Wage catches up.



Adult Social Care Cost + Volume analysis

	2016/17 Outturn £m	2017/18 Budget £m	2018/19 Budget £m	2019/20 Budget £m	2020/21 Budget £m
Net budget for ASC care packages (before savings)	55.291	59.717	64.834	70.613	75.838
Additional MTFS provision		4.426	5.117	5.779	5.225
Split between:					
Cost and Volume		2.756	2.813	2.386	1.861
National Living Wage		1.670	2.304	3.393	3.364



Children's Care Cost + Volume analysis

	2016/17 Budget £m	2017/18 Budget £m	2018/19 MTFS £m	2019/20 MTFS £m	2020/21 MTFS £m
Net budget for children's care packages (before savings)	16.108	17.908	19.908	21.714	23.674
Additional MTFS provision		1.800	2.000	1.806	1.960

The cost and volume analysis is refreshed on a quarterly basis. 2017/18 was the first year additional funding was allocated to reflect the increase in the total number of Looked After Children. The further additional funding allocated in future years reflects a levelling out in the trend of the number of children coming into care and an increase in the cost of the care packages and placements. The numbers reflected for 2019/20 and 2020/21 are based on trend analysis at this stage and will be refined going forward.

Homelessness

Community Connections is managing additional costs in 2017/18 due mainly as a result of increased demand for emergency temporary accommodation.

Average Bed & Breakfast numbers for April to July 2017 have been 58 placements per night with nightly costs increasing, as demand has increased necessitating the use of hotel beds together with increasing accommodation needs for families.

As part of the MTFS for 2018/19, Community Connections have been allocated additional funding of £0.500m to reflect this increased demand, whilst action is ongoing to limit the overall cost pressure through lower placements and prevention work.

Education Services Grant (ESG) – Legacy Costs

In 2017/18 the Education Services Grant (ESG) was phased out as a result of the new school funding model introduced by the Department of Education. Although the funding has been withdrawn we still have an ongoing commitment to legacy costs inherited as part of the setting up of Plymouth as a Unitary Authority in 1998. This MTFS additional funding allocation replaces the lost ESG allocation.

Major Investments

We are creating the South Yard Marine Industries Production Campus site. This is a long term investment project which will create employment opportunities and generate commercial income in future years.

Plymouth City Council is working towards the 400th celebration of the sailing of the Mayflower from Plymouth and has set out ambitious plans to ensure the occasion is marked nationally as well as locally. This allocation is to cover the revenue associated costs of planning and hosting events up to and including 2021.

The MTFS assumes an allocation of £0.550m in 2017/18 to cover start-up and running costs. This reduces to £0.000m in 2018/19 and then increases to £0.371m in 2019/20. These running costs will not be required long term.

Street Services Operations

An additional £0.250m has been provided from 2018/19 to support operations.

ICT re-provisioning

The MTFS provides £0.300m in 2018/19, 2019/20 and 2020/21 for ICT re-provisioning. The cost of replacing our current stock of ICT equipment, covering desktop and laptop equipment and printers etc. will fall on revenue resources rather than the capital programme.

Revenue costs arising from capital investment decisions

£0.250m is included for the revenue costs arising from capital investment decisions in 2018/19 with a step up of a further £0.450m in 2019/20 and £0.800m in 2020/21. Borrowing costs associated with investment projects follow the “Invest to save” principle and are repaid by the project. There will be other cases where investment is required, such as Transport projects, Schools and Health and Safety, where there is no financial payback. The loan repayments will be funded corporately.

Council Staff redundancy costs (Enhanced Voluntary Release Scheme (EVRS) and Compulsory Redundancy)

Our workforce has reduced significantly in the last three years as a result of transformational changes that have impacted on the shape and size of the organisation. Staffing reductions have been delivered through a mix of natural turnover of staff, transfers out to alternative service delivery mechanisms (e.g. Delt shared

services, Livewell SW and CaterEd) and as a direct result of Service Reviews where we have looked to realign services in line with our Council target operation model ('blueprint') and in line with budgetary savings required within the relevant financial period. £0.750m is included in 2018/19 MTF period as a prudent provision for future costs associated with EVRS and redundancy of staff, £0.500m in 2019/20 and £0.500m in 2020/21.

Housing Benefit Subsidy

As mentioned on page 18, normal housing benefit payments are subsidised by DWP at 100%. Claimant error is subsidised at 40%, but is recoverable from the claimant. If the claimant is still in receipt of housing benefit there is a regulatory limit to the amount that can be recovered of £10.95 per week.

Since 2014 DWP has compared its database of payroll and family credit information with monthly extracts of Local Authority housing benefit records. Benefits authorities are notified of any claimant error by DWP. Given the increased scale of claimant error and the difficulties of recovering overpayments in many cases, it is prudent to provide £0.500m in the revised MTF for loss of housing benefit subsidy.

Transformation Programmes

Local Government is changing rapidly as traditional sources of funding are reducing and the demand for our services is increasing. Our transformation programmes are designed to enable us to meet the £37m funding gap by continuing to transform the way we do things at pace. We know we cannot continue to deliver services in the same way we have done in the past and our transformation portfolio is taking a pioneering and ambitious approach to addressing these challenges while seeking to improve outcomes for Plymouth citizens.

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

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

I. Growth, Assets and Municipal Enterprise (GAME 2 Programme)

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

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

Waste and Street Services

The Council has already started to reshape waste services with the optimisation of collection routes and the introduction of alternate weekly collections. The modernisation plan builds on these changes and moves the Council into the next phase of the modernisation of waste management and street scene services to create a seamless, sustainable system in partnership with our residents.

The modernisation in line with national best practice has delivered the following:

- Provided a holistic approach to service delivery with increased cross departmental and collaborative working and a city wide engagement and communications strategy.
- Developed a Street Scene and Waste Policy incorporating customer service standards, which will ensure a high quality and consistent standard of service to meet the needs of our growing city and

which are aimed at increasing Plymouth's recycling rates, reducing collection and disposal costs and the Council's carbon footprint.

- Put in place Alternate Weekly Collections.
- Developed 'lean' and modern standard operating procedures for waste collection and street scene functions, operating on a zonal, scheduled, holistic approach to the service.
- Developed a schedule of waste collection rounds to ensure minimum disruption for residents and an efficient and cost effective deployment of staff and vehicles.
- Implemented a range of 'on the go' recycling facilities in city parks, the city centre and waterfront areas.
- Introduced technologies to improve the service.

Highways re-procurement

In 2016/17 we undertook a major procurement to secure a new private sector partner to deliver the Highways Maintenance and Small Scheme work. The procurement of a 7 plus 3 year contract was a joint exercise carried out in partnership with Devon County Council and Somerset County Council with a joint value in excess of £700m of which our contribution will be £10m to £12m per year. The contracts were awarded to the new partners on 01/04/17, our partner being South West Highways (SWH). The contract awarded to SWH is a Term Maintenance Contract (TMC) where we manage the workload and SWH carry out the work which will allow us to fully conform to the Department for Transport (DFT) recommended management system, The Highways Maintenance Efficiency Programme (HMEP). The adoption of HMEP is essential if we are to secure significant future grant funding. To maximise the added value of the partnership between SWH and ourselves it is a fully collaborative venture with both parties signing up to BSI 1000 Collaborative Working which will be externally audited.

Asset Investment Fund

In 2015/16, against a backdrop of local authorities increasingly investing in property as an asset class, we drew on our in-house property expertise, proven track record in managing the Council's existing £88 million property portfolio and its access to historically low borrowing costs to establish an Asset Investment Fund.

The Asset Investment Fund has a mandate to invest up to £155 million (subject to approvals) in income-producing, direct development and forward funding commercial property schemes to deliver:-

- Stimulation of economic and employment growth and regeneration in the city.
- Long-term income generation (via rental revenues) to support the wider financial position of the Council.

The Asset Investment Fund has a well-defined investment strategy to manage risk. A key pillar of this is establishing a diversified portfolio with regards to property sector (retail, office and industrial), tenant type and income-expiry profile. The investment approach is also to primarily target secure investments, which generate a net initial yield in excess of 5% per annum (before debt servicing).

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

Growth Dividend

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

These measures include:

- The Plan for Homes which provides a comprehensive delivery framework to respond to need to increase the supply and quality of new housing in the city. The updated Plan for Homes agreed by Cabinet in February 2016 extends the existing plan to 2021, with an £80m commitment to housing investment to deliver over 1,500 new homes in support of the overall delivery of 5,000 homes over the next five years;
- Reviewing the Community Infrastructure Levy to focus the funding secured from development on supporting the infrastructure needed for growth (a new charging schedule is due to be in place by April 2017);
- Focusing the delivery of major projects that will have the greatest impact on revenue such as Drake Circus Leisure, Civic Centre, Seaton Neighbourhood, Railway Station, Colin Campbell Court, Bath Street, 1620 Hotel and Millbay;
- Continuing the programme of Direct Development to drive rental income and NNDR across the Land Property portfolio;
- Continuing to drive housing developments on Council land.

One Public Estate

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

2. Integration of Health and Wellbeing programme



A significant proportion of our revenue budget is spent on adult care and children's services and the costs of providing health and wellbeing services are rising as demand increases. The programme has already delivered pioneering changes to our adult social care services by combining them with health services to reduce costs and improve the health and wellbeing of Plymouth residents. It has redesigned our offer in Children's Social Care to deliver improved outcomes for young people.

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

It comprises multiple work streams currently embedded across:

- Integrated Delivery;
- Integrated Commissioning;
- Integrating services for Children and Young People and Families;
- Efficiencies.

Integrated Delivery

Reviewing our existing retained services following transfer of Adult Social Care staff in April 2015 to Livewell Southwest. We are also working with our provider units The Vines and Colwill to reduce costs and drive through efficiencies including maximisation of income.

Integrated Commissioning

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

Children and Young People Services

- Extending of the Gateway offer to widen the support for Children, Young People and Families and supporting the co-ordination of an improved Early Help Offer.
- Remodelling Special Educational Needs and Disability (SEND) services across the system to deliver a joined up approach making use of mobile working technology.
- Revising our Transitions offer to develop seamless support.
- Extending the Permanency team to widen the support for Children in Care delivering a sustainable offer across the city.
- Developing an improved quality assurance response for children's services.
- Embedding our new ways of working across Children's Social care, which will make use of mobile working to deliver timely assessments and support for children in need.
- Reviewing and remodelling the services for Education, Learning and Skills to develop a partnership approach working with schools to improve our offer to students and parents across the city.

The People Directorate review will accelerate the review of all areas not within the scope of Integrated Delivery, Commissioning or Children's and Young People to remodel services across the Directorate.

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

Torbay Children's Services

In March 2017, Plymouth City Council was invited to submit an expression of interest to create a contract 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.

The Commissioner and the Minister have both been very clear that improvements to Children's Services in Torbay must happen at pace, and we are therefore working towards an agreed 1st April 2018 as the go-live date.

At this stage we have a unanimous In Principle agreement from Full Council and are currently planning the financial and other due diligence required ahead of a full decision at January 2018 Full Council.

The establishment and running of the contract 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 will 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 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. 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 could 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 have been 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.

Efficiencies

The People Directorate will continue a review of all areas not within the scope of Integrated Delivery, Commissioning or Children's and Young People to remodel services within the Directorate whilst seeking to maximise all available grant funding and additional income opportunities.

3. Transformation of the Corporate Centre (TCC) Programme

This programme has been established to deliver a vision of making things more efficient and simpler for staff and customers by focusing on the delivery of three key outcomes:

- **Create New Ways of Working;**
- **Grow Shared Services;**

- **Create New Ways of Connecting.**

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

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

In supporting the programme delivering its three outcomes the following projects have been mobilised:

- **Create New Ways of Working**

The Way We Work Project

As the Council continues to change in shape and our workforce continues to reduce in size, it is essential that we change the way we work to enable our people to deliver or commission services in the most efficient and effective ways possible.

Building on the Smart Working pilot and Asset Management projects this new project aims to invest in:

- Where we work – making the most of our workspaces
- Technology – devices and tools for mobility and collaboration
- How we work – our employee behaviours and culture aligned to new ways of working
- Better information – accessible, secure and compliant

The benefits will be measured in:

- Lower operating costs
- Higher productivity
- Enhanced staff wellbeing
- Better service delivery
- Lower risks
- Better collaboration

An important part of this project will be focusing on our organisational culture and the behaviours and mind-sets of our people, to ensure that we place the customer and citizen at the heart of all that we do to be at our best. 'How we work' is directly aligned to the People Strategy 2016-2020 vision for a motivated, engaged and skilled workforce, through a focus on TLC – Talent, Leadership and Culture.

- **Grow Shared Services**

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

Future Shared Services – following the creation of an internal service centre, this project supports the Council's objectives of delivering better value for money services and reducing the revenue budget by looking at transferring services to a shared services provider in order to:

- Improve customer experience;
- Provide a lower net cost per transaction / service;
- Increase resilience for services;
- Provide a lower annual cost per service;
- Retain jobs and investment in Plymouth;
- Grow relations and networks with public sector service providers;
- Increase opportunities for income generation.

AgileHR – We have modernised the way we provide HR and OD services by restructuring the service, introducing a business partner model and improving and expanding the way we use our self-service workforce management system, iTrent. We are developing our workforce to reflect the future needs of the organisation, using technology, empowering managers and providing staff with the tools they need to meet the challenges in their areas.

This project completed in 2016 and we are now focussing on the delivery of the Council's People Strategy 2016-2020, focussing on Talent, Leadership and Culture change to create a motivated, skilled and engaged workforce.

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

• **Create New Ways of Connecting**

Neighbourhood Problem Solving – this project will align people and resources in the Council and other agencies to give a consistent, clear and effective process for bringing services, budgets and members together to help resolve neighbourhood problems.

Democratic and Community Engagement – this project will develop a renewed role for members in their neighbourhoods with the devolution of budgets and decision making to support improvements at ward level.

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

Plan for Libraries – This project intends to invest in the future of PCC's library service to ensure that buildings, technologies and resources are fit for purpose now and into the future. In summary the Plan for Libraries will:

- Develop an improved online offer to embrace the digital world of connecting;
- Develop an improved in-library offer to offer an increased range of services in tier 1 libraries;
- Develop an outreach offer to improve the way the service can connect with communities.

Modernised Registration Services – this project intends to make Registration Services more accessible to our customers by delivering a range of services in more community based localities and embracing digital service delivery.

Other Transformation Activity

Systems Reviews

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

Reviewing and restructuring services in the context of the bigger organisational picture against our Blueprint framework helps to identify opportunities to:

- Standardise, simplify and share our service provision for the city
- Design changes that reinforce each other that result in sustainable change
- Align with our vision and purpose
- Deliver our Customer Service Strategy
- Focus on our People, Organisation and Culture to deliver our People Strategy
- Underpin any organisational change with strong Communications, Planning and Performance management
- Support our service delivery and commissioning strategies
- Standardise and simplify our processes and transactions
- Strengthen our infrastructure informed by information management and in alignment with our ICT Strategy

The Future of Transformation

Our transformation programmes will be aligned to our organisational Purpose:

- Everything we do is about:
 - Facilitating relationships so that everyone can help develop Plymouth.
- We do this by:
 - Being relentless in placing digital at the heart of all that we do;
 - Focusing on building networks and partnerships and supporting them to thrive;
 - Being straightforward with people about the challenges we face so they can help solve them;
 - Co-ordinating our activity effectively.

We will ensure that the basic fundamentals such as an excellent performance management are in place, working well and adding value.

We will be clear how we manage demand for better outcomes.

The future shape of Plymouth City Council will reflect an intelligent organisation making effective use of the data available to us, working closely with our communities, developing models for alternative service delivery vehicles, supported by streamlined services and placing the customer at the heart of our culture.

Capital Budget and Programme

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

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

The Council has decided to provide direct investment into the Plymouth Plan increasing by its long term borrowing to help fund the capital expenditure. The Council agreed a Priority List of projects that they would like to develop over the next five years to the value of £417m which includes £266m of borrowing.

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

Funding Source	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m	£m
Un-ring fenced Grants	6.830	4.736	5.749	4.686	4.686	26.687
Ring fenced Grants	46.735	51.603	26.199	10.421	20.225	155.183
Developer Contributions	27.025	11.798	7.627	11.265	11.355	69.070
External Contributions	0.500	0.500	0.550	0.500	0.500	2.550
Capital Receipts	5.079	6.172	5.700	0.300	-	17.251
Investment Fund loans repaid	0.205	0.347	0.955	0.448	0.449	2.404
Service Borrowing	60.113	48.293	48.000	7.000	5.000	168.406
Corporate Borrowing	38.451	57.707	56.734	66.633	27.013	246.538
Revenue/ funds	1.165	1.768	0.100	0.100	0.100	3.233
Total	186.103	182.924	151.614	101.353	69.328	691.322

Income Assumptions

Capital Receipts

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

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

Non Ring-fenced Grants

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

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

Investment Fund loans repaid

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

Ring-fenced Grants

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

Our income assumptions include mandated projects in our pipeline.

Borrowing

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

Service Borrowing is where a service area has a capital project and the capital spending will improve the service or change the way the service is being delivered which makes savings. The savings are used to pay for the borrowing e.g. The Asset Investment Fund has taken out borrowing to purchase commercial properties that deliver an income to the Council as well as paying the service borrowing.

Corporate borrowing is used to pay for some or part of the capital projects in the Priority List and the cost of borrowing should be provided in the revenue budget.

Developer Contributions

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

Community Infrastructure Levy (which replaced the S106 Tariff). The levy is used to support new developments by funding infrastructure needs – for example, new road schemes, park improvements or

improvements to local school capacity. This is charged on a £ per square metre rate of the proposed new development.

Section 106 – Negotiated Obligations and tariff

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

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

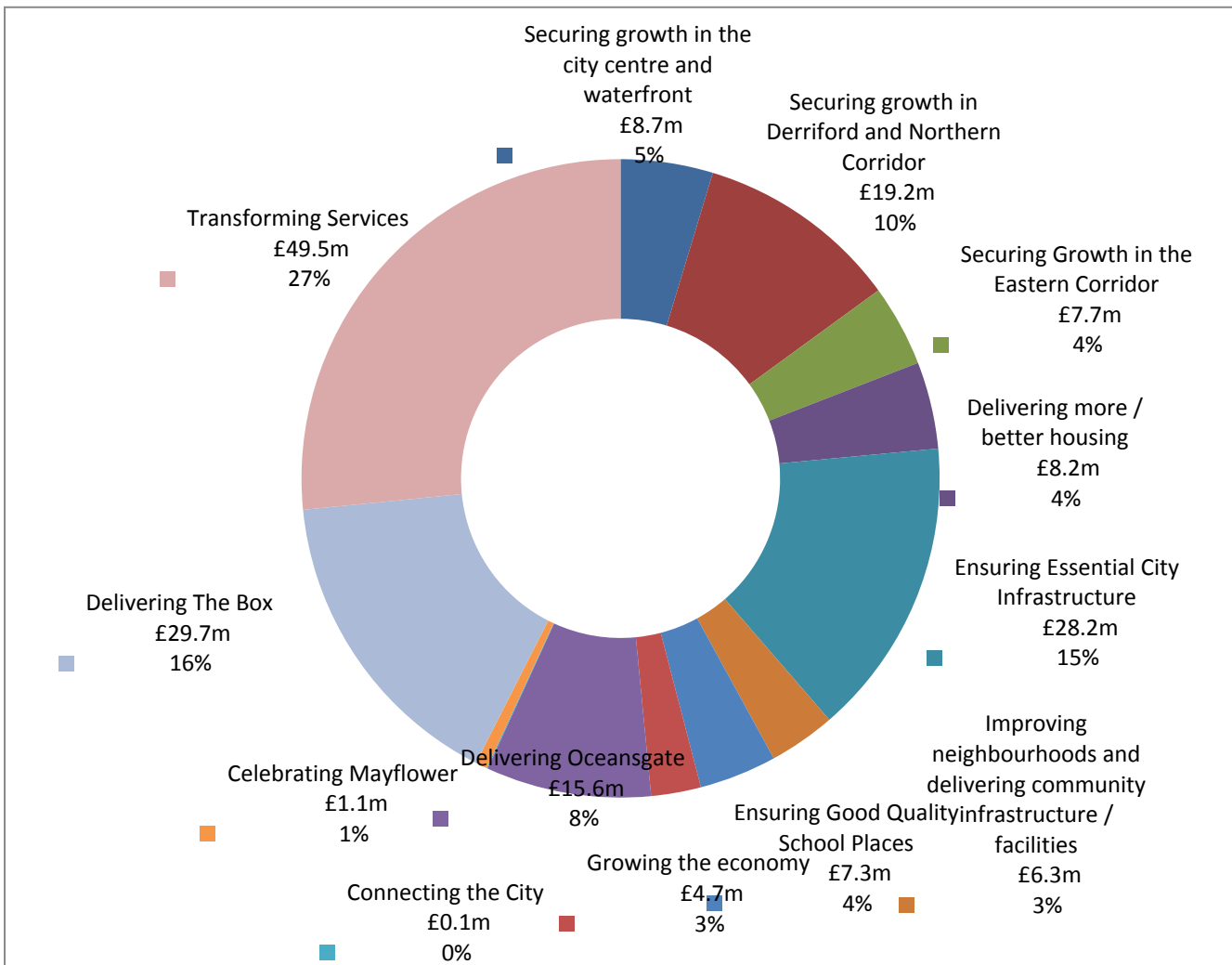
External Contributions

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

Revenue

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

Capital Programme for 2017/18



Capital Programme

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

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

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

Our Capital Resources to 2021/22 are £691m, and our Capital Programme includes:

Investment in Road infrastructure

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

Investment in schools

We will continue to invest in providing improved schools and additional capacity for the increasing number of school age children in the city, ensuring there is a school place for every child and education opportunities which will improve their quality of life. We are investing £2.346m in Yealmpstone Farm Primary school.

Plan for Homes

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

Derriford Transport Scheme

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

Forder Valley Link Road

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

Asset Investment Fund

An additional £100m is being invested into strategic property investments that will help grow local businesses and will create income to support the Council's revenue budget.

Woolwell to the George

We are investing £15.7m on the road widening between Woolwell and the George to improve traffic flow on the Northern corridor and give better access for the houses at Woolwell.

Railway Station

£40m will be invested to improve the area in and around Plymouth Station This will deliver a new carpark and other developments and improved access for both vehicles and pedestrians.

The Box

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

Oceansgate

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

Treasury Management

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

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

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

With falling interest rates on the Council's main bank and call accounts, we have also been proactive in seeking alternative investment vehicles for money that we are able to put aside for a longer time period. For example, our £20m investment in property funds generated a return of more than 3% in 2016/17 and a similar return is forecast for 2017/18.

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

Borrowing Limits

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

The Council approved its revised Treasury Management and Investment Strategy for 2017/18 in February 2017. In this Strategy we have approved the authorised borrowing limits from April 2017 as:

- 2017/18 £450m
- 2018/19 £500m

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

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

Minimum Revenue Provision (MRP) Policy

The Council is required to make a revenue charge each year to provide for the repayment of loans taken out to finance capitalised expenditure. Government's Capital Financing Regulations place the duty for an authority each year to make an amount of Minimum Revenue Provision which it considers to be "prudent". The prudent provision is to ensure that debt is repaid over a period reasonably in line with that over which the capital expenditure provides benefits.

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

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

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

Financial Governance, Performance and Risk Management

The Council continues to improve its financial and governance arrangements. Financial Management has improved, performance management has improved, scrutiny has developed and an independent audit committee is operating well.

Finance Business Partners are an integral part of Department Management Teams. They offer financial advice and challenge to Senior Management as part of the process.

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

- Corporate Plan and Priorities
- Benchmarking spend and key performance indicator information
- Revenue budget and spending linked to priorities

- Delivery against revenue delivery plans
- Cost and Volume analysis for Children's and Adult Social Care expenditure
- Delivery of the capital programme

We will continue to build upon the existing reporting template which joins up these core elements. We have an embedded reporting process with quarterly integrated reports (supplemented by monthly scorecards) which will continue to be presented and challenged by:

- Corporate Management Team
- Cabinet
- Scrutiny Committees

In addition, we produce a joint Plymouth City Council and Clinical Commissioning Group monthly finance report to monitor our performance against our aligned net budget for health and wellbeing of circa £495m for 2017/18. This report is a management tool for Cabinet and the Clinical Commissioning Group Board and also the Integrated Commissioning Board.

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

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

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

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

Redundancy Costs

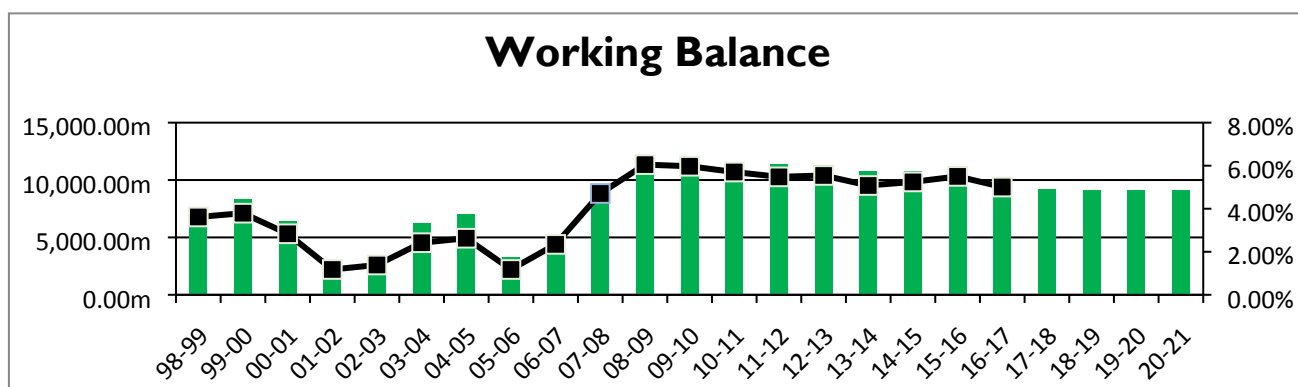
Over recent years, a number of management actions and budget delivery plans have relied on restructuring staffing and/or rationalising management. Whereas the Council is committed to minimising the number of compulsory redundancies unfortunately, on occasions, they are necessary. This specific reserve is set aside to meet with the Council's corporate redundancy costs.

Insurance Fund Reserve

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

Working Balance

The Council's Working Balance is the revenue reserve that is put aside to cover any significant business risks that might arise. This reserve has been steadily built up over the years and was £9.4m as at March 2017. Given the significant constraints that will be placed on public sector spending for the foreseeable future, the Council's reserves should be adequate to cover potential risks. Plymouth has significantly improved its approach to risk management over recent years. Our strategic and operational risk registers are comprehensive and are regularly reported to, discussed and challenged by senior officers and members. Given the size of the financial challenges in 2017/18 and beyond it is even more appropriate that we are maintaining this value in our working balance.



For the MTFs period to 2020/21 we are not anticipating any further draw down against our Working Balance, although with the continuing reduction in our core funding we need to revisit our percentage holding.

The Councils Reserves

The Council holds a number of reserves in the Balance Sheet. The following table outlines the main reserves held at the end of the 2016/17 financial year.

Analysis of Reserves	31 March 2016	31 March 2017
	£000	£000
Usable Reserves		
General Fund Balance	10,652	9,352
Earmarked General Fund Reserves	29,412	21,056
Capital Receipts Reserve	8,989	18,600
Capital Grants and Contributions Unapplied	2,369	6,441
Total Usable Reserves	51,422	55,449
Unusable Reserves		
Revaluation Reserve	119,216	157,167
Capital Adjustment Account	251,320	229,871
Financial Instruments Adjustment Account	(19,161)	(18,985)
Pensions Reserve	(470,664)	(598,792)
Collection Fund Adjustment Account	(1,529)	(2,336)
Accumulating Compensated Absences Adjustment Account	(2,426)	(2,791)
Deferred Capital Receipts	6	1,928
Available for Sale Financial Instruments Reserve	2,351	2,025
Total Unusable Reserves	(120,887)	(231,913)
Total Reserves	(69,465)	(176,464)

General Fund Balance

See note on Working Balance on page 41-42.

Earmarked General Fund Reserves

Provide financing for future expenditure plans and policy initiatives.

Capital Receipts Reserve

Capital receipts are received by the Council for the sale of assets and the repayment of mortgage loans. 75 per cent of receipts relating to former HRA Right to Buy sales, including mortgage repayments, are paid over to Central Government.

Capital Grants and Contributions Unapplied

The Council receives various grants (mainly from Central Government) and contributions towards the financing of its capital programme each year.

Revaluation Reserve

The revaluation reserve covers gains and losses arising for the revaluation of assets.

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions:

- To finance capital expenditure:
- To be set aside to finance future repayment of debt.

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

MTFS Risk Register

Risk	Mitigation	Likelihood	Impact	Score
National and local economic situation - impact on New Homes Bonus	Proactive approach to new development	3	3	9
Change to economic outlook (nationally and locally) –impact on Business Rates income	Proactive approach to new development and promoting business investment in PCC	3	3	9
Economic outlook - impact upon investment returns	Ongoing review of investment policy and use of property fund to maintain returns	3	3	9
Change of Government - 4-year RSG settlement at risk	Work with partners and local government bodies to protect the settlement	2	2	4
Fair funding review disadvantages PCC	Work proactively to lobby for increased PCC resources that recognise the particular needs of the City	4	5	20
100% business rates retention does not direct a fair share of resources to PCC or does not allow the benefits of rates growth to be fully retained	Work proactively to lobby for increased PCC resources and promote a system that is not unduly favourable to authorities with a higher business rates base	3	5	15
Volume of demand and demographics beyond MTFS assumptions- adults	Although provision has been made in the MTFS for additional costs in this area, the position will need careful monitoring	3	5	15
Volume of demand beyond MTFS assumptions - children	Although provision has been made in the MTFS for additional costs in this area, the position will need careful monitoring	4	5	20
Risk to Council tax collection rates following the roll out of Universal Credit	The MTFS is based on realistic collection assumptions, but the position will need to be carefully monitored and additional resources allocated for collection activity as necessary	3	3	9
Risk of additional costs through pension fund deficits beyond MTFS assumptions	Some provision has been made in the MTFS for additional pension costs, but the position will need to be carefully monitored. The Government Actuary is to have a new role in signing off deficit reduction timescales	3	3	9
Delivery of planned savings	The achieved value of Transformation Stretch savings is part of regular budget monitoring. Corrective management action is taken where adverse variations are identified	3	3	9
Commercialisation Debt Risk	Borrowing to invest in commercial projects exposes PCC to additional credit risk, as the revenues that flow from these projects are inherently uncertain	2	4	8

Medium Term Financial Strategy

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Referral to: COUNCIL 21 NOVEMBER 2017

**From: TAMAR BRIDGE AND TORPOINT FERRY JOINT
COMMITTEE – 15 SEPTEMBER 2017**

EXTRACT MINUTE of a Meeting of the Tamar Bridge and Torpoint Ferry Joint Committee held at Warspite Room, The Council House, Armada Way, Plymouth PL1 2AA on Friday 15 September 2017 Commencing at 10.00 am

Present:-

Cornwall Council Members

John Crago (Co-Chair)

Gary Davis, Derek Holley and Sam Tamlin

Plymouth City Council Members

Martin Leaves (Co-Chair)

Mark Coker, Samantha Leaves, Patrick Nicholson and
George Wheeler

Apologies for Geoff Brown CC
absence:

TAMAR CROSSINGS TRAVEL ANALYSIS STUDY

(Agenda No. 6)

TBTF/14 Consideration was given to the previously circulated report in respect of the Tamar Crossings Travel Analysis Study, presented by the Project Development Officer – Transport and Infrastructure, Cornwall Council, and to the presentation given by the Consultant, WSP/Parsons Brinckerhoff (circulated subsequent to the meeting).

In response to comments and questions from Joint Committee members, the Consultant, WSP/Parsons Brinckerhoff, the General Manager, Tamar Bridge and Torpoint Ferry, the Project Development Officer – Transport and Infrastructure, Cornwall Council, and Head of Transport Planning and Strategy, Cornwall Council, confirmed that:

- (i) It had not been possible to capture meaningful data on journeys made by bicycle;
- (ii) The variance in traffic data reported in 2. Current Operation of the Tamar Crossings, paragraphs 2.3.17 and 2.3.18 (agenda page 113), and the traffic data reported in 5. Tamar Bridge Highways Capacity, paragraphs 5.2.3 (agenda page 145), was due to the data being from 2 different sources:- from Highways England traffic data and from Plymouth City Council's highways model for the whole of Plymouth. It was acknowledged

- that the Plymouth City Council model was a projection of traffic levels, however it was considered that this would not affect the conclusions drawn;
- (iii) The conclusion of the report was that if traffic remained at the same levels, the Tamar Bridge would be at capacity within the next 10-15 years;
 - (iv) There was already useful information relating to journeys made in the eastbound direction as it was tolled this way, and over the next few years technology would provide additional data for both directions;
 - (v) It was expected that the scoping study would be complete by the end of September 2017, following which the timescale for the following stages would be better known;
 - (vi) A bus based Park and Ride scheme in the South East of Cornwall would be a key part of the study. However, it would be necessary to understand what benefits the bus user would have on arrival in Plymouth, and currently Cornwall Council was working closely with colleagues in Plymouth City Council to determine this;
 - (vii) The survey of bus users indicated that 'more direct' travel was considered to be getting straight through from point of boarding to point of alighting;
 - (viii) A Member's suggestion that the car sharing option be further explored was acknowledged;
 - (ix) Variable tolling - according to time of travel - was not currently used in the envisaged manner by any other similar enterprise in the UK, but was an option to be considered in the Pricing Strategy. The aim of the strategy was to maintain the level of reserves and income, rather than to increase them;
 - (x) Reference to Derriford in the report related to the area of Plymouth, which included the Hospital and other businesses.

Arising from consideration of the report and information provided, it was proposed by Councillor Nicholson, seconded by Councillor S Leaves,

RESOLVED TO RECOMMEND TO THE FULL COUNCILS OF CORNWALL AND PLYMOUTH CITY COUNCILS That work commences on a study which investigates the long term strategic options for the Tamar Crossings.

RESOLVED

1. The findings of the Tamar Crossings Analysis Study be noted;
2. Funding to progress the Pricing Strategy on Tamar Crossings: Preparation of Detailed Study (£20,000) be set aside;
3. A report on the delivery of a Park and Ride scheme for South East Cornwall, including information on passenger destinations, be provided to the Tamar Bridge and Torpoint Ferry Joint Committee as soon as practicable.

Appendices

- Appendix 1 – Report to the Tamar Bridge and Torpoint Ferry Joint Committee
- Appendix 2 – Tamar Crossings Travel Analysis Study – Main Report, April 2017
(Appendix 1 to the report)
- Appendix 3 – River Tamar Crossings Study – Final Report, August 2013
(Appendix 2 to the report)

Appendix 4 – River Tamar Crossings Study – Final Report
Report to the Tamar Bridge and Torpoint Ferry Joint Committee,
13 September 2013
(Appendix 3 to the report)

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Report to:	Tamar Bridge and Torpoint Ferry Joint Committee	
Date:	01/09/2017	
Title:	Tamar Crossings Travel Analysis Study	
Portfolio Area:	Transport	
Divisions Affected:	all	
Relevant Scrutiny Committee: Economic Growth and Development Overview and Scrutiny Committee		
Authors, Roles and Contact Details:	Nigel Blackler, Service Director - Transport and Infrastructure, nblackler@cornwall.gov.uk Jeremy Edwards, Environment Liaison and Events Officer, jedwards@cornwall.gov.uk	
Approval and clearance obtained:	Y	
For Cabinet and delegated executive decisions only		
Key decision? (\geq £500k in value or significant effect on communities in two or more electoral divisions)	N/A	
Published in advance on Cabinet Work Programme?	N/A	
Urgency Procedure(s) used if 'N' to Work Programme?	N/A	
Date next steps can be taken	15/09/2017	

Recommendations:

1. The Committee to note the findings of the Tamar Crossings Travel Analysis Study.
2. The Committee to set aside funding to progress The Pricing Strategy on Tamar Bridge: preparation of detailed study (£20,000).
3. The Committee to recommend to the Councils of the joint authorities that work commences on a study which investigates the long term strategic options for the Tamar Crossings.

1. Executive Summary

The River Tamar is a key constraint to movement between South-East Cornwall and Plymouth. The future demands that are anticipated to be placed on the existing crossings and in particular the Tamar Bridge, need to be planned for, so that the efficiency and effectiveness of the crossings are not adversely affected.

WSP/Parsons Brinckerhoff were commissioned by Cornwall Council to undertake a data collection and analysis study for the Tamar Bridge and Torpoint Ferry Crossings (the Tamar Crossings).

The purpose of the study was to gather and analyse data from a variety of sources (travel survey data, census data, TamarTag, Department for Transport traffic data and modelling data from Plymouth City Council) to understand current travel patterns, including origin and destinations, mode choice and journey purpose. From the analysis of this data, a set of options was to be created which promote sustainable alternatives to single car occupancy travel, and would therefore have the potential to free up capacity on the Tamar Crossings. These options would serve to identify and inform any future projects.

The objectives of this study can be summarised as follows:

To gather and analyse a range of data sources to understand:

- Current travel patterns of users who cross the Tamar;
- Frequency of use by people using the Tamar Crossings;
- Existing user mode choice, susceptibility to change; and reason for travelling.
- Options to promote sustainable travel alternatives to single occupancy car usage; and
- The estimated success of each of the proposed options (based on the data collected) against expected capacity.

The key findings of the report are as follows;

- A total of 19,196,427 cars/vans and HGV vehicles were recorded using the Tamar Crossings during the year 2015 based on the data provided by the Department for Transport (DfT).
- 95% of the vehicles using the crossings were cars or vans and 5% were HGVs. A greater percentage (5%) of vehicles on the bridge was HGVs than on the ferry (3%). The percentage of HGV traffic doubles on weekdays when compared to Saturdays or Sundays.
- 2,247 responses to the travel survey.
- For bridge users, in response to the travel survey question regarding barriers to travelling by bus,
 - 45% of total respondents (1,307 to the specific question) said they wouldn't change to bus;
 - 16% of respondents stated they would consider changing to bus travel if there were a more direct service.
- Users of both the bridge and ferry may consider shifting their departure to allow them to cross the Tamar outside of the peak hour for a lower charge. For eastbound journeys a large number of respondents felt there was no option to change the time of their crossing (39%). However, of those who may consider crossing earlier, the majority would be able to change the time by roughly 15 minutes.

- However the 'no option to change' becomes more significant for people travelling at peak times in both directions suggesting that this measure may have a limited effect. As an example in the AM peak 47% of people would not be able to cross earlier and 57% would not be able to cross later.
- According to the 2011 Census there was 9,425 Travel to Work Trips (TTW) from Cornwall to Plymouth per day. There was an opposite flow of 3,742 trips from Plymouth into Cornwall.
- Derriford was the most common destination of journeys crossing the Tamar, with a total of 1,383 trips. Journeys to Derriford were primarily undertaken by car, with that mode accounting for 89% of those journeys and accounting for a total of 1,227 vehicle trips.
- In terms of TTW trips into Cornwall the most common destination was Carkeel to the north west of Saltash with a total of 797 trips, of which 643 of them were vehicle trips.

In terms of Capacity on Tamar Bridge (The 2013 Peter Brett report findings were updated with the most recent traffic flows available and an update to the future traffic flow demand scenario based on traffic data from the Plymouth Highways Assignment Model (HAM 2)).

Each of the three main lanes on the bridge has a theoretical lane capacity of 1,800 vehicles per hour, as does the cantilevered lane between Saltash and Plymouth. However, given road factors it is considered that the capacity is more like 1,500 vehicles per lane per hour.

- **AM peak westbound:** traffic is **close to capacity at selected short periods** when only one lane is operating. The operation of the Tamar Bridge allows flexibility to rearrange the direction of the lanes and by increasing lane operation at these peak moments the bridge performs adequately.
- **PM peak westbound:** traffic would be **close to exceeding capacity during 2021.**
- **AM peak eastbound:** demand is **not expected to exceed capacity until after 2029** based on the assumption of a 1,500 vehicles/hour capacity per lane.
- **PM peak eastbound:** there will be **spare capacity likely to continue beyond 2034.**

Conclusions

Analysis of the census travel to work data, the Travel Survey, traffic flows and future demand has identified the following key findings:

- Significant 2011 census Travel to work destination to Derriford (1,383) and Plymouth City Centre (1,347).

- Significant origin flows from Saltash (4,109) but also from origins west of the town (3,040).
- Smaller though still significant 2011 census Travel to work flows into South East Cornwall in particular to Carkeel (797), Saltash (555) and Callington (531) although gaps in data are evident.
- Trips on both the Tamar Bridge and Torpoint Ferry dominated by car and van trips accounting for over 70% of the trips to all census areas, except from Plymouth city centre, with 56% of the trips undertaken by car or van.
- Lack of more direct/frequent bus services identified as a barrier to public transport use.
- Both Plymouth City Council and Cornwall Council have identified the potential to manage traffic through of park and ride services in South East Cornwall.
- Lack of cycle infrastructure can be seen as a barrier to increase in cycling.
- Scope to investigate a strategy of pricing management to manage traffic on Tamar Bridge.

From analysis of the data, WSP/PB have proposed a number of measures that if implemented have the potential to free up capacity on the crossings. Timescales, estimated provisional costs and suggested lead authority have also been recommended.

It is recommended that as part of the progression of the measures presented below, the impacts of the individual measure on the business case of the Tamar Bridge/Torpoint Ferry, particularly in terms of revenue, are fully understood.

MEASURE	ESTIMATED COST (UNSECURED FUNDS TO BE ALLOCATED)	TIMESCALE	LEAD AUTHORITY/FUNDED BY	STATUS
Traffic Data Collection: undertake new traffic surveys and traffic counts	£50,000	Short Term	CC/PCC	Currently being further scoped as part of CC/PCC commission
Pricing Strategy on Tamar Bridge: preparation of detailed study	£20,000	Short Term	TBTFJC	Recommended to be progressed through TBTFJC
Bus Based Park and Ride: Investigate feasibility of new rail station	£15,000	Short Term	CC/PCC	Currently being progressed as part of CC/PCC commission
Rail Frequencies: Investigate feasibility to increase track capacity to improve rail frequencies	£25,000	Short Term	CC/PCC	Currently being progressed as part of CC/PCC commission
Marketing Campaign (Bus): Promotion of benefits of buying public transport season tickets	£10,000	Short Term	CC/PCC	Not yet started
New Bus Services: Monitoring of the uptake of new bus services provided in the area	£10,000	Short Term	CC/PCC	Not yet started

MEASURE	ESTIMATED COST (UNSECURED FUNDS TO BE ALLOCATED)	TIMESCALE	LEAD AUTHORITY/FUNDED BY	STATUS
Car Sharing: Implementation of new scheme to be introduced along with car sharing database	£10,000	Short Term	CC/PCC	Not yet started
MOV Bays: Study about viability to implement MOV bays being installed at workplaces	£5,000	Short Term	CC/PCC	Not yet started
PTP: Study implementation of full PTP campaigns for Saltash, Torpoint and Liskeard	Variable	Short Term	CC/PCC	Not yet started
Highway Bridge Capacity: Update model based on updates to Plymouth Joint LP (HAM 2)	£5,000	Short Term	CC/PCC	Model being updated as part of Plymouth Local Plan development
Cycling: Study and design of new cycling infrastructure and promotion of cycling	£10,000 to £50,000	Medium Term	CC/PCC	Currently being progressed as part of CC/PCC commission
Study looking at the long term Strategic future of the Tamar Bridge	TBC	Medium to Long Term	TBTFJC/CC/PCC	Progression by CC/PCC subject to TBTFJC recommendation

In terms of specific actions identified for the Tamar Bridge and Torpoint Ferry Joint Committee it is recommended that the Committee takes forward the development of a Tamar Bridge Pricing Study. The proposed study would investigate the impacts of toll changes and variable pricing regimes to understand willingness of car drivers to adjust their time of departure or return journeys with lower tolls. This supports the findings of the PBA study and recommendations of the committee report to the Tamar Bridge and Torpoint Ferry Joint Committee in December 2013.

It is apparent from the outcome of the WSP/PB report that the Tamar Bridge is anticipated to reach capacity within the next 10 – 15 years. Highways England, Cornwall Council and Plymouth City Council are now preparing transportation strategies through to 2040 and beyond. It is therefore recommended that initial long term options for the crossings be considered to inform the development of these strategies. It is proposed that this work is undertaken jointly by Cornwall Council and Plymouth City Council.

2. Purpose of Report

2.1 Background

The River Tamar is a key constraint to movement between South-East Cornwall and Plymouth. The future demands are anticipated to be placed on the existing crossings, and in particular the Tamar Bridge, need to be planned for, so that the efficiency and effectiveness of the crossings are not adversely affected.

Peter Brett Associates (PBA) were commissioned in April 2012 to examine the impacts of traffic growth associated with future housing development across the Tamar river and develop a strategy to manage demand in the short, medium and long term.

The 'River Tamar Crossings Study Final Report' was presented to the Tamar Bridge and Torpoint Ferry Joint Committee in December 2013. The Committee noted the findings of the report and accepted the recommendations to progress with a data collection study which is the focus of this report

The Travel Analysis Study forms part of a strategic partnership approach led by Cornwall Council, Plymouth City Council and the Tamar Bridge and Joint Committee to managing traffic on the Tamar Crossings and movements between the wider South East Cornwall and Plymouth areas.

The study also supports current feasibility study work being undertaken by Cornwall and Plymouth City Council which looks to identify and investigate potential measures (including park and ride) to manage travel demand between South East Cornwall and Plymouth.

2.2 Tamar Crossing Travel Analysis Study

In 2015 WSP/Parsons Brinckerhoff were commissioned by Cornwall Council to undertake a data collection and analysis exercise for the Tamar Bridge and Torpoint Ferry Crossings (the Tamar Crossings).

The purpose of the exercise was to gather and analyse data from a variety of sources to understand current travel patterns, including origin and destinations, mode choice and journey purpose. From the analysis of this data, a set of options was to be created which promote sustainable alternatives to single car occupancy travel, and would therefore have the potential to free up capacity on the Tamar Crossings in the future as traffic increases. These options would serve to identify and inform any future projects.

The objectives of this study can be summarised as follows:

To gather and analyse a range of data sources to understand:

- Current travel patterns of users who cross the Tamar;
- Frequency of use by people using the Tamar Crossings;
- Existing user mode choice, susceptibility to change; and reason for travelling.
- Options to promote sustainable travel alternatives to single occupancy car usage; and
- The estimated success of each of the proposed options (based on the data collected) against expected capacity.

2.3 Methodology

The following data sources have been analysed in this study:

- Travel Survey data (informed by the creation of a bespoke travel habits survey) ;

- 2011 Census data (at the Middle Layer Super Output Area [MSOA] and Output Area [OA] geographical levels);
- Data provided by the Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC);
- Traffic Flow Data System (TRADS) data obtained from the Department for Transport (DfT), and
- Data taken from the Plymouth Highways Assignment Model (HAM 2).

2.3.1 Travel Survey

An online travel survey was designed and advertised to cash payers and TamarTag users on the bridge and ferry in June 2015. From the combined 48,648 users of the Tamar Crossings in the two days when the survey took place, there were 2,247 responses, equating to a response rate of 5%. This was in line with expectations of a survey without an incentive.

2.3.2 Census Data

Census data was processed and analysed using different geographical areas that comprised:

- MSOA (Middle Super Output Layers). These areas were created following the 2001 Census and comprise the following minimum and maximum thresholds:
 - Population between 5,000 and 15,000.
 - Number of households between 2,000 and 6,000.
- OA (Output Areas). These areas are the lowest geographical level at which census estimates are provided and have also been in place since the 2001 census. The minimum and recommended thresholds are:
 - Minimum of 100 people.
 - Minimum of 40 households but recommended size of 125.

2.3.3 Data provided by the Tamar Bridge and Torpoint Ferry

This has comprised traffic flow data at the Tamar Bridge and Torpoint Ferry with information on toll transactions for vehicles travelling in the eastbound (tolled) direction on both crossings.

2.3.4 Traffic flow data from the Department for Transport

Traffic flow data from the DfT has been obtained and used to update traffic flows on the Tamar Bridge using Average Annual Daily Traffic counts from 2015 and Traffic Flow Data System (TRADS) data on the Tamar Bridge and nearby locations.

2.3.5 Data taken from the Plymouth Highways Assignment Model (HAM 2)

2009 traffic flow data has been taken from the Forder Valley Link Road base model and 2034 traffic flow data from the Plymouth Joint Local Plan model. Both models derive from the same Plymouth HAM 2.

The 2034 forecast flows have been calculated from committed growth and proposed Local Plan developments.

2.3.6 TamarTag ID Data

The data obtained from the TamarTag provides information about trips in the Eastbound direction only (June 2015 to May 2016).

Cash payments are also available. These are related to more occasional use of the Tamar Crossings and generally generate approximately 40% of crossings through the year.

The tolls at the Tamar Bridge and Torpoint Ferry only operate in an eastbound direction. The analysis has only considered cars/vans and HGV vehicles.

2.4 Key Data findings

2.4.1 Current Travel demand and modal choice

- A total of 19,196,427 cars/vans and HGV vehicles were recorded using the Tamar Crossings during the year 2015 based on the data provided by the Department for Transport (DfT). The data collected for the Tamar Bridge in the entire year was 16,748,390, which comprised of 87% of the total data and for the Torpoint Ferry was 2,448,037 vehicles comprising the remaining 13% of the total data.
- The AM peak hour for traffic flows at both the Tamar Bridge (with a peak of 2,364 vehicles) and the Torpoint Ferry takes place at 07:00 to 08:00 hours. The PM period is 16:00 to 18:00 at the Bridge (with a peak of 2,083 vehicles for each hour) and 16:00 to 17:00 hours at the Ferry.
- Daily traffic in both directions on weekdays is significantly higher than that on Saturday and Sunday. The vehicular crossing on Fridays was found to be higher when compared to the rest of the weekdays, and accounts for 23,974 eastbound trips and 27,092 westbound. One reason for the increase in traffic on a Friday could be seasonality. Sunday is the day with a lower number of vehicles crossing the Tamar Bridge, with an average of 16,362 eastbound trips and 18,490 westbound.
- As with daily traffic on the Tamar Bridge, weekday vehicle usage of the ferry is higher than at the weekend. Also in parallel with the Tamar Bridge, Friday is the busiest day of the week on average, experiencing the most vehicles crossing, with an average total of 4,520.
- For the Tamar Bridge the busiest months of the year were July and August for total traffic, and October and March for Tag users, based on the daily

average. The lightest months of the year were January and December and April for total traffic and August and December for Tag users.

- For the Torpoint Ferry the busiest months of the year were July and September for total traffic, and July and March for Tag users, based on the daily average. The lightest months of the year were December and April for both total traffic and Tag users.

2.4.2 Mode Share

- 95% of the vehicles using the crossings were cars or vans and 5% were HGVs. The percentage of HGV traffic doubles on weekdays when compared to Saturdays or Sundays. On weekdays, 10% of eastbound traffic is comprised of HGVs while westbound it is 12%. A greater percentage (5%) of vehicles on the bridge was HGVs than on the ferry (3%).
- HGVs were shown to have a higher percentage of Tag use when compared to the total traffic at the Tamar Crossings.

2.4.3 Percentage of Tag Users and Journeys

- 6,370,258 TamarTag users were recorded between June 2015 and May 2016 with 87% of these using the bridge, the same proportion as of all road users. TamarTag users account for 60% of all the vehicle trips undertaken at the crossings. It is also most common during the AM peak and to a lesser extent, the PM peak.
- There is a reduction of Tag journey use during the weekends, which suggests the use of the TamarTag may be associated with regular users with their main purposes of commuting and business travel:
- For the Tamar Bridge the highest percentages of Tag use occur between Tuesday and Thursday, with a total of 61% of daily journeys being undertaken by Tag users, with the lowest percentages taking place in Sunday (46%) and Saturday (52%).
- For the Torpoint Ferry the highest percentages of Tag use also take place between Tuesday and Thursday, with a total of 62% of daily journeys being undertaken by Tag users. The lowest percentages take place in Sunday (45%) and Saturday (48%).
- The percentage of Tag journey use was also reduced during the summer season, with a low peak use in the month of August at both crossings, which suggests the higher impact of occasional user traffic:
- For the Tamar Bridge the highest percentages of Tag use occur in the months of January (63%) and February (61%), with the lowest percentages taking place in August (51%) and July and September (56%).
- For the Torpoint Ferry the highest percentages of Tag use occur in the months of January (62%) and February (61%), with the lowest

percentages taking place in August (51%) and July and September (55%).

2.4.2 Barriers to change

- The travel survey was undertaken in June 2015. There were 2,247 responses to the survey, of which a total 216 journeys were made by alternative means to the car. Of the respondents travelling by car the survey asked questions about what would need to change for them to travel either by bus, train, bicycle or foot. This was to identify what people felt were the main barriers to them changing their mode of travel.
- For bridge users, there were a total of 1,307 responses to the travel survey question regarding barriers to travelling by bus;
 - 45% of total respondents said they wouldn't change to bus (39% for ferry users, with 106 from a total of 273 responses);
 - 16% of respondents stated they would consider changing to bus travel if there were a more direct service (and 23% for ferry users).
- In terms of barriers to travelling by train there was 1,183 responses;
 - While only 14% of respondents indicated they wouldn't change to train, 25% indicated that distance to a station was a barrier and 22% indicated train travel was not practical.
 - The remaining 39% of respondents highlighted barriers that may be comparatively easier to address such as a more regular service or cheaper train fares.
 - In terms of ferry users 92% of respondents highlighted barriers to rail that are unlikely to be overcome including 'wouldn't change to train', 'no station in Torpoint' and distance to train station.
- 24% of the respondents using the bridge (277 out of 1,164) said they wouldn't change to travelling by foot or by bicycle (60% of ferry users or 141 out of 234 responses). Distance was considered a barrier for 37% of the respondents using the bridge, equating to 426 respondents. 4% of respondents referred to unsafe roads or stated safer roads would encourage them to cycle, whilst a further 4% said improved cycle paths would encourage them to. However, the 8% of these two categories only amounts to 86 respondents.
- Numerous factors may be deterring people from using cycling as their main mode of transport, which may include the topography, distance and weather factors like the wind at the Tamar Bridge, locations further from the bridge, lack of cycling infrastructure or safe parking.
- Users of both the bridge and ferry may consider shifting their departure to allow them to cross the Tamar outside of the peak hour for a lower charge. For eastbound journeys a large number of respondents felt there was no option to change the time of their crossing (39%). However, of

those who may consider crossing earlier, the majority would be able to change the time by roughly 15 minutes.

- However the 'no option to change' becomes more significant for people travelling at peak times in both directions suggesting that this measure may have a limited effect. As an example in the AM peak 47% of people would not be able to cross earlier and 57% would not be able to cross later.
- Only 6% of those who responded to the travel survey engaged in car sharing when crossing the Tamar.

2.4.3 Key origins and destinations

- The Census data was analysed to find key destinations both east and west of the Tamar Crossings based on the analysis of the 2011 Census data.
- According to the 2011 Census there was 9,425 Travel to Work Trips (TTW) from Cornwall to Plymouth per day. There was an opposite flow of 3,742 trips from Plymouth into Cornwall.
- Saltash was a key origin in terms of TTW into Plymouth trips. There were 1,731 TTW trips from east Saltash into Plymouth, 1,095 from central Saltash and 1,283 from the area to the west of Saltash (this includes a significant geographical area. With the exception of Calstock the remaining most common origins were to the west of Saltash and account for 3,040 TTW trips. The 10 most common origins are shown in the table below;

Origin	Number of TTW trips
E02003900(Saltash)	1,731
E02003897(Carkeel)	1,283
E02003899(Saltash)	1,095
E02003898(Landrake)	961
E02003894(Callington)	569
E02003892(Calstock)	504
E02003895(Menheniot)	497
E02003901(Widegates)	357
E02003893(Liskeard)	356
E02003896(Liskeard)	300

Derriford was the most common destination of journeys crossing the Tamar, with a total of 1,383 trips. Journeys to Derriford were primarily undertaken by car, with that mode accounting for 89% of journeys and accounting for a total of 1,227 vehicle trips. The 10 most common destinations are shown in the table below;

Destination	Number of TTW trips
E02003126(Derriford)	1,383
E02003148(City Centre)	1,347

E02003150(Barbican)	637
E02003147(Devonport)	565
E02003135(Keyham)	527
E02004189(Roborough)	464
E02003129(Crownhill)	274
E02003122(Estover)	235
E02003144(Plymouth Station)	231
E02003149(Prince Rock)	217

- The number of journeys originating from the east of the Tamar is low compared to those originating from the west of the crossings. The most common destination was Carkeel to the north west of Saltash with a total of 797 trips, of which 643 of them were vehicle trips.
- The analysis of the survey data provided by the Tamar Bridge and Torpoint Ferry Joint Committee (TBTFJC), provided a full set of data for TamarTag users for an entire year between June 2015 and May 2016.
- When assessing postcode areas, the main origins from trips crossing the Tamar Bridge were based on Saltash and surrounding area, along with bus depots and commercial sites located in Plymouth and Exeter. This is likely to have happened due to the number of TAGs registered to these depot addresses.

2.5 Key findings of the report

Analysis of the census travel to work data, the Travel Survey, traffic flows and future demand has identified the following key findings:

- Significant 2011 census Travel to work destination to Derriford (1,383) and Plymouth City Centre (1,347).
- Significant origin flows from Saltash (4,109) but also from origins west of the town (3,040).
- Smaller though still significant 2011 census Travel to work flows into South East Cornwall in particular to Carkeel (797), Saltash (555) and Callington (531) although gaps in data are evident.
- Trips on both the Tamar Bridge and Torpoint Ferry dominated by car and van trips accounting for over 70% of the trips to all MSOAs, except from Plymouth city centre, with 56% of the trips undertaken by car or van.
- Lack of more direct/frequent bus services identified as a barrier to public transport use.
- Both Plymouth City Council and Cornwall Council have identified the potential to manage traffic through investigation of park and ride services in South East Cornwall.

- Lack of cycle infrastructure maybe seen as a barrier by respondents to increase in cycling.
- Scope to investigate a strategy of pricing management to manage traffic on Tamar Bridge

In terms of Capacity on Tamar Bridge;

- **AM peak westbound:** traffic is **close to capacity at selected short periods** when only one lane is operating. The operation of the Tamar Bridge allows flexibility to rearrange the direction of the lanes and by increasing lane operation at these peak moments the bridge performs adequately.
- **PM peak westbound:** traffic would be **close to exceeding capacity during 2021.**
- **AM peak eastbound:** demand **is not expected to exceed capacity until after 2029** based on the assumption of a 1,500 vehicles/hour capacity per lane.
- **PM peak eastbound:** there will be **spare capacity likely to continue beyond 2034.**

From this a series of suggested measures have been developed. The following recommendations provide some costs based on initial estimates.

2.6 Potential measures

From the findings of the data collection study a series of suggested measures have been developed. The following recommendations provide some costs based on rough estimates. More precise figures can be provided at an appropriate time after each element of the work has been properly defined in terms of needs and objectives.

It is recommended that as part of the progression of the measures presented below, the impacts of the individual measure on the business case of the Tamar Bridge/Torpoint ferry, particularly in terms of revenue, are fully understood.

Short Term (funding uncommitted)

- *Carry out surveys to determine and update traffic data, at both the Tamar Bridge and Torpoint Ferry, especially for westbound trips, due to the lack of available data as the Toll at the Tamar Bridge operates only on eastbound trips. £20,000*
- *Carry out surveys of traffic on the cantilever lanes of the Tamar Bridge and enable monitoring capacity of these. £15,000*
- *Undertake travel survey for non-car users of the Tamar Crossings with the objective to achieve a significant number of responses. £15,000*

- **Tamar Bridge Pricing Strategy:** Undertake new data collection and surveys to understand in detail current travel patterns and elasticity of drivers to inform any potential change in travel habits, taking into account wider impacts on TamarTag costs etc. and form the basis of a more detailed study into the impacts of toll changes and variable pricing regimes to be developed and understand willingness of car drivers to adjust their time of departure or return journeys with lower tolls. £20,000
- *Study of public transport options that could be feasible and viable and would promote a change away from the car. This would include the following studies:*
 - *The provision of a Park and Ride may complement the potential benefits that could be generated by the provision of direct bus services to Plymouth. Further work is required to scope out the feasibility of Park and Ride sites to the west of the Tamar Crossings. It is recommended to investigate cost of bus based Park and Ride linked with the feasibility of a new rail station in East Cornwall. £15,000*
 - *There are plans to improve the frequency of rail services between Saltash and Plymouth City Centre and/or St Budeaux to provide a half hourly service on the Cornish Mainline from 2018. These do not include plans for more frequent stops at the stations between Saltash and Plymouth although some of them (St Budeaux) could be highlighted as a potential. It is recommended to investigate the feasibility to increase track capacity to improve frequencies to two local rail journeys per hour and allow hourly long distance service from London services, Bristol and the North. £25,000*
 - *Public transport could be promoted through the use of a new marketing campaign extolling the benefits of buying weekly or monthly season tickets, enabling people to see how travelling by public transport could be cost effective and the savings they could make by buying season tickets. £10,000*
 - *Monitoring of the uptake of new bus services provided in the area, such as the 'Saltash Hopper Service', providing access between Saltash and Derriford. £10,000*
 - *Car sharing - A marketing campaign advertising a car sharing database could be run in conjunction with the car sharing database. It is recommended the implementation of a new car sharing scheme that could be introduced in conjunction with a car sharing database with journey matching capabilities, which people could use to find similar people making the same or similar journeys. £10,000 (based on PBA estimates)*
 - *As part of workplace travel planning targeting areas such as Moorlands Trading Estate and Derriford, car sharing to workplaces could be encouraged, potentially in conjunction with Multi Occupancy Vehicle (MOV) bays being installed at workplaces. It is recommended the preparation of a study about the viability to implement Multi Occupancy*

Vehicle (MOV) bays being installed at workplaces, and how these could be monitored and enforced. £5,000

- *Smarter Choices Initiatives – While Cornwall does not currently have any PTP projects planned in the study area, Plymouth has "Plymotion Three", which is the delivery of the PCC Access Fund bid. This could be promoted in other locations within the study area. It is recommended to study the implementation of full household PTP campaigns for Saltash, Torpoint and Liskeard as appropriate, and to investigate the success of Plymotion Three. Variable depending on study area.*
- *Update of the highway bridge capacity provided in this report based on future updates to the Plymouth Joint Local Plan model (HAM 2). £5,000*

Medium Term (funding uncommitted)

Study on promotion of cycling – There are various different ways in which cycling could be promoted and the perceived lack of safety overcome and this could be further investigated, along with the provision of softer measures such as cycle training courses. It is recommended the study and design of new cycling infrastructure and soft measures based on the provision of information and promotion of cycling, with details of the quickest and safest cycle routes around Saltash, Torpoint and Plymouth via a website or another form of advertisement. £10,000 to £50,000 (based on PBA estimates)

It is apparent from the outcome of the WSP/PB report that the Tamar Bridge will reach capacity within the next 10 – 15 years. Highways England, Cornwall Council and Plymouth City council are now preparing transportation strategies through to 2040 and beyond. It is therefore recommended that initial long term options for the crossings be considered to inform the development of these strategies.

2. Benefits for Customers/Residents

The study forms part of the development of a strategic partnership approach led by Cornwall Council, Plymouth City Council and the Tamar Bridge and Torpoint Ferry Joint Committee to managing traffic on the Tamar Crossings and movements between the wider South East Cornwall and Plymouth areas.

Should no further work be progressed or a strategic approach to managing demand between South East Cornwall and Plymouth be put in place increased housing and employment growth in both South East Cornwall and Plymouth is likely to result in increased traffic on an already congested transport network, in particular the A38. In the medium to longer term the Tamar Bridge and Torpoint Ferry will meet and exceed capacity leading to a constraint in economic growth.

A strategic approach to managing travel demand between Plymouth and South East Cornwall informed by the data collection study will contribute to the realisation of the following benefits:

- More reliable journey times between South East Cornwall and Plymouth City.

- Unlock growth housing growth in South East Cornwall and Plymouth.
- Increase opportunities for new public transport services.
- Address potential barriers to crossing the Tamar.
- Economic growth and the support of new employment opportunities in both South East Cornwall and Plymouth.
- Improve demand management for all trips between South East Cornwall and Plymouth.
- Increase life of current crossings as a result of reduced maintenance and better management of capacity.

4. Relevant Previous Decisions

Tamar Bridge and Joint Committee December 6th 2013 – Resolved to note the findings of the Peter Brett Associates report 'River Tamar Crossing's Study Final Report' and progress with recommendations to progress a data collection study and differential tolls and pricing strategy.

5. Consultation and Engagement

Although led by Cornwall Council the work the study has been developed with significant support from the Tamar Bridge and Torpoint Ferry and Plymouth City Council. The submission of this report to the Tamar Bridge and Torpoint Ferry Joint Committee is part of wider stakeholder engagement. Schemes or programme that are delivered as a result of this and follow on studies will undergo the appropriate levels of consultation.

6. Financial Implications of the proposed course of action/decision

Progression of the actions identified for Tamar Bridge and Torpoint Ferry Joint Committee funding found require a contribution of £20,000 in 2018/19.

7. Legal/Governance Implications of the proposed course of action/decision

None

8. Risk Implications of the proposed course of action/decision

Low risk.

9. Comprehensive Impact Assessment Implications

None identified at this stage, CIA will be undertaken as part of various supporting projects as they progress.

10. Options available

1. The Committee to note the findings of the Tamar Crossings Travel Analysis Study.
2. The Committee to set aside funding to progress The Pricing Strategy on Tamar Bridge: preparation of detailed study (£20,000).
3. The Committee to recommend that work commences on a study which investigates the long term strategic options for the Tamar Crossings.

11. Supporting Information (Appendices)

Appendix 1 - Tamar Crossings Travel Analysis Study 2015 (PB/WSP).

Appendix 2 - River Tamar Crossings Study Final Report 2013 (PBA).

12. Background Papers

- Tamar Bridge and Torpoint Ferry Joint Committee Report December 2013.

13. Approval and clearance

All reports:

Final report sign offs	This report has been cleared by (or mark not required if appropriate)	Date
Governance/Legal (Required for all reports)	Simon Mansell	4.9.17
Finance (Required for all reports)	Leah Thomas	5 September 2017
Equality and Diversity (If required)	N/A	
Service Director (Required for all reports)		
Strategic Director (If required)	John Betty	04/09/17

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PLYMOUTH CITY COUNCIL

Subject: A Joint Committee for the Heart of the South West
Committee: Full Council
Date: 20 November 2017
Cabinet Member: Councillor Bowyer
CMT Member: Tracey Lee, Chief Executive
Author: Alison Ward, Regional Partnerships Manager
Contact details: Tel: 01752 398084
e-mail: alison.ward@plymouth.gov.uk

Key Decision: N/A
Part: I

Purpose of the report:

This report follows on from the decisions made by the Council on 20 March 2017, namely that the Council:

1. Notes progress towards the Heart of the South West Combined Authority / Devolution deal proposals;
2. Approves the proposals for the Heart of the South West Productivity Plan preparation and consultation;
3. Agrees 'in principle' to the establishment of a Heart of the South West Joint Committee with a Commencement Date of Friday 1st September 2017 in accordance with the summary proposals set out in this report;
4. Agrees that the 'in principle' decision at (3) above is subject to further recommendation and report to the constituent authorities after the County Council elections in May 2017 and confirmatory decisions to approve:
 - a. the establishment of the Joint Committee;
 - b. a constitutional 'Arrangements' document;
 - c. an 'Inter-Authority Agreement' setting out the support arrangements;
 - d. the appointment of representatives to the Joint Committee;
 - e. the appointment of an Administering Authority.

This report seeks final approval for the establishment of the Heart of the South West Joint Committee, as referred to in item 4 above. The timing of the final decision and therefore the establishment of the Joint Committee was delayed primarily due to the national election called in June, and the prospect of further clarification regarding the mechanism and requirements for areas to negotiate devolution deals. It was hoped that Government would be able to issue guidance that would help the HotSW area determine how best to approach negotiating devolved powers and funding.

Following the election there has not been clarification of the Government's policy on devolution, however a meeting with the Minister in September was very positive and we have been encouraged to meet with civil servants to progress our proposals.

This establishment of the Joint Committee in 2018 will coincide with the publication and adoption of the HotSW Productivity Strategy. Owning and overseeing the delivery of this Strategy will be the primary role of the new Joint Committee, working together with the Local Enterprise Partnership.

The Corporate Plan 2016-19

The draft Productivity Strategy sets out the long term aspirations for the whole of the Heart of the South West. Plymouth's priorities are reflected in that in terms of the sector strengths of marine, advanced engineering and nuclear expertise, and in the identification of the shared challenges of connectivity and skills.

Plymouth has taken a lead role in managing the Devolution programme to date which includes supporting and developing both the partnership and the Productivity Strategy. As the largest city in the HotSW area it is appropriate that Plymouth has a prominent role in raising the profile of the Heart of the South West with Government to enable the area to compete regionally and nationally.

The Productivity Strategy will build on, and work through the existing collaborative arrangements, including the joint working with South Hams and West Devon on spatial planning, and on growth ambitions with Torbay and Exeter on the growth corridor proposal. The Joint Committee will operate on the basis of subsidiarity, ensuring that decisions and delivery are undertaken at the most appropriate level, and therefore will support the City's growth plans.

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

1. Financial Implications

The costs associated with the early work on the Productivity Strategy largely relate to officer time which is being provided 'in kind' by the authorities and partners. The LEP has covered some direct costs through commissioned work that has contributed to the development of the Strategy.

The establishment of the Joint Committee provides a low cost option compared to a Combined Authority model of governance. As part of the Inter-Authority Agreement the Constituent Authorities will continue to provide in-kind support although this will be reviewed by the Administering Authority to ensure that the levels of support are appropriate, sustainable into the future, and acceptable to the authorities providing the support. A shared funding model was agreed by the partnership, meeting as a shadow Joint Committee, in September 2017. This model forms part of this report and would require a contribution of £4,000 from the Council into the pooled budget to cover costs for the first year of operation.

In addition to the direct costs of administering the Joint Committee there is also the issue of a budget to fund its work programme. The initial contribution of £4,000 makes provision to fund some early work. Any subsequent contributions required would need to be further agreed by the Council, once the Joint Committee has developed its work programme and delivery plan.

2. Legal Implications

Each of the partners' legal teams and Monitoring Officers have been involved in the development of the Arrangements and Inter-Authority documents set out as Appendices A and B. The documentation also aligns to the LEP's Assurance Framework.

The Council will need to amend the Constitution to reflect the existence of the Joint Committee. The recommendation is that this is delegated to the Monitoring Officer in conjunction with the Constitutional Review Group.

3. HR Implications

None

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

1. Other Implications (including due regard implications)

None identified at this stage, however the whole population within the local authority could potentially be affected by the Productivity Strategy. This far reaching Strategy sets out a long term vision to drive economic growth and promote whole-system public service reform of areas such as careers advice, employment support, and skills and training.

2. Risk Implications

The creation of a Joint Committee will place a formal governance structure around the preparation and implementation of the Productivity Strategy. The Strategy will be used as a tool to attract a greater share of Government funding around the Industrial Strategy to mitigate the risk of the Heart of the South West being left behind other areas of the country.

Without a Productivity Strategy and Joint Committee in place, the Council and its partners will be at a disadvantage in negotiating and lobbying Government on a range of policy initiatives including the growth agenda, and could miss out on potential funding streams. The Productivity Strategy will replace the Strategic Economic Plan developed by the LEP. This document has been used as the basis for many successful funding bids to Government including Growth Deal money. It is therefore crucial that the Productivity Strategy is able to perform the same role in the future.

The individual financial risk to Constituent Authorities of establishing the Joint Committee is limited to their financial contributions to the running and operational costs of the Joint Committee. The risk is shared between all of the Constituent Authorities. All other decisions regarding finance will need to come back through the Constituent Authorities.

Equality and Diversity:

The Inter-Authority Agreement requires all Constituent Authorities to support, promote and discharge its duties under the Equality Act through the work of the Joint Committee. The Partnership is developing an Equality Impact Needs Assessment for the Productivity Strategy. The Joint Committee will consider this assessment alongside the Productivity Strategy before adoption.

Recommendations and Reasons for recommended action:

That Council:

- a) Approve the recommendation of the HotSW Leaders (meeting as a shadow Joint Committee) to form a Joint Committee for the Heart of the South West;
- b) Approve the Arrangements and Inter-Authority Agreement documents set out in appendices A and B for the establishment of the Joint Committee with the commencement date of Monday 22nd January 2018;
- d) Appoint the Leader and deputy Leader as the Council's named representative, and substitute named representative on the Joint Committee;

- c) Appoint Somerset County Council as the Administering Authority for the Joint Committee for a 2 year period commencing 22nd January 2018;
- e) Approve the transfer of the remaining joint devolution budget to meet the support costs of the Joint Committee for the remainder of 2017/18 financial year subject to approval of any expenditure by the Administering Authority;
- f) Approve an initial contribution of £4,000 for 2018/19 to fund the administration and the work programme of the Joint Committee, noting that any expenditure will be subject to the approval of the Administering Authority;
- g) Agree that the key function of the Joint Committee is to approve the Productivity Strategy (it is intended to bring the Strategy to the Joint Committee for approval in 2018);
- h) Authorise the initial work programme of the Joint Committee aimed at the successful delivery of the Productivity Strategy;
- i) Agree the proposed meeting arrangements for the Joint Committee including the timetable of meetings for the Joint Committee as proposed in para 2.14.
- j) Delegate to the Monitoring Officer, in conjunction with the Constitutional Review Group, to undertake the necessary amendments to the Council's Constitution.

Reasons

Working together will deliver better results if we are to help our businesses improve their productivity levels and deliver greater prosperity across the Heart of the South West. By collaborating across the Heart of the South West we will strengthen the area's voice to Government, and step up the actions we can take locally, working together to improve productivity.

The Productivity Strategy will replace the Local Enterprise Partnership's Strategic Economic Plan. It will be the key strategic document for the partners to engage with Government and each other, on a range of investment opportunities and powers emerging from the Industrial Strategy, Brexit and other policy opportunities.

The HotSW Joint Committee will provide a formal strategic partnership to complement and maximise the ability of individual authorities and sub-regional arrangements to deliver their aspirations. It will also provide an overarching structure for collaboration on improving productivity across the HotSW area.

Through the Joint Committee, the partners can test and improve their ability to work together as a potential precursor to the establishment of a Combined Authority at some point in the future. It will also provide a mechanism to further strengthen democratic input and influence with the LEP, and align more effectively with the LEP's new model of governance and accountability.

Without a Joint Committee in place, the HotSW area will continue to struggle to position itself to be able to take advantage of Government policy initiatives and new funding opportunities compared to those areas that have, or are in the process of establishing formal strategic partnerships.

Alternative options considered and rejected

There are two alternative options that Members might consider:

Option 1 – Do nothing and continue with the informal partnership arrangements. As set out above, the feedback from Government is that they prefer to work 'at scale' and are looking more favourably at areas that have a unity of vision and purpose, with formalised structures. The current partnership is voluntary and informal and doesn't conform to any recognised governance structure.

Option 2 – move to a Combined Authority. The Partnership needs to review the option of establishing a Combined Authority at some point following the indication from the Minister that there will be no requirement to have an elected mayor in order to pursue our ambitions. Establishing a Combined Authority requires a substantial lead-in time to allow for the Parliamentary approval process and would inevitably require the creation of a shadow Combined Authority to test and confirm the concept. The potential benefits of moving to a Combined Authority model will have to be judged against the implications of doing so, including the cost implications. The Joint Committee has the benefit of allowing the Partnership to move relatively quickly to establish a Combined Authority if that is the wish of the Constituent Authorities.

Published work / information:
Heart of the South West Draft Productivity Strategy
[Stepping up to the Challenge](#)

Background papers:

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Background, Appendices A and B										

Sign off:

Fin	PL 1718. 123	Leg	DVS/ 29306	Mon Off	DVS/ 29306	HR	n/a	Assets	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member: Giles Perritt													
Has the Cabinet Member(s) agreed the content of the report?													

Background

1. Summary

- 1.1 Since August 2015, Devon and Somerset County Councils, all Somerset and Devon Districts, Torbay Council, Plymouth City Council, Dartmoor and Exmoor National Parks, the Local Enterprise Partnership (LEP) and the three Clinical Commissioning Groups have worked in partnership to progress towards securing a devolution deal for the HotSW area, focusing on delivering improved productivity. Since that time the partnership has continued to progress its objectives in spite of policy shifts at a national level.
- 1.2 On 20 March 2017, Plymouth City Council gave 'in principle' approval to the establishment of a HotSW Joint Committee, subject to approving the Joint Committee's constitutional arrangements and an inter-authority agreement necessary to support the Joint Committee. These documents form the appendices to this report.
- 1.3 Since then, the General Election has further shifted the national policy position. On the 13 September representatives from the HotSW area (from the Somerset, Devon, Plymouth and Torbay upper tier authorities) met Jake Berry MP, Minister for devolution to clarify the position of the Government and the HotSW Partnership on the devolution issue. The meeting was very positive and although no formal agreements were reached at the meeting, the partnership's representatives were given a clear message that the Government would welcome proposals from the partnership identifying areas where partners can work together with Government. Importantly the Minister indicated that there would be no requirement to have an elected mayor for the HotSW area as a pre-condition of any deal. This clarification removed a significant blockage to moving HotSW ambitions forward. The next step is for partners to agree what the key asks of Government should be.
- 1.4 There is now no doubt that the Government is keen to engage with larger areas that can demonstrate:
- Unity, clarity of purpose, and a shared, ambitious vision built on local strengths
 - Strong relationships between businesses and the public sector, with robust governance arrangements that provide assurance, and the capacity to deliver
 - Compelling ideas that can help to deliver Government objectives
 - Clarity about the offer to Government in terms of financial efficiencies

The Joint Committee will provide the ideal governance framework at this stage to take forward this dialogue with Government.

- 1.5 The key role of the HotSW Joint Committee will be to develop, agree and ensure the implementation of the Productivity Strategy. This can only be achieved by working in collaboration with the individual constituent authorities and the LEP. The Strategy sets out a common vision for increased prosperity through economic growth, informed by a local evidence base and engagement with local stakeholders. It also links to Government policy initiatives, particularly in relation to the Industrial Strategy, and will form the basis for developing our collective 'ask' of Government.

2. HotSW Joint Committee Proposal

- 2.1 The detail of the proposed functions of the Joint Committee and how it will operate are set

out in appendix A, the Arrangements document. Appendix B, the Inter-Authority Agreement, provides further detail on how the Joint Committee will be supported and sets out the obligations of the Council if it agrees to become a constituent member.

- 2.2 The documents detail the Administering Authority functions in support of the operation of the Committee, including the provision of financial, legal, constitutional and administrative support to the Committee.
- 2.3 At this stage the Arrangements and Inter-Authority documents have been 'scaled' to fit the functions of the Joint Committee and the limited liabilities that each authority faces in signing up to be a Constituent Authority. In the event that the remit of the Joint Committee expands to take on more decision-making responsibilities and functions of the constituent authorities, the Arrangements and Inter-Authority agreement will be revisited to ensure that they remain fit for purpose and proportionate. Any changes to functions and responsibilities would require the approval of the Constituent Authorities.
- 2.4 The Joint Committee has a much more limited role than a Combined Authority. It does not have the statutory or legal status of a Combined Authority and cannot deliver the full range of benefits that a Combined Authority can, but it does have the potential to provide cohesive, coherent leadership and a formal governance structure. Its role will focus on collaboration, negotiation and influencing with full decision making responsibilities limited to developing and agreeing the Productivity Strategy. The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and any local sub-regional arrangements, with decisions to deliver the Productivity Strategy and any other decisions necessary as a result of the other functions of the Joint Committee being taken at the most local and appropriate level.
- 2.5 The aim of the Joint Committee, working seamlessly with the LEP and through the delivery of the Productivity Strategy will be to:
 - Improve the economic prosperity of the HotSW area by bringing together the public, private and education sectors;
 - Work together to realise opportunities and mitigate impacts resulting from Brexit;
 - Increase understanding of the local economy and what needs to be implemented locally to improve prosperity for all;
 - Ensure the necessary strategic framework, including infrastructure requirements, is in place across the HotSW area to enable sub-regional arrangements to fully deliver local aspirations, and improve the efficiency and productivity of the public sector.

The work will be supported by a Joint Committee budget based on an agreed work programme.

- 2.6 The creation of a single strategic public sector partnership covering the HotSW area will improve and promote collaborative working, helping us to remove barriers, providing a formal structure to engage with Government at a strategic level on major areas of policy. It also creates a structure for HotSW to engage with neighbouring councils, Combined Authorities and other LEPs regarding South West peninsula priorities and issues. Furthermore it enables us to move swiftly towards a Combined Authority model in the future if the conditions are deemed acceptable to the Constituent Authorities.

- 2.7 The Joint Committee will also provide a formal mechanism for all of the Constituent Authorities to engage more effectively with the HotSW LEP. The LEP, which will sit alongside the Joint Committee, has recently adopted new governance requirements to ensure greater transparency and accountability and wishes to further improve its democratic accountability in discussion with HotSW partners. The Joint Committee will provide a formal structure to take these discussions forward and for the Constituent Authorities to have greater engagement over the activities of the LEP on common agendas.
- 2.8 Although the Joint Committee is a cost-effective formal structure, some provision needs to be made to meet the support costs of what will be a fully constituted local authority joint committee. It was agreed by the leaders and chief executives, meeting as the shadow Joint Committee in September 2017, that Somerset County Council (who have provided the lead for the governance workstream of the devolution project over the last two years) initially takes on the support role as the Administering Authority, providing financial, legal and democratic expertise to the Joint Committee from its establishment on 22nd January 2018. The support role will be rotated around the partnership for two year terms.
- 2.9 Some of the original pooled devolution budget created from contributions from all Authorities and the LEP in 2015 remains. It is recommended that the remaining funds from this budget, approximately £42,000 (which Plymouth City Council has administered to date), are transferred to the Administering Authority to support the costs of the Joint Committee for the remainder of 2017/18 financial year and for some of 2018/19.
- 2.10 In addition, the Joint Committee will need a budget to undertake its work programme in order to oversee the implementation of the Productivity Strategy. The overall budget required to support the Joint Committee and enable it to undertake its work programme will be dependent, to an extent, on the level of 'in-kind' officer resources provided to the Committee by the constituent authorities. The Administering Authority will review the in-kind support which has been provided over the last two years, in consultation with the Constituent Authorities, and will present revised budget figures to the Joint Committee for consideration and recommendation to the Constituent Authorities. The budget figures set out in this report in paragraph 2.11 are therefore provisional at this stage. The initial Joint Committee work programme is set out in section 3 below, for approval and further development by the Joint Committee once established.
- 2.11 An initial estimate for the operating costs of the Joint Committee is £89,000 for 2018/19 (and to cover the remainder of 2017/18) excluding any in-kind support. This estimate is made up of the following:
- £40,000 for the Administering Authority to undertake its duties. This is seen as a minimum cost and assumes that 'in-kind' officer resource remains in place at the same level; the Joint Committee meeting venues are provided by partners as 'in-kind' contribution
 - £25,000 (estimate) for early work the Joint Committee might decide to commission to inform the delivery of the Productivity Strategy
 - £24,000 for the Brexit Resilience and Opportunities Group Secretariat.
- 2.12 The shadow Joint Committee at their meeting in September 2017 agreed the budget should be met by contributions from the Constituent Authorities, excluding the LEP and the CCGs as they are non-voting partners. As stated above it is estimated there will be a funding carry forward of £42,000 from the original 2015 devolution budget. This would leave a shortfall of

£47,000 to meet the total estimated budget requirement of the Joint Committee in 2018/19. Using the formula of contributions agreed in 2015 to support the devolution work, the contribution requested from each Constituent Authority for 2018/19 is set out below. This assumes that all authorities agree to become members of the Joint Committee and would have to be recalculated should fewer than 19 Authorities become Members.

- County Councils - £10,500
- Unitary Councils - £4,000
- District Councils and National Parks £1,400

2.13 Under this formula it is recommended Plymouth City Council would contribute £4,000 for 2018/19 as a Constituent Authority. Any expenditure against this budget would be subject to the formal approval of the Administering Authority.

2.14 In terms of the proposed meeting arrangements for the Joint Committee, it is recommended:

- (a) That the Joint Committee should meet shortly after the LEP Board meetings to assist with engagement and co-operation between the bodies, and to allow co-ordination of the respective elements of work programmes.
- (b) That the following dates are reserved for meetings of the Joint Committee in 2018:
 - Friday 26th January
 - Friday 23rd March
 - Friday 25th May
 - Friday 20th July
 - Friday 28th September
 - Friday 30th November
- (c) That the Joint Committee meetings should start at 10am with the venues rotated throughout the HotSW area. The assumption will be that the host authority for that meeting will provide appropriate accommodation and facilities 'in kind'.

3. HotSW Productivity Plan and the Joint Committee Work Programme

- 3.1 The Partnership has, since its inception, been focused on working together to tackle low productivity as this is seen as the key to future economic growth. The academic research undertaken for the HotSW Green Paper on Productivity - <http://www.torbay.gov.uk/council/how-the-council-works/devolution/productivity-plan-green-paper/> highlighted that whilst the HotSW area enjoys one of the highest employment rates in the country, too many of those jobs are part-time and low paid. This means that our area has one of the lowest productivity rates in the country and this is a major barrier to future prosperity.
- 3.2 The Partnership has continued to lobby Government to work more closely with our area in order to make good on its promise to spread economic growth across the country, and we now need to build on the recent meeting with the Minister and his commitment to work with us. This work is urgently needed to ensure that areas such as the Heart of the South West don't get left behind as Government focuses investment in areas where there are already longstanding, strong, cross boundary strategic arrangements such as the six Mayoral Combined Authorities.

3.3 The draft Productivity Strategy is currently out for consultation, with a series of sub-regional events and an online questionnaire available (<http://www.torbay.gov.uk/devolution>). The deadline for responses is 30 November 2017.

3.4 In summary, the Strategy sets out a vision to improve productivity and deliver prosperity across the entire HotSW area, and to do so in an inclusive way. It proposes building on existing strengths such as aerospace, advanced manufacturing, data analytics, nuclear energy, marine and agri-tech, as well as exploiting new opportunities and releasing untapped potential.

The Strategy is built around three key objectives:

- Developing **leadership and knowledge** within businesses in our area;
- Strengthening the **connectivity and infrastructure** our businesses and people rely on; and
- Developing the ability of people in our area to **work and learn** in a rapidly changing economy.

3.5 The first task of the Joint Committee on establishment will be to approve the Productivity Strategy and together with the LEP to oversee the development of a delivery programme including:

- Developing and agreeing a Delivery Plan and Investment Framework, to implement the Productivity Strategy
- Identifying opportunities to attract investment for infrastructure, in line with the Productivity Strategy aims
- Identifying ways to improve the delivery of skills and training
- Identifying ways to strengthen the leadership and knowledge of businesses

4. **Consultation, communication and engagement**

4.1 Members, partners and the public have been kept informed of developments of the HotSW partnership and the development of the Productivity Strategy through press releases, newsletters, presentations, workshops and publications. This information flow will be maintained by the Joint Committee. In addition, all of the Authorities within the Partnership have taken formal decisions at various stages of consideration of devolution proposals and the proposed creation of the Joint Committee. Newsletters and the draft Productivity Strategy, 'Stepping up to the Challenge' are on the Plymouth City Council Members' area of the intranet: [here](#).

APPENDIX A

HEART OF THE SOUTH WEST (HOTSW) JOINT COMMITTEE – ARRANGEMENTS

I. Introduction:

- I.1 Legal status: The HotSW Joint Committee is a Joint Committee of the local authorities listed in 1.5 below that comprise the HotSW area and established under Sections 101 to 103 of the Local Government Act 1972 and all other enabling legislation to undertake the functions detailed in section 2 of this Agreement.
- I.2 Key purpose: The key purpose of the Joint Committee is to be the vehicle through which the HotSW partners will ensure that the desired increase in productivity across the area is achieved.
- I.3 Aims and objectives: The aim is to provide a single strategic public sector partnership that covers the entire area and provides cohesive, coherent leadership and governance to ensure delivery of the Productivity Strategy for the HotSW area. The specific objectives of the Joint Committee are to:
- (a) Improve the economy and the prospects for the region by bringing together the public, private and education sectors;
 - (b) Increase our understanding of the economy and what needs to be done to make it stronger;
 - (c) Improve the efficiency and productivity of the public sector;
 - (d) Identify and remove barriers to progress and maximise the opportunities /benefits available to the area from current and future government policy.
- I.4 Commencement: The Joint Committee will be established in accordance with the resolutions of the Constituent Authorities listed below in paragraph 1.5 with effect from the Commencement Date (22nd January 2018) and shall continue in existence unless and until dissolved by resolution of a majority of the Constituent Authorities.
- I.5 Membership: Each of the Constituent Authorities listed below shall appoint 1 member and 1 named substitute member to the Joint Committee on an annual basis. Each member shall have 1 vote including substitute members. For the Councils, the member appointed shall be that Council's Leader except in the case of Torrington District Council where the member appointed by the Council shall have authority to speak and vote on matters on behalf of the Council. Political balance rules do not apply to the Joint Committee membership. The substitute member shall also be a cabinet member where the Council is operating executive arrangements. For the National Park Authorities the member appointed shall have authority to speak and vote on matters on behalf of the Authority:
- Dartmoor National Park Authority
 - Devon County Council
 - East Devon District Council
 - Exeter City Council
 - Exmoor National Park Authority
 - Mendip District Council
 - Mid Devon District Council
 - North Devon Council

- Plymouth City Council
- Sedgemoor District Council
- Somerset County Council
- South Hams District Council
- South Somerset District Council
- Torbay Council
- Taunton Deane Borough Council
- Teignbridge District Council
- Torridge District Council
- West Devon Borough Council
- West Somerset Council.

1.6 In addition to the Constituent Authorities the partner organisations listed below shall each be invited to appoint 1 co-opted representative and 1 named substitute co-opted representative to the Joint Committee. Co-opted members shall not have voting rights:

- Heart of the South West Local Enterprise Partnership (the LEP)
- NHS Northern, Eastern and Weston Devon Clinical Commissioning Group
- NHS South Devon and Torbay Clinical Commissioning Group
- NHS Somerset Clinical Commissioning Group

1.7 The Joint Committee may co-opt further non-voting representatives from the private, public and/or voluntary sectors at any time.

1.8 Each appointed member / representative shall remain a member of the Joint Committee until removed or replaced by the appointing authority / organisation. Appointments to fill vacancies arising should be notified to the Joint Committee Secretary as soon as possible after the vacancy occurs.

1.9 Standing Orders / Rules of Procedure: Outside of the contents of this 'Arrangements' document, the Standing Orders and Rules of Procedure for the Joint Committee shall be those contained in the Constitution of the Administering Authority to the Joint Committee, subject, in the event of any conflict, to the provisions in the Arrangements document taking precedent.

1.10 Administering Authority: A Council shall be appointed by the Constituent Authorities as the Administering Authority for the Joint Committee and shall provide legal, democratic services, financial and communications support to the Committee. The Joint Committee's Forward Plan of business and papers for its meetings shall be published on the Administering Authority's website with links provided to the websites of the other Constituent Authorities and partner organisations.

2. Joint Committee Functions:

2.1 The only delegated function of the Joint Committee relates to the approval of the HotSW Productivity Strategy. All other matters referred to in 2.3 are 'referred' matters where the Joint Committee will make recommendations to the Constituent Authority or Authorities for decision. Additional delegated or referred functions may be proposed for the Joint Committee in the future by the Joint Committee or any of the Constituent Authorities, but shall only be agreed if approved by all of the Constituent Authorities.

2.2 The principle of subsidiarity will apply to the relationship between the Joint Committee, the Constituent Authorities and local Sub-Regional Partnerships with decisions being made at the most local and appropriate level on all matters to do with the delivery of the Productivity Strategy and in relation to the other functions of the Joint Committee.

2.3 The Joint Committee shall:

- (a) Develop and agree the HotSW Productivity Strategy in collaboration with the LEP.
- (b) Ensure delivery of the HotSW Productivity Strategy in collaboration with the LEP and the Constituent Authorities.
- (c) Continue discussions /negotiations with the Government on the possibility of achieving devolved responsibilities, funding and related governance amendments to assist with the delivery of the Productivity Strategy. Joint Committee proposals arising from these discussions /negotiations would require the formal approval of the Constituent Authorities / partner agencies.
- (d) Continue discussions / negotiations with the Government / relevant agencies to secure delivery of the Government's strategic infrastructure commitments, eg, strategic road and rail transport improvements
- (e) Work with the LEP to identify and deliver adjustments to the LEP's democratic accountability and to assist the organisation to comply with the revised (November 2016) LEP Assurance Framework. This includes endorsing the LEP's assurance framework on behalf of the Constituent Authorities as and when required. However, this is subject to the Framework being formally approved by the LEP's Administering Authority.
- (f) Ensure that adequate resources (including staff and funding) are allocated by the Constituent Authorities to enable the objectives in (a) to (e) above to be delivered.

3. Funding

3.1 The Constituent Authorities shall agree each year and in advance of the start of the financial year (except in the year of the establishment of the Joint Committee) a budget for the Joint Committee in accordance with a Budget and Cost Sharing Agreement to cover the administrative costs of the Joint Committee and costs incurred in carrying out its functions. All funds will be held and administered by the Administering Authority on behalf of the Constituent Authorities and spent in accordance with that Authority's financial regulations and policies.

3.2 In the Joint Committee's first year of operation, the budget will be approved by the constituent authorities on the recommendation of the Joint Committee as soon as possible after the establishment of the Joint Committee.

3.3 Joint Committee members' costs and expenses will be funded and administered by the respective Constituent Authority.

4. Review of the Joint Committee Arrangements

4.1 The Joint Committee may at any time propose amendments to the Arrangements document which shall be subject to the approval of all of the Constituent Authorities.

4.2 Any Constituent Authority may propose to the Joint Committee amendments to the Arrangements. Such amendments shall only be implemented if agreed by all of the Constituent Authorities on the recommendation of the Joint Committee.

5. Members' Conduct

5.1 All members of the Joint Committee shall observe the "Seven Principles of Public Life" (the 'Nolan' principles) and will be bound by their own authority's code of conduct in their work on the Joint Committee.

5.2 Joint Committee members / representatives shall be subject to the code of conduct for elected members adopted by the Constituent Authority that nominated them to be a Joint Committee member or to the conduct requirements of the organisation that appointed them. This includes the requirement to declare relevant interests at formal meetings of the Joint Committee.

6. Requirements of Joint Committee members

6.1 Joint Committee members shall:

- (a) Act in the interests of the Joint Committee as a whole except where this would result in a breach of a statutory or other duty to their constituent authority or would be in breach of their Constituent Authority's Code of Conduct.
- (b) Be committed to, and act as a champion for, the achievement of the Joint Committee's aims.
- (c) Be an ambassador for the Joint Committee and its work.
- (d) Attend Joint Committee meetings regularly, work with others to achieve consensus on items of business and make a positive contribution to the Committee's work.
- (e) Act as an advocate for the Joint Committee in any dealings with their organisation including seeking any approvals from their Constituent Authority/partner organisation to Joint Committee recommendations.
- (f) Adhere to the requirements of the 'Arrangements' document and maintain high ethical standards.

7. Appointment of Chairman and Vice-Chairman

7.1 The Joint Committee shall elect a Chairman and Vice-Chairman from amongst the voting membership as the first items of business at its inaugural meeting and at each Joint Committee Annual General Meeting thereafter. The appointments shall be confirmed by a simple majority vote of Constituent Authority members. If a deadlock occurs between two or more candidates a secret ballot shall immediately be conducted to confirm the appointment. If there is still deadlock following a secret ballot then a further meeting of the Joint Committee shall be held within 14 days and a further secret ballot shall be held to resolve the appointment.

- 7.2 A vacancy occurring in the positions of Chairman or Vice-Chairman between Annual General Meetings shall be filled by election at the next meeting of the Joint Committee. The person elected will serve until the next Annual General Meeting.
- 7.3 The Chairman and Vice-Chairman shall, unless he or she resigns the office or ceases to be a member of the Joint Committee and subject to 7.5 below, continue in office until a successor is appointed.
- 7.4 In the absence of the Chairman and the Vice-Chairman at a meeting, the voting members of the Committee present shall elect a Chairman for that meeting.
- 7.5 The Chairman or Vice-Chairman may be removed by a vote of all of the Constituent Authority members present at a meeting of the Joint Committee.

8. Quorum

The quorum for any meeting of the Joint Committee shall be 9 Constituent Authority members. The Chairman will adjourn the meeting if there is not a quorum present. In the absence of a quorum, the meeting shall be adjourned to a date, time and venue to be agreed by the Chairman.

9. Voting

- 9.1 Wherever possible the elected and co-opted members of the Joint Committee shall reach decisions by consensus and shall seek to achieve unanimity.
- 9.2 In exceptional circumstances where a formal vote is required, the proposal will be carried by a simple majority agreement of the voting members present and voting by a show of hands. The Chairman of the Joint Committee shall not have a casting vote in the event of a tied vote.

10 Decision making Arrangements

- 10.1 Only the Joint Committee shall approve the Productivity Strategy.
- 10.2 The Joint Committee may at any time appoint working groups consisting of Joint Committee members and/or co-opted representatives / officers to consider specific matters and report back / make recommendations to the Joint Committee.

11 Formal Meeting Arrangements

- 11.1 The Joint Committee will hold an Inaugural Meeting within 30 days of the agreed commencement date and thereafter shall meet on a regular basis as agreed by the Joint Committee annually at its Annual General Meeting.
- 11.2 The Chairman or in his/her absence the Vice-Chairman, may call a special meeting of the Joint Committee following consultation with the Chief Executives' Advisory Group to consider a matter that falls within the Committee's remit but cannot be deferred to the next scheduled meeting, provided that at least ten clear working days' notice in writing is given to the Joint Committee membership.
- 11.3 Formal meetings of the Joint Committee shall normally be held in public, in accordance with

the Access to Information Rules and the Standing Orders / Rules of Procedure of the Administering Authority.

- 11.4 Meetings of any working groups or task groups established by the Joint Committee shall, unless otherwise agreed, be held in private.

12. Who can put items on the Joint Committee's agenda?

- (a) The Joint Committee itself;
- (b) Any of the members of the Joint Committee appointed by the Constituent Authorities
- (c) A Constituent Authority by way of a formal resolution
- (d) The Chief Executives' Advisory Group
- (e) The Monitoring Officer and / or the Chief Finance Officer of the Administering Authority.

13. Reporting Arrangements

- 13.1 In addition to any ad hoc reports to the Constituent Authorities, the Joint Committee shall supply an annual report of its activities to the Constituent Authorities in May of each year.
- 13.2 The Joint Committee shall co-operate with the public scrutiny arrangements of the Constituent Authorities.

14 Record of attendance

- 14.1 All members present during the whole or part of a meeting are asked sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.

APPENDIX B

**HOTSW JOINT COMMITTEE
INTER – AUTHORITY AGREEMENT**

1. Commencement and Duration:

- 1.1 This Agreement (and the obligation of the Constituent Authorities [CAs]) shall take effect on the agreed Commencement Date – Monday 22nd January 2018 - and shall continue until the Joint Committee (JC) is dissolved.

2. Formation provisions:

- 2.1 The CAs agree to form the JC from the agreed Commencement Date and to delegate / refer the functions specified to the JC from that date as set out in section 2.3 of the Arrangements document.
- 2.1 The JC shall operate in accordance with the Arrangements document and the Standing Orders and Rules of Procedure of the Administering Authority (AA).

3. Administering Authority (AA) arrangements

- 3.1 The AA shall be appointed by resolution of the CAs for a 24 month period (24 months is considered as appropriate to provide sufficient continuity but also to provide the option to rotate the role on a regular basis).
- 3.2 The AA shall provide:
- Financial, legal, constitutional and administrative support to the JC and its meetings
 - An on-line presence for the JC via the AA website with links to the CAs / partner organisations websites.
 - Ensure it has appropriate insurance arrangements in place to cover the AA role.
- 3.3 The AA may resign from the role by giving 6 months' notice to the CAs.
- 3.4 The AA may be removed and replaced by a majority vote of the CA members at a formal meeting of the JC.
- 3.5 The JC shall cease to exist in the event that no CA or organisation can be identified to undertake the AA role.

4. JC Finance

- 4.1 The JC's budgetary arrangements shall be detailed in a budget and cost sharing agreement agreed by all of the CAs annually on the recommendation of the JC and in advance of the financial year. The only exception to this will be in the JC's first year of operation when the JC shall recommend a budget and cost sharing agreement to the CAs for approval at the first opportunity following its establishment.
- 4.2 The budget and cost sharing agreement shall cover:

- (a) The responsibilities of the CAs for providing funding for the JC
- (b) The anticipated level of expenditure for the JC for the year ahead
- (c) The cost sharing mechanism to be applied to the CAs
- (d) Details of how the budget will be set and agreed each year
- (e) Who is to be responsible for maintaining financial records on behalf of the JC (the 'accountable body');
- (f) What financial records are to be maintained;
- (g) What financial reports are to be made, to whom and when;
- (h) What arrangements and responsibilities are to be made for:
 - auditing accounts;
 - insurance including ensuring all partners have sufficient cover;
- (i) How any financial assets held by the JC on behalf of the CAs will be redistributed to the CAs in the event of the dissolution of the JC or in the event of a CA formally withdrawing from the CA.

5. Roles and responsibilities of the CAs

5.1 The CAs shall:

- (a) Appoint Members and named substitutes to the JC in accordance with the 'Arrangements'.
- (b) Undertake to share the costs of the JC in accordance with the budget and cost sharing agreement and pay their contribution to the JC to the AA in good time.
- (c) Make appropriate arrangements for recommendations of the JC to be considered and decisions made by the CA.
- (d) Support the work of the JC by offering services, resources or other 'in kind' support to assist with JC projects and activities.
- (e) Within the terms of the Inter-Authority Agreement, agree to share information to support the work of the JC.

6. Chief Executives' Advisory Group

6.1 The Group shall:

- (a) Ensure that the JC fulfils its functions and responsibilities and in accordance with all legal and constitutional requirements.
- (b) Plan and co-ordinate the JC's activities to ensure the achievement of its aims and objectives
- (c) Consider the performance and effectiveness of the JC on an on-going basis and make recommendations for changes for consideration by the JC and CAs as necessary.
- (d) Ensure that professional advice is available and provided as necessary to the JC to enable it to carry out its functions.
- (e) Rigorously monitor and scrutinise the JC's budget.
- (f) Consider disputes between the CAs over the application or interpretation of this Agreement together with any potential breaches of this Agreement.

7. Withdrawal from / dissolution of the JC

- 7.1 A CA wishing to withdraw from the JC shall give a minimum of 6 months' notice in writing to the other CA via the AA. The CAs shall co-operate with any such request.

- 7.2 If two or more CAs give notice of withdrawal from membership of the JC in the same Financial Year, the JC shall consider and make recommendations to the remaining CA as to the future operation of the JC and, if appropriate, recommend any necessary amendments required to the JC's functions and operating arrangements.
- 7.3 Where a majority of the CAs at any time agree (via formal resolutions) that the JC should be dissolved or terminated on a specified date then the JC shall cease to exist from that date.

8. Accounts, Audit and Reporting arrangements

- 8.1 The AA's accounts and audit arrangements will apply to JC business.
- 8.2 The AA will ensure appropriate reporting arrangements are in place for the JC.

9. Review of Inter-Authority Agreement

- 9.1 At any time one or more of the CAs may seek a review of this agreement and the operation of the JC by giving notice to the CAs via the AA.
- 9.2 The review shall be undertaken by the Chief Executives Advisory Group for report to the JC. Any recommendations for changes to the agreement from the JC shall only be implemented if agreed by all of the CAs.

10. Insurance, Indemnities, and Conduct of Claims

- 10.1 The JC as a scrutiny and policy making group rather than a commissioning body undertakes administrative functions and therefore carries relatively little risk.
- 10.2 Each authority's insurance cover will automatically extend to provide protection for their members and officers participating in the work of the JC and in their capacity as officers or members of that authority.

11. Information Sharing, Data Protection, Confidentiality, Publicity and Freedom of Information (FOI) Requests

- 11.1 The CA shall share information about their organisations where that information is relevant to the aims and objectives of the JC.
- 11.2 Where such information is confidential or privileged, for example for reasons of commercial, customer or client confidentiality, the CA concerned shall seek to provide the information in such a form as to assist the JC whilst maintaining confidentiality, for example by the use of statistical and other non-identifiable forms of data. If confidential information is provided by a constituent authority to assist the work of the JC, then each CA will respect that confidentiality and shall not use or disclose such information without the permission of the authority that provided the information.
- 11.3 In respect of FOI requests, the AA will ensure that the requirements of the FOI Act 2000 are met in respect of the activities of the JC. In particular the AA will consult the officers of the CA as necessary regarding any potentially contentious enquiries and will then respond to

them accordingly on behalf of the JC.

11.4 The JC and the CAs shall at all times abide by the requirements of the Data Protection Act.

11.5 A CA shall not make any public statement or issue any press release or publish any other public document relating to, connected with or arising out of the work of the JC without obtaining the other CAs' prior approval as to the contents thereof and the manner of its presentation and publication.

12. Promoting Equality, Diversity and Social Inclusion

12.1 All CAs will support and promote the principles of inclusiveness and equality for all through the work of the JC.

13. Extent of obligations and further assurance

13.1 Nothing in this Agreement is to require any of the CA to act in any way that is inconsistent with its obligations or duties as a local authority.

14. Variations of the Agreement

14.1 Subject to the express provisions of this Agreement, no variation of this Agreement will be valid or effective unless agreed by formal resolution of all of the CA.

15. Dispute Resolution / Breach of this Agreement

15.1 In the event of a dispute arising from the interpretation and operation of this Agreement or a breach of this Agreement

PLYMOUTH CITY COUNCIL

Subject:	Capital & Revenue Monitoring Report 2017/18– Quarter 2
Committee:	Council
Date:	20 November 2017
Cabinet Member:	Councillor Darcy
CMT Member:	Andrew Hardingham – Interim Joint Strategic Director for Transformation and Change
Author:	Paul Looby – Head of Financial Planning and Reporting Hannah West - Finance Business Partner
Contact details	Tel: 01752 307271 email: paul.looby@plymouth.gov.uk Tel: 01752 305171 email: hannah.west@plymouth.gov.uk
Ref:	
Key Decision:	No
Part:	I

Purpose of the report:

This report outlines the finance monitoring position of the Council as at the end of September 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 £3.277m. The overall forecast net spend equates to £187.159m against a budget of £183.883m, which is a variance of 1.78 %. This needs to be read within the context of needing to deliver in excess of £18.000m of savings in 2017/18 on the back of balancing the 2016/17 revenue budget where £24.000m of net revenue reductions were successfully delivered.

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

Table 1: End of year revenue forecast

	Budget £m	Forecast Outturn £m	Variance £m
Total General Fund Budget	183.883	187.159	3.277

The latest approved capital budget covering 2016/17 – 2020/21 stood at £895.000m which was agreed at Council on 27th February 2017. This report details a revised capital budget of £836.000m, covering the period 2017/18 – 2021/22.

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.

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.

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

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

Equality and Diversity

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

Recommendations and Reasons for recommended action:

Council is asked to -

1. Note the current revenue monitoring position and action plans in place to reduce/mitigate shortfalls;
2. Approve an amendment to the Capital Budget 2017 -2022 to £691.000m (as 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:

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	djn1718.130	Leg	29348dvs	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member: Andrew Hardingham, AD for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

SEPTEMBER 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
Executive Office	3.752	(0.126)	3.626	3.633	0.007	0.007
Corporate Items	14.324	(12.835)	1.489	1.789	0.300	0.000
Transformation and Change	149.123	(116.437)	32.686	33.173	0.487	(0.607)
People Directorate	254.132	(131.822)	122.310	124.505	2.195	0.000
Office of the Director of Public Health	19.731	(19.531)	0.200	0.200	0.000	0.000
Place Directorate	74.092	(50.521)	23.571	23.859	0.288	(0.733)
TOTAL	515.154	(331.272)	183.883	187.159	3.277	(1.333)

Table 3: Plymouth Integrated Fund

Plymouth Integrated Fund	Section 75 indicative position	2017/18 Latest Budget	Forecast Outturn	Forecast Year End Overspend / (Underspend)
	£m	£m	£m	£m
New Devon CCG – Plymouth locality	331.000	329.912	329.842	(0.069)
Plymouth City Council	*131.000	258.417	258.417	0.000
TOTAL	462.000	588.329	588.260	(0.069)

The financial position above for the Plymouth Integrated Fund is at September 2017. The full report is shown in Appendix I.

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

Table 4: Key Issues and Corrective Actions

Issue	Variation £M	Management Corrective Action
EXECUTIVE OFFICE	0.007	Small pressure remains following timing of service review. This pressure will be addressed before the end of the year.
CORPORATE ITEMS	0.300	Procurement step up of £0.300m. Discussions are underway to agree an action plan to meet this pressure in full before the end of the financial year. Legacy pressures (Procurement £0.343m, CST £0.549m, Commercialisation £0.136m and Strategic Asset Review £0.070m) and Pension deficit (£0.600m) need to be managed in 2017/18.
TRANSFORMATION and CHANGE – Finance	0.123	Following a review of Facilities Management Services a pressure has been identified with utility costs. This is linked to market forces and the service area is looking to manage this down. The department is continuing to hold vacancies to manage demand led services.
TRANSFORMATION and CHANGE – Legal	0.000	There is currently a nil variance to report.
TRANSFORMATION and CHANGE – Customer Services	0.000	The forecast shortfall of £0.311m remains despite reviewing the costs of debt recovery through the court system but is currently being off-set by other in year savings. A mid-year review is underway to assess recovery of overpayments from historic council tax benefit and confirm any shortfall in rent allowance and rent rebate subsidy.
TRANSFORMATION and CHANGE – Human Resources & OD	(0.160)	There is currently an underspend due to in year vacancy savings.

TRANSFORMATION and CHANGE – All Departments	0.369	Reallocation of Commercialisation and CST programme targets totalling £0.467m less (£0.098m) staffing budget savings.
TRANSFORMATION and CHANGE – Transformation and Portfolio	0.155	Departmental pressures remain and is being managed through vacant posts.
TRANSFORMATION and CHANGE – ICT Commissioned Service	0.000	There is currently a nil variance to report.
<p>PEOPLE – Children Young People and Families</p> <p>The Children Young People and Families Service are reporting a budget pressure of £1.500m at quarter 2. Although the overall number of looked after children have increased this month, we are reporting no change in pressure in the month and are consuming the increased cost of placements for the additional young people. A region wide lack of placements has meant that some children have been placed in residential rather than the preferred fostering placements at a much higher cost.</p> <p>There are risks that continue to require close monitoring and management:</p> <ul style="list-style-type: none"> • Increased cost and volume of young people’s placements since budget setting autumn 2016. • Lack of immediate availability of the right in-house foster care placements creating overuse of IFA’s. • There are still a number of individual packages of care at considerably higher cost due to the needs of the young person. • Regional wide commissioning activity did not bring about the anticipated holding and reduction of placement costs 	1.500	<p>The CYPF overspend can be attributed to the increased cost and volume of looked after children’s placements. We are on track to achieve savings against the £1.500m delivery plans in place. Work is being currently undertaken at pace to reduce placement costs and consider realistic invest to save propositions.</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. Extensive work is underway to review all placements in order to reduce the pressure on cost and volume where appropriate.</p> <p>The level of response following the fostering campaign has been very positive and exceeded our expectations. However, we won’t see the impact of this until later in the year and we already have a number of IFA carers moving across to the PCC In House Service. Part of the strategy to increase the number of children subject to a Special Guardianship Order has been successful; we have seen an increase in SGO and a corresponding reduction in IFA/ In House Foster Care.</p>

<p>in both the residential and IFA sectors.</p> <ul style="list-style-type: none"> • There are currently 32 Residential Placements with budget for only 25 • There are currently 112 Independent Foster Care (IFA's) placements with budget for only 92. We are aiming to achieve savings from the transformation of our In House Foster Care Service. <p>A region wide lack of placements due to an increase in demand for placements, both national and regionally continues to impact negatively on sufficiency.</p>		
<p>PEOPLE – Strategic Commissioning</p> <p>The Strategic Commissioning service is forecasting a year end overspend against budget of £0.437m at month 6, no change from month 5. There is still a large pressure on the Domiciliary Care budget, as per previous months, however the major changes for month 6 are:</p> <ul style="list-style-type: none"> • (£0.499m) Residential / Nursing Income – Additional income from long and short stay residential and nursing clients; • £0.139m Short Stays & Bed Nights - Bed nights continuing to increase, unique client numbers are 16.5% higher than same time last year; • £0.209m Supported Living - Additional clients plus assumption for backdated client as notified by GW; • £0.050m Residential / Nursing Expenditure - Number of bed nights used for nursing continue to grow; • £0.101m Other Variations. 	<p>0.437</p>	<p>Strategic Commissioning will need to make over £5.2m of savings in 2017/18 as part of the overall People Directorate target of £7.117m, which are assumed to be achieved in the year end figure above. It is, however, noted that plans are still being developed for approx. £2 million of this.</p>

<p>PEOPLE – Education Participation and Skills</p> <p>Education, Participation and Skills are reporting a balanced budget position at Month 6, no change from Month 5. The previously reported pressure of £1.370m regarding the on-going legacy liabilities from the 1998 transfer to Unitary status is now being considered as an overall council issue with options to be 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>0.000</p>	<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>PEOPLE – Community Connections</p> <p>Community Connections is reporting a budget overspend of £0.258m mainly as a result of increased demand for emergency temporary accommodation, this is the same pressure reported in the previous month.</p> <p>Average B & B numbers for April to September have been 55 placements per night with nightly costs increasing, as demand has increased use of Travelodge together with increasing accommodation needs for families.</p> <p>Cost pressure for maintaining an average 51 per night placement level £0.707m, which the service is targeting to reduce with use of alternative properties provided through existing contracts.</p> <p>As part of the MTFS for 2017/18, Community Connections</p>	<p>0.258</p>	<p>Action is ongoing to limit the overall cost pressure through lower placements and prevention work.</p>

<p>are expected to make savings of £0.500m to contribute to the £7.117m Directorate target.</p>		
<p>PEOPLE – Management & Support</p> <p>This budget is projecting to balance for 2017/18.</p>	<p>0.000</p>	
<p>PUBLIC HEALTH</p> <p>Although the 17/18 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 and there is increasing demand for activity led services.</p>	<p>0.000</p>	<p>ODPH is working towards achieving a balanced budget.</p>
<p>PLACE - Strategic Planning and Infrastructure</p> <p>Taking account of in-service pressures, an overall favourable variation can be identified of £0.04 resulting in a forecasted underspend of £0.183 for year-end. The major fee income activities continue to perform very well despite a further slowing this month and concessionary fares saving remains steady, although outturn on both is difficult to predict at this stage. Notwithstanding this, key risks looking ahead relate to the potential for increased costs in relation to concessionary fares later in the year and a drop off of performance on planning application and building control fees. Additionally,</p>	<p>(0.183)</p>	<p>Risks are being closely monitored on a monthly basis by SP&I Management Team to ensure early action where necessary. 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 & West Devon.</p>

costs are unknown in relation to the forthcoming public examination into the joint local plan, and there is a potential for shortfall in project based income that is important for the Engineering Design and Natural Infrastructure teams.		
<p>PLACE - Management Support (Director's budget)</p> <p>There is a £0.405m savings target which has accumulated as a result of step ups in year on year efficiency targets.</p>	0.306	£0.306m remains of the £0.405m target which requires a delivery plan. £0.099m has been achieved through several one off savings. It should be noted that ED have increased their current underspend through a series of one off savings which have mitigated this adverse variation £0.306m, see section below.
<p>PLACE - Economic Development</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 containing an overall MTV net cost.</p>	(0.510)	Efforts continue to be taken to maximise income and reasonably contain costs.
<p>PLACE - GAME</p> <p>The New Homes Bonus target has already been achieved for 17/18</p>	0.000	Target has been met

Overall Comments Finance AD

The reported projected overspend continues to fall with a £1.150m improvement bringing the overall position to a £3.277m forecast overspend. However, as at the end of quarter 2 the forecast is higher than the target position.

The main changes in the last month see a reduced forecast overspend within Transformation and Change due to managing staff vacancies and a reduced forecast pressure within Place due to an improving position across all areas including a forecast underspend within Highways and Car Parking due to capitalisation of the eligible costs and additional income from the Car Parking trading account.

Pressures remain within the People Directorate but the overall position remains stable. The People directorate continues to face challenges primarily due to cost and volume pressures within both Children's services and Adults. Reviews of all placements will continue to reduce the pressure on cost and volume and where possible preventative work undertaken. Partnership working with health partners continues to mitigate the pressures within Adult Social Care.

With a gross budget of £515m a projected overspend of £3m equates to 0.6% and needs to be put into context when considering the range and complexity of services that are being provided. However, the Council must declare a balanced budget at year end so all directorates will therefore continue to drive out efficiencies and savings where possible and look to maximise income across all services where feasible.

The Transformation Programme continues to deliver benefits and savings but there are ongoing risks for all services which will continue to be closely managed and monitored,

At the half way stage of the financial year there are still significant challenges ahead that need to be addressed to reach a balanced position at year end. In managing this year's budget it should be recognised there are a number of underlying pressures the Council is trying to manage across all directorates and all opportunities need to be explored to achieve a balanced budget at year end. Additional resources are being invested in Street Scene Services to enable the continued improvement of services.

Recommendation

It is recommended that Council note the current monitoring position.

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	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 Council approve the non-delegated virements which have occurred since 1st July 2017.

Capital Programme 2017-2022

The latest approved capital budget was reported to Council on 25 September 2017, as £836.000m.

Since this approval the 2016-17 outturn has been reported and 2021-22 has been added. This has resulted in a decrease in the overall budget for the period 2017 -2022, by £59m to £836.000m. The capital budget has been adjusted to take into account some of the Priority List assumptions that were already include in the existing budget income assumptions.

The five year capital budget 2017-2022 is currently forecasted at £691.000m. This is set out in Table 6 below.

Table 6: Current Capital Resources

Description	£m
Latest Approved Budget 2016 - 2022	836
Reduction in the capital budget due to some of the Priority List assumptions were already include in the existing budget income assumptions	(151)
Other changes	6
Total Revised Capital Budget for Approval (2017-2022)	691

The Capital budget consists of the following elements:

Description	£m
Capital Programme	201
Priority List (original approval)	417
Less: Priority list approved in Capital Programme	(46)
Reduction in the capital budget due to some of the Priority List assumptions were already include in the existing budget income assumptions	(151)
Income Assumptions *	270
Total Revised Capital Budget for Approval (2017-2022)	691

* 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 7 below shows the revised annual programme for the period 2017-22, as at the end of September 2017. Appendix 2 shows a detailed breakdown of the Capital Programme.

Table 7: Revised Capital Programme

Capital Programme by Delivery Outcome

Primary Outcome of Projects	£m
Securing Growth in the City Centre/Waterfront	10.847
Securing Growth in Derriford and the Northern Corridor	19.568
Securing Growth in the Eastern Corridor	7.681
Delivering More/Better Housing	6.414
Ensuring Essential City Infrastructure	28.261
Improving Neighbourhoods and Community Infrastructure	7.912
Ensuring Good Quality School Places	7.349
Growing the Economy	4.754
Delivering Oceansgate	15.577
Connecting the City	0.115
Celebrating Mayflower	3.416
Delivering The Box	29.733
Transforming Services	59.106
Total	200.733

Capital Programme by Directorate

Directorate	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m	£m
Transformation & change	8.060	1.485	0.984	0.984	-	11.513
People	11.003	4.049	0.225	0.225	0.225	15.727
Place	100.856	51.771	15.824	3.038	2.004	173.493
Total	119.919	57.305	17.033	4.247	2.229	200.733

Recommendation

Council are asked to approve that the Capital Budget 2017 -2022 is revised to £691.000m (as shown in Table 6).



Northern, Eastern and Western Devon
Clinical Commissioning Group



Plymouth Integrated Fund Finance Report – Month 06 2017/18

Introduction

This report sets out the outturn financial performance of the Plymouth Integrated Fund for the year to date and the forecast for the financial year 2017/18.

The report is in several sections.

- The first section details the performance of the Integrated Fund, including the section 75 risk share arrangements.
- The second identifies the Better Care Fund, which is a subset of the wider Integrated Fund, but has specific monitoring and outcome expectations.
- The third section details the financial performance of the Western Planning and Delivery Unit (PDU) of the Clinical Commissioning Group (CCG).
- Appendix 1 which shows the Plymouth Integrated Fund performance and risk share.
- Appendix 2 which shows the PDU managed contracts financial performance.
- Appendix 3 which is a glossary of terms used in the report.

In summary, it is too early in the year to predict a move away from delivery of plan at this stage, however there are clear pressures in the system, and recovery measures are required to bring the spend back into line.

SECTION 1 – PLYMOUTH INTEGRATED FUND

Integrated Fund - Month 6 Report 2017/18

At this stage in the year it is too early to predict the impact of the risk share across the Integrated Fund. There remain clear signs of pressure in the system, in particular around Looked after Children in Care, Intermediate Care in both Health and Social Care, and emerging risks for Continuing Healthcare. Recovery programmes are expected to bring these back into line.

The overall fund position is reflected in Appendix 1.

Plymouth City Council Integrated Fund

The integrated fund for Plymouth City Council (PCC) is shown as gross spend and now also includes the Support Service Recharge costs for the People directorate and Public Health department along with the capital spend for Disabled Facilities Grant, which is funded from the Better Care Fund.

Children, Young People and Families

The Children Young People and Families Service are reporting a budget pressure of £1.500m at quarter 2. Although the overall number of looked after children have increased this month, we are reporting no change in pressure in the month and are consuming the increased cost of placements for the additional young people. A region wide lack of placements has meant that some children have been placed in residential rather than the preferred fostering placements at a much higher cost.

The CYPF overspend can be attributed to the increased cost and volume of looked after children's placements.

The overall number of children in care at the end of the month of September stands at 400.

Strategic Co-operative Commissioning

The Strategic Commissioning service is forecasting a year end overspend against budget of £0.437m at month 6, no change from month 5. There is still a large pressure on the Domiciliary Care budget, as per previous months, however there have also been changes for month 6 around the Residential & Nursing and Supported Living care packages but being offset in the main with increases in client contribution income.

Education, Participation and Skills

Education, Participation and Skills are reporting a balanced budget position at Month 6, no change from Month 5.

Community Connections

Community Connections is forecasting a year end budget overspend of £0.258m mainly as a result of increased demand for emergency temporary accommodation. This is the same pressure reported in the previous month.

Average B & B numbers for April to September have been 55 placements per night with nightly costs increasing due to the increased use of Travelodge and increasing accommodation needs for families.

Public Health

Although the 17/18 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 it should be noted that there are pressures with achieving some income targets and there is increasing demand for activity led services.

Plymouth City Council Delivery Plans

Between People Directorate and Public Health, over £10m of savings will need to be delivered during 2017/18, which includes savings of over £2.8m of savings brought forward from 2016/17 which were delivered as one-off savings. At the moment, it is expected that all savings will be achieved - breakdown shown below:

Plymouth City Council	Year To Date			Current Year Forecast		
Month 6 - September 2017	Budget	Actual	Variance	Budget	Actual	Variance
			Adv / (Fav)			Adv / (Fav)
	£000's	£000's	£000's	£000's	£000's	£000's
Children, Young People & Families	945	945	-	1,890	1,890	-
Strategic Cooperative Commissioning	1,942	1,942	-	3,883	3,883	-
Education Participation & Skills	407	407	-	814	814	-
Community Connections	265	265	-	530	530	-
Additional People Savings	1,432	1,432	-	2,864	2,864	-
Public Health	74	74	-	148	148	-
	5,065	5,065	-	10,129	10,129	-

Western Locality of CCG Integrated Fund

The integrated fund for the Western Locality is reflecting a forecast break even position at this stage.

Clear pressures are emerging around the Independent Sector contracts, Intermediate Care and Continuing Healthcare. There are also cost efficiency expectations for Individual Patient Placements and Section 117 packages of care.

Independent Sector:

The Year to Date activity shows a £1,526k, which would result in a straight lined forecast of £4.1m for the Independent Sector contracts managed in the West. This overspend is mainly focussed around Orthopaedics performance in both Care UK and Plymouth Nuffield. An assumption of delivery of planned QIPP schemes driven through the Elective Workstream informs the current forecast to breakeven. However, the risk is highlighted in the corporate risk position, and will be reflected in the Locality position as the QIPP impact is better understood.

Intermediate Care:

The pressure in the cost of the Intermediate Care (Discharge to Assess) beds in the West remains above plan. The forecast assumes a recovery programme bringing the pressure back into financial balance. The level of bed usage in place at this

point, if remaining static for the remainder of the year, would indicate an overspend of £1.8m. Included within the assumption of breakeven is an assumed benefit from the use of the iBCF resources.

This is an area of significant focus on transformation and recovery, and is reported in detail to the Western System Improvement Board on a bi-weekly basis.

Neurosurgery:

The cost of this activity has now been finalised, and is set within the resources transferred for the Information Rules rebase. There is no financial risk to the current year position.

The service at Plymouth Hospitals NHS Trust opened for referral in September.

Continuing Healthcare:

The CCG wide Continuing Healthcare budget for 2017/18 is £69.9m. At month 5, the forecast spend for the year is £71.2m resulting in a forecast overspend of £1.3m. There is significant risk that this position may deteriorate further.

The Continuing Healthcare QIPP savings target for 2017/18 was originally £6.0m but has now been “stretched” to £8.0m. The forecast savings are £6.6m so forecast under delivery against the target of £1.4m is reported at this time. It is recognised that there is also significant risk in this which will require considerable management focus.

The key risk for this cohort of patients is that the numbers receiving Continuing Healthcare has plateaued and this may impact on the delivery of the overall cost reductions.

Ongoing analysis is required to finalise the position at locality level.

IPP and Section 117:

For IPP a risk share continues to be agreed with Livewell Southwest, and performance is good when compared to the same period last year.

For section 117 packages of care a plan is being developed to manage the cost of packages of care as a pooled budget. This will be run in parallel in the current year, and the CCG will continue to work with Livewell Southwest in the delivery of the planned efficiency targets.

Primary Care Prescribing:

The West has the greater opportunity in terms of savings from Primary Care Prescribing, and therefore has the greater share of the cost efficiency target. The PDU is currently on target to achieving this target. It is too early in the year to accurately forecast the prescribing outturn, so this is represented as a corporate risk at month 6. Consequently the risk is not yet reflected in the Locality position, but will

start to impact in the coming months. The level of risk this month has increased as a result of further guidance regarding the withholding of Category M savings centrally, and the impact of NCSO (No Cheaper Stock Obtainable), which is significantly increasing and remains a cost to the CCG.

Efficiency Programmes:

FOR THE PERIOD FROM 01 APRIL 2017 TO 30 SEPTEMBER 2017

Month 06 September	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
SAVINGS LEDGER REPORT						
Independent Sector	-1,750	-390	1,360	-3,500	-1,030	2,470
Prescribing	-4,250	-4,250	-	-8,500	-8,500	-
Continuing Healthcare	-2,590	-2,147	443	-8,000	-6,505	1,495
IPP	-760	-760	-	-3,000	-3,000	-
Running Costs	-1,200	-1,050	150	-2,788	-2,788	-
GROSS SAVINGS	-10,550	-8,597	863	-25,788	-21,823	3,965

QIPP Reported to NHSE

Contractualised 16/17 FYE	-5,580	-5,580	-	-11,160	-11,160	-
Social Care	-	-	-	-7,000	-7,000	-
Technical Accounting	-1,000	-1,000	-	-2,000	-2,000	-
TOTAL SAVINGS REPORTED TO NHSE	-17,130	-15,177	863	-45,948	-41,983	3,965

Additional System Savings

Headroom Release	-1,815	-1,815	-	-3,629	-3,629	-
Investment Release	-700	-700	-	-1,400	-1,400	-
TOTAL SYSTEM SAVINGS	-14,065	-12,112	863	-39,817	-35,852	3,965

The above savings report feeds into the system wide savings plan excluding the contractualisation of 16/17 full year effect, although this forms part of the position reported to NHS England.

Overall the CCG is reporting 86% delivery of plan year to date with 90% delivery forecast by yearend. There is a shortfall on independent sector both year to date and forecast as plans have not yet been fully worked up. There is also a shortfall on the forecast for continuing healthcare due to client numbers not falling as expected.

The above report is currently reflecting the CCG wide position. Further analysis is ongoing to localise the reporting of these delivery plans to Planning and Delivery Units.

Integrated Fund Summary

At this stage in the year both parts of the fund are experiencing emerging pressures that require management to bring the position back to balance. On that basis the forecasts include improvements resulting from recovery programmes, and the impact of the risk share has been therefore muted.

SECTION 2 – BETTER CARE FUND (BCF)

Better Care Fund (BCF) and Improved Better Care Fund (iBCF)

The table below shows the total BCF for 2016/17 and 2017/18, along with the distribution between CCG and PCC.

	2016/17	2017/18 Estimated
	£m	£m
PCC Capital (Disabled Facilities Grant)	1.954	2.126
PCC Revenue	9.087	9.246
CCG Revenue	8.310	8.455
Sub Total BCF	19.351	19.827
iBCF (see below)	0.000	0.764
iBCF (see below)	0.000	5.880
Sub Total iBCF	0.000	6.644
Total Funds	19.351	26.471

As part of the resource settlement for 2017/18, PCC were awarded amounts from the Governments iBCF. The first amount was £0.764m which forms part of the PCC revenue settlement. The Government then awarded additional monies, as part of the £2billion to support social care nationally, at the Spring Budget of which PCC will receive:

2017/18	£5.800m
2018/19	£3.660m
2019/20	£1.815m.

These funds are being paid to the Local Authority and come with conditions that they are *“to be spent on adult social care and used for the purposes of meeting adult social care needs, reducing pressures on the NHS - including supporting more people to be discharged from hospital when they are ready - and stabilising the social care provider market.”*

A report was taken to Cabinet in July that showed the 2017/18 additional funding and allocations to specific areas and projects. This report was approved and the schemes are now being worked up with more detail. A summarized expenditure plan is included below:

	2017/18
	£m
Priority One - Meeting Adult Social Care Needs	1.400
Priority Two - Reducing Pressures on the NHS	3.351
Priority Three - Stabilising the Social Care Market	1.000
Sub Total	5.751
Contingency	0.049
Sub Total iBCF	5.800

This is not recurrent money and so overall investments will seek to be a 'bridging' resource to implement the STP new models of care or deliver efficiencies.

SECTION 3 – WESTERN PDU MANAGED CONTRACTS

Context / CCG Wide Financial Performance at Month 6

The CCG plan for 2017/18 has been produced in conjunction with our main acute providers within a wider System Transformation Plan (STP) footprint encompassing South Devon and Torbay CCG (SD&T CCG).

The CCG's planned deficit for 17/18 is £57.1m. This is an improvement from its original plan of £21.4m following proposals developed through the Capped Expenditure Process (CEP). NHS England have confirmed that the plans submitted under the CEP will be used to review the CCG's performance and accordingly the CCG is reporting against this revised plan. In addition to this the CCG has a brought forward deficit from 2013/14 to 2016/17 of £120.5m making the planned cumulative deficit £177.7m.

Although the plan has been updated, NHS England have also confirmed they will continue to measure overall performance against the control total of £17.4m deficit. The current forecast would represent an overspend of £39.7m to the control total.

The updated CCG plan sits within an overall plan for the STP which has a deficit of £61.5m with a savings plan of £168.2m. The plan is based on an agreed set of block contracts with the main providers which de-risks this element of the CCG's commissioning budget and delivers savings within those contracts of £11.2m.

As of Month 6 the year to date and forecast outturn positions are in line with the current plan.

Western PDU Finance Position

Introduction

The Locality is forecasting to materially deliver within budget at this stage in the year. However the year to date position is showing a pressure for the Independent Sector provider contracts, and this is explained more fully in the report.

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

Acute Care Commissioned Services

Plymouth Hospitals NHS Trust

The contract value for Plymouth Hospitals NHS Trust is agreed at £180.9m, however, the contract remains unsigned whilst the system wide plan is being reviewed by system regulators. 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.

The forecast spend has been set to reflect the allocated budget of £181.075m.

Contract Performance

The month 5 performance information showed a year to date overperformance against the contract plan of £0.8m.

The main reasons for the contractual overperformance are summarised below.

2017/18 M05	Planned Spend	Actual Spend	Variance	Variance	Variance
	£000s	£000s	£000s	Activity	Spend
Elective	15,936	13,745	- 2,191	-9.4%	-13.7%
Non Elective	27,959	28,245	286	3.5%	1.0%
A&E	4,062	4,330	268	3.3%	6.6%
Outpatients	12,650	12,657	7	-0.6%	0.1%
Excluded Services	15,446	14,377	- 1,069		-6.9%
Penalties			-		
CQUIN	1,676	1,711	35		
Contract Adjustments	- 3,434		3,434		
Total	74,295	75,065	770		1.0%

The **Elective** position is £2.19m (13.7%) behind plan from a financial perspective but 9.4% behind plan in overall activity terms. The main contributor to this position is under performances within Orthopaedics, Neurosurgery, Colorectal Surgery and Upper GI Surgery.

Non Elective under performed in month 4 by £187k, giving an overall year to date overperformance of £96k. Month 5 has seen an overperformance, and the year to date position now shows £286k over.

In **Accident and Emergency** the year to date overperformance totals £268k; this is significant at 6.7% over plan. In activity terms the overperformance percentage is lower at 3.3% which indicates that the complexity or volume of care provided has increased.

Outpatients has continued to underperform in month 5 by £186k. This has further reduced the total overperformance to £7k. Outpatient procedures make up the majority of this overperformance, whilst first attendances are behind plan and follow ups on plan. Overall, there have been 747 fewer outpatient attendances than had been planned for.

South Devon Healthcare Foundation Trust

The 2017/18 South Devon Healthcare Foundation Trust contract value for acute services has been set at a total of £6.07m. £5.15m of this accounts for the acute contract which is on a variable PbR basis, with a further £0.92m fixed contract for community services.

At month 5 the acute contract is under performing plan by £33k which is an improvement against the month 4 position of £66k. Within this position elective is behind plan by £59k, outpatients are behind plan by £32k whilst Non Elective and A&E are over performing by £64k and £20k respectively.

Information received since the position was closed down indicates that the contract has moved back into an overall overspend position driven primarily by an increase in non elective spend.

Independent Sector & London Trusts

The volume and quality of data supplied at this early stage of the year by the London Trusts means that it is too unreliable to be used for meaningful forecasts. As such these positions have been set to breakeven.

This will be revised as more data becomes available in the coming months.

Within the Independent Sector at Month 5, a significant overspend is emerging most of which is found within the Care UK contract. There is a significant degree of additional performance within Orthopaedics accounting for the bulk of this over-performance. At Nuffield Plymouth, there is a large overspend within Spinal Surgery but this is being partially offset by underperformances within other specialties. Assumptions have been made in the delivery of QIPP during the latter part of the year to bring this position back to balance.

Livewell Southwest

The Livewell Southwest (LSW) Contract is blocked. LSW produce a monthly performance/finance databook which allows both parties to shadow monitor the block contract and review key performance metrics.

Discharge to Assess beds

Despite the service redesign and additional support to maintain a 6 week timeframe for Intermediate Care, the system is increasingly showing signs of pressure with increasing referrals to intermediate care due to ongoing escalation at Plymouth Hospitals NHS Trust. This pressure is emerging as a cost to the Western Locality in excess of plan, and is the focus of significant scrutiny and redesign through the Western System Improvement Board.

Primary Care Enhanced and Other 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 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 outturn expenditure is in line with budgets.

Conclusion

In summary, the outturn position for both the Integrated Fund and the Western Planning and Delivery Unit is forecast to deliver to plan at this stage in the year. There are clear signs of pressure in the system, in particular around Looked After Children in Care, Intermediate Care in both Health and Social Care, and emerging risks for Continuing Healthcare. Recovery programmes are expected to bring these back into line.

Ben Chilcott
Chief Finance Officer, Western PDU

David Northey
Head of Integrated Finance, PCC

APPENDIX 1**PLYMOUTH INTEGRATED FUND AND RISK SHARE**

Month 06 September	Year to Date			Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
	£000's	£000's	£000's	£000's	£000's	£000's
			Adv / (Fav)			Adv / (Fav)
CCG COMMISSIONED SERVICES						
Acute	85,592	86,692	1,100	171,092	171,017	-75
Placements	21,083	20,916	-167	40,947	41,511	564
Community & Non Acute	27,590	27,593	3	55,180	55,196	16
Mental Health Services	13,591	13,591	-	27,182	27,182	-
Other Commissioned Services	5,890	5,805	-86	11,721	11,717	-5
Primary Care	2,829	2,951	122	6,050	6,024	-26
Subtotal	156,575	157,548	973	312,173	312,646	473
Running Costs & Technical/Risk	3,017	2,733	-283	17,739	17,197	-543
CCG Net Operating Expenditure	159,591	160,281	690	329,912	329,842	-69
Risk Share					-	-
CCG Net Operating Expenditure (after Risk Share)	159,591	160,281	690	329,912	329,842	-69
PCC COMMISSIONED SERVICES						
Children, Young People & Families	14,745	18,444	3,699	35,388	36,888	1,500
Strategic Cooperative Commissioning	32,320	39,003	6,683	77,568	78,005	437
Education, Participation & Skills	1,606	2,057	450	3,855	4,113	258
Community Connections	44,381	53,258	8,876	106,515	106,515	-
Director of people	90	108	18	216	216	-
Public Health	6,800	8,161	1,360	16,321	16,321	-0
Subtotal	99,943	121,029	21,086	239,863	242,058	2,195
Support Services costs	6,845	8,214	1,369	16,428	16,428	-
Disabled Facilities Grant (Cap Spend)	886	1,063	177	2,126	2,126	-
Recovery Plans in Development	-	-	-	-	-2,195	-2,195
PCC Net Operating Expenditure	107,674	130,306	22,632	258,417	258,417	0
Risk Share					-	-
PCC Net Operating Expenditure (after Risk Share)	107,674	130,306	22,632	258,417	258,417	0
Combined Integrated Fund	267,265	290,588	23,322	588,329	588,260	-69

APPENDIX 3
GLOSSARY OF TERMS

PCC - Plymouth City Council

NEW Devon CCG – Northern, Eastern, Western Devon Clinical Commissioning Group

CYPF – Children, Young People & Families

SCC – Strategic Cooperative Commissioning

EPS – Education, Participation & Skills

CC – Community Connections

FNC – Funded Nursing Care

IPP – Individual Patient Placement

CHC – Continuing Health Care

NHSE – National Health Service England

PbR – Payment by Results

QIPP —Quality, Innovation, Productivity & Prevention

CCRT – Care Co-ordination Response Team

RTT – Referral to Treatment

PDU – Planning & Delivery Unit

PHNT – Plymouth Hospitals NHS Trust

Appendix 2: Detailed Breakdown of the Capital Programme

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	300	534	281	-	-	1,115
Mayflower 400 – Public Realm Enabling	100	400	500			1,000
Mayflower 400 - Trails	316	665	985			1,966
Mayflower 400 - Merchants House	25					25
Mayflower 400 - Elizabethan House	250					250
Mayflower 400 - Monument	50					50
Mayflower 400 - Waterfront Event Infrastructure	10					10
Total Celebrating Mayflower	1,051	1,599	1,766	0	0	4,416
Connecting the City						
Mayflower Coach Station	49	-	-	-	-	49
Creation of Non-Scheduled Coach Drop Off Points	66	-	-	-	-	66
Total Connecting the City	115	-	-	-	-	115
Delivering More/Better Housing						
Self Build Housing Sites	188	-	-	-	-	188
Former Whitleigh Community Centre	180	-	-	-	-	180
Empty Homes / Enabling	63	-	-	-	-	63
North Prospect Phase 5	-	500	450	-	-	950
Prince Maurice Road	359	-	-	-	-	359
Bath Street	1,663	981	-	-	-	2,644
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
Total Delivering More/Better Housing	3,783	1,681	650	300	0	6,414
Delivering Oceansgate						
South Yard Remediation/separation works	1,726	7,729	-	-	-	9,455
South Yard Area I East Direct Development	6,121	-	-	-	-	6,121
Total Delivering Oceansgate	7,847	7,729	-	-	-	15,576
Delivering The Box						
The Box	9,218	13,583	6,611	312	-	29,734
Total Delivering The Box	9,218	13,583	6,611	321	-	29,734

Ensuring Essential City Infrastructure						
Clean Vehicle Technology Improvements	81	-	-	-	-	81
Bus Punctuality improvement plan (BPIP)	253	-	-	-	-	253
Access Road to Housing Site in Estover	112	-	-	-	-	112
SI06 Transport Projects	167	162	-	-	-	329
Millbay School Creative Arts highway work	49	-	-	-	-	49
Billacombe Footbridge	50	642	-	-	-	692
Derriford Community Park	123	498	22	4	4	651
European Marine Sites - Recreational Behaviour Changing Measures	28	28	55	-	-	111
Home Energy	34	46	-	-	-	80
Millbay Boulevard	25					25
Development Funding	475	-	-	-	-	475
Capitalised Maintenance Schemes	9,250	6,000	5,042	2,000	2,000	24,292
Flood defence Works	53	-	-	-	-	53
Container Provision	672	-	-	-	-	672
West Hoe Pier	105	-	-	-	-	105
Mount Edgcumbe Sea Wall Repairs	569	-	-	-	-	569
Mount Edgcumbe Commercialisation	180	84	-	-	-	264
Total Ensuring Essential City Infrastructure	12,226	7,460	5,119	2,004	2,004	28,813
Ensuring Good Quality School Places						
Stoke Damerel Basic Need	22					22
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
Total Ensuring Good Quality School Places	4,746	2,604	-	-	-	7,350
Growing the Economy						
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
Total Growing the Economy	3,808	914	0	33	0	4,755
Improving neighbourhoods and delivering community infrastructure / facilities						
MVV Devonport Biodiversity Improvements	219	-	-	-	-	219
Active Neighbourhoods	77	-	-	-	-	77
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	388	66	-	-	504
Central Park Sports Plateau	40	340	52	-	-	432
Central Park Improvements	723	1,277	-	-	-	2,000
Improving Outdoor Play	595	264	-	-	-	859
Central Park Wooded Valley	35	-	-	-	-	35
Dunstone Woods	13	-	-	-	-	13
Blockhouse Park Playground Refurbishment	2	-	-	-	-	2
Manadon Play Pitches	1,029	1,024	-	-	-	2,053
St Budeaux Tennis Courts	3	-	-	-	-	3
MAP Early Years Capital Fund	300	-	-	-	-	300
Children Centres	265					265
Total Improving neighbourhoods and delivering community infrastructure / facilities	3,391	3,850	118	-	-	7,359
Securing Growth in Derriford and Northern Corridor						
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	1,221	-	-	-	1,417
Purchase of 444 Tavistock Road	32	-	-	-	-	32
Purchase of 422 Tavistock Road	275					275
Northern Corridor Strategic Cycle Network	550	1,750	840	-	-	3,140
Marjons Link Road	6	-	-	-	-	6
Total Securing Growth in Derriford and Northern Corridor	15,707	3,021	840	-	-	19,568
Securing Growth in the City Centre and Waterfront						
Devonport Market High Tech 'Play Market'	713	1,318	-	-	-	2,031
City Centre Public Realm	526					526
Market Way Public Realm	215					215
Sutton Harbour Public Realm Improvements	32	-	-	-	-	32
Visitor signage	86	-	-	-	-	86
Cobourg House	3,323	-	-	-	-	3,323
Quality Hotel	70	266	-	-	-	336
Colin Campbell Court Phase 1	965	-	-	-	-	965
Colin Campbell Court Phase 2	950	730				1,680
Plymouth City Market Major Refurbishment	1,289	-	-	-	-	1,289
City Centre Shop Fronts Grant Scheme	176	114	-	-	-	290

West End Public Realm	74	-	-	-	-	74
Total Securing Growth in the City Centre and Waterfront	8,419	2,428	-	-	-	10,847
Securing Growth in the Eastern Corridor						
Eastern Corridor Junction Improvements	1,503	1,512	340	-	-	3,355
Eastern Corridor Strategic Cycle Network	1,307	1,839	380	380	-	3,906
Woolwell to The George	420	-	-	-	-	420
Total Securing Growth in the Eastern Corridor	3,230	3,351	720	380	-	7,681
Transforming Services						
Street lighting bulb replacement	119	-	-	-	-	119
Highways Information Management System	342	-	-	-	-	342
Fleet Replacement Programme	1,478	-	-	-	-	1,478
Weston Mill Recycling Centre	204					204
Chelson Meadow Closure & Leachate Plant Upgrade	259					259
Bell Park Industrial Estate	335	-	-	-	-	335
Friary Retail Park	50	-	-	-	-	50
Next	7,875	7,178	-	-	-	15,053
10 New George Street	1,779	-	-	-	-	1,779
Purchase of St Catherine's House	2,425	-	-	-	-	2,425
Royal Mail	20,303	-	-	-	-	20,303
Disabled Facilities (incl Care & Repair works)	2,142	-	-	-	-	2,142
Schools Condition Works	438	-	-	-	-	438
CaterED	41					41
SEN Access and Safeguarding	35	-	-	-	-	35
Schools Devolved Projects	494	420	225	225	225	1,589
Plans for Libraries	121	-	-	--	-	121
ICT	4,543	998	984	984	-	7,509
Corporate Asset Lifecycle Maintenance	459	344	-	-	-	803
Corporate Heritage Maintenance	166	-	-	-	-	166
Other Corporate Property	1,422	-	-	-	-	1,422
Transformation Accommodation	1,348	-	-	-	-	1,348
Boiler Replacement Programme for Council Properties	-	145	-	-	-	145
Total Transforming Services	46,378	9,085	1,209	1,209	225	58,106
TOTAL CAPITAL PROGRAMME	119,919	57,305	17,033	4,247	2,229	200,733
Forecast future income streams	45,400	66,092	55,466	56,191	46,799	269,948
Priority List	20,784	59,527	79,114	40,916	20,300	220,641
GRAND TOTAL	186,103	182,924	151,613	101,354	69,328	691,322