



Democratic and Member Support
Chief Executive's Department
Plymouth City Council
Ballard House
Plymouth PL1 3BJ

Please ask for Helen Wright/Amelia
Boulter
T 01752 304022/304570
E Democratic Support Officer
www.plymouth.gov.uk/democracy
Published 19/09/17

SELECT COMMITTEE REVIEW BUDGET AND POLICY DECISIONS

Wednesday 27 September 2017
3pm
Warspite Room, Council House

Members:

Councillor Bowie, Chair.
Councillor Ball, Vice Chair.
Councillors Mrs Aspinall, Fletcher, James, Lowry and Storer.

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

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

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

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

Tracey Lee
Chief Executive

Select Committee Review

Agenda

1. Apologies

To receive apologies for non-attendance submitted by Members.

2. Declarations of Interest

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

3. Chair's Urgent Business

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

4. Minutes

(Pages 1 - 8)

To confirm the minutes of the meetings held on 29 March 2017 and 21 June 2017.

5. Select Committee: Budget and Policy Decisions:

5a. Directorate and Departmental Spending Plan 2018/19

(To Follow)

5b. Recommendations

Select Committee Review

Wednesday 29 March 2017

PRESENT:

Councillor Bowie, in the Chair.
Councillor Ball, Vice Chair.
Councillors Mrs Aspinall, Fletcher, James and Storer.

Apologies for absence: Councillor Lowry

Also in attendance: Councillor Darcy (Cabinet Member for Finance/ ICT), Andrew Hardingham (Interim Joint Strategic Director for Transformation and Change), David Northey (Head of Integrated Finance), Paul Looby (Head of Financial Planning and Reporting), Ross Jago (Lead Officer) and Helen Rickman (Democratic Support Officer).

The meeting started at 3.00 pm and finished at 4.35 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

10. **Election of Vice Chair**

Agreed that Councillor Ball is appointed as Vice Chair.

Under this item Members agreed that the Budget Select Committee meetings in which the substantive agenda item was linked to wellbeing then Councillors Mrs Aspinall would Chair the meeting and Councillor James would be Vice Chair, and when the substantive agenda item related to place and corporate then Councillor Bowie would Chair the meeting and Councillor Ball would be Vice Chair.

11. **Declarations of Interest**

There were no declarations of interest in accordance with the code of conduct.

12. **Chair's Urgent Business**

There were no items of Chair's Urgent Business.

13. **Select Committee Review: Budget Scrutiny**

Ross Jago (Lead Officer) advised Members that the Budget Scrutiny Select Committee Review was a different approach to budget scrutiny in which Councillors would have the opportunity to scrutinise the budget in 'bite-sized chunks' through a variety of meetings.

Councillor Darcy (Cabinet Member for Finance/ ICT), Andrew Hardingham (Interim Joint Strategic Director for Transformation and Change), David Northey (Head of Integrated Finance) and Paul Looby (Head of Financial Planning and Reporting) presented Members with the budget update report and associated information which highlighted the following key points:

- (a) Plymouth had set a robust budget for 2017/18, in response to the large reductions to Local Government funding, which looked to address the challenging demands of the city and its residents enabling Plymouth to continue to grow;
- (b) despite imposed austerity measures, Plymouth would continue to lobby Government specifically with regards to long term funding solutions for Adult Social Care (ASC). Plymouth City Council raised funding by increasing council tax to support this area however it was not considered a sustainable long term solution. The Council had received a £1.3m grant for ASC but this was a one off payment and would not be available after 2017/18 however the need for support would remain;
- (c) additional funding for adult social care was announced in the budget statement amounting to £11.3m over three years with 5.8 received in 2017/18; this funding would come with conditions however the Council would continue to work hard with health partners to assure the new resources were used effectively;
- (d) the Council welcomed the announcement of the Green Paper for wider reforms and for longer term sustainable funding options for Adult Social Care;
- (e) for 2017/18 Government had reduced Plymouth's core spending power by £2.2m to £184.1m. To calculate the 2017/18 revenue support grant, an assumption had been made by Government that the Council would increase its council tax by 2% resulting in a generation of £5.1m;
- (f) the revenue support grant had fallen by over £10m;
- (g) the New Homes Bonus had reduced however the threshold for growth had increased to 0.4%;
- (h) capital receipts were being utilised to support the capital programme;
- (i) the Council would be investing significant capital resources to support four key strategic outcomes including delivering Plymouth plan, generating income, maintaining council assets and transforming service delivery.

Key areas of questioning related to –

- (j) Adult Social Care Funding and details as to when and how this would be distributed;
- (k) the devolution of business rates to Local Government and the effect on the

Council;

- (l) the 'extended rights' programme for children aged 11-16, including free school meals, transport and credit;
- (m) the allocation of the Better Care Fund and how this would be shared with partners;
- (n) the necessity of the increase in Council Tax having regard for additional Government funding secured;
- (o) progress linked to the Sustainability Transformation Plan and pilot sites;
- (p) BID projects underway and those successful;
- (q) preparations for next year's budget including information surrounding the three year settlement and grant allocations.

The Chair thanked Councillor Darcy, Andrew Hardingham, David Northey and Paul Looby for their attendance at the meeting.

The Committee agreed

- 1. the Better Care Fund financial return would be provided to Members on a quarterly basis;
- 2. Members of the select committee would meet on an informal basis and agree a plan for scrutinising the budget prior to and in preparation for the next select committee review.

14. **Supporting Information**

Please refer to minute 13 above.

15. **Recommendations**

Please refer to minute 13 above.

This page is intentionally left blank

Select Committee Review

Wednesday 21 June 2017

PRESENT:

Councillor Bowie, in the Chair.
Councillor James, Vice Chair.
Councillors Mrs Aspinall and Lowry.

Apologies for absence: Councillors Ball, Fletcher and Storer.

Also in attendance: Andrew Hardingham (Interim Strategic Director for Transformation and Change (Finance)), Ross Jago (Lead Officer), Paul Looby (Head of Financial Planning) and Helen Wright (Democratic Adviser).

The meeting started at 3.00 pm and finished at 4.21 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

8. **Appointment of Chair and Vice Chair**

Councillor Bowie was appointed as Chair and Councillor James was appointed as Vice Chair for this meeting.

9. **Declarations of Interest**

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

10. **Chair's Urgent Business**

There were no items of Chair's urgent business.

11. **2016/17 Finance Outturn**

Councillor Darcy (Cabinet Member for Finance), Andrew Hardingham (Interim Strategic Director for Transformation and Change (Finance)) and Paul Looby (Head of Financial Planning) presented the Financial Outturn 2016/17 including Capital Programme which highlighted the following -

- (a) the report was the final monitoring (outturn) report for 2016/17 which provided details of the Council's financial position as at the end of March 2017;
- (b) the Council's gross revenue budget for 2016/17 was £531.615m which after allowing for income and grant was £186.702m;

the financial outturn position before any adjustments was an overspend of £1.272m; assuming the transfers to and from reserves and making use of capital receipts as proposed in the report were approved;

- (c) as at 31 March 2017, the work balance stood at £9.701m and the final capital outturn position was £90.423m; the working balance represented 5.2% of the net revenue budget which remained above the 5% recommended minimum as set out in the budget approved by Council;
- (d) Council approved the use of £0.51m from the working balance to support the 2017/18 budget; as there was scope to release a further £0.350m from the working balance it was recommended this amount was transferred to the redundancy reserve; after this transfer the working balance would be 5% of the net revenue budget for 2017/18.

The key areas of questioning related to –

- (e) the provision of regular detailed finance monitoring reports to allow proper scrutiny to take place;
- (f) whether the Adult Social Care precept spend could be identified within the report;
- (g) the 'true' deficit figure taking into account reserves and stock transfers;
- (h) whether the working balance of 5% was adequate for an organisation of this size;
- (i) concerns over the provision of out of date information and the timely release of financial information to the responsible Cabinet Member;
- (j) whether school balances should be included within the Council's accounts, as academies received funding direct from Central Government;
- (k) whether the Medium Term Financial Strategy for 2018/19 would be available to scrutinise;
- (l) seeking a re-assessment of the investment figures contained within the report and an assurance that the figures presented were correct and not considered to be confidential information;
- (m) the impact of the proposed changes to business rates on the budget;
- (n) the assets that the Council had acquired during 2016/17.

12. **Recommendations**

The Committee agreed that –

- (1) the September 2017 report to the Select Committee should include directorate and departmental spending plans for 2018-19, net changes from 2017/18, consequences of those changes and associated risk;
- (2) the portfolio holder provides monthly budget monitoring information to scrutiny (method to agreed);
- (3) the portfolio holders to whom real time financial monitoring is available should share this with the respective Overview and Scrutiny Committees when considering related issues.

(Please note: this meeting was webcast)

This page is intentionally left blank