



Oversight and Governance

Chief Executive's Department
Plymouth City Council
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CITY COUNCIL

Monday 25 June 2018
2 pm
Council House, Plymouth

Members:

Councillor Sam Davey, Chair

Councillor Mavin, Vice Chair

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Mrs Bridgeman, Buchan, Carson, Churchill, Coker, Cook, Corvid, Dann, Darcy, Philippa Davey, Deacon, Derrick, Downie, Drean, Evans OBE, Fletcher, Foster, Goslin, Hendy, James, Johnson, Jordan, Kelly, Michael Leaves, Sam Leaves, Loveridge, Lowry, Dr Mahony, McDonald, Morris, Murphy, Neil, Nicholson, Parker-Delaz-Ajete, Penberthy, Mrs Pengelly, Rennie, Singh, R Smith, P Smith, Stevens, 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 - [Get Involved](#)

Tracey Lee

Chief Executive

City Council

1. Apologies

To receive apologies for absence submitted by councillors.

2. Minutes

(Pages 1 - 16)

To approve and sign the minutes of the meetings held on 26 March and 18 May 2018 as a correct record.

3. Declarations of Interest

(Pages 17 - 18)

Councillors will be asked to make any declarations of interest in respect of items on the agenda.

4. Appointments to Committees, Outside Bodies etc

The Monitoring Officer will submit a schedule of vacancies on committees, outside bodies etc and of changes notified to us. This is included on the order paper.

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 Team, 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. Corporate Plan 2018 - 2022 (to follow)

The City Council will be asked to approve the Corporate Plan for 2018 – 2022.

8. Financial Outturn 2017/18 and Finance Monitoring (incl Capital) Quarter 4

(Pages 19 - 38)

The City Council will be asked to note the recommendations in relation to the Financial Outturn 2017 / 2018 and Capital Budget.

9. Plymouth and South West Devon Joint Local Plan (Pages 39 - 44)

The City Council will be asked to approve recommendations in relation to the Plymouth and South West Devon Joint Local Plan.

10. Independent Remuneration Panel Review Report (to follow)

The City Council will be asked to consider the report of the Independent Remuneration Panel and approve the recommendations contained in the report.

11. Scrutiny Minutes Approval and Minor Amendments to Terms of Reference (Pages 45 - 72)

The Chair of Health and Adult Social Care Overview and Scrutiny Committee will propose changes to the Committees Terms of Reference and recommend approval of outstanding minutes from 2017 /18.

12. Annual Report on Treasury Management Activities for 2017/18 (Pages 73 - 94)

The City Council will be asked to approve the Annual Report on Treasury Management Activities 2017/18.

13. Motions on notice

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

14. Questions by Councillors

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

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City Council**Monday 26 March 2018****PRESENT:**

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, Drear, Evans OBE, 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, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins and Winter.

Apologies for absence: Councillors Sparling and Storer

The meeting started at 2.00 pm and finished at 7.40 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.

63. **Minutes**The minutes of the meeting held on 26 February 2018 were agreed.64. **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 Tuohy	71.6	Member of PCH Board	Personal
Councillor Dann	71.6	Member PCH Board	Personal
Councillor Sam Leaves	68	Husband holds Hackney Carriage License	Disclosable Pecuniary Interest
Councillor Churchill	71.6	Member PCH Board	Personal
Councillor Martin Leaves	68	Holds Hackney Carriage Licence	Disclosable Pecuniary Interest
Councillor Cook	68	Holds Hackney Carriage Licence	Personal

Councillor Nicholson	71.1	Serving Magistrate	Personal
Councillor Michael Leaves	61	Son holds Hackney Carriage Licence	Personal

65. **Announcements**

a) Lord Mayor

- 20th Anniversary of Plymouth as a Unitary Authority
- Thanks to retiring members of the City Council
- Parking Manager of the Year

b) The Leader, Cabinet Members or Chairs of Committees

- The Leader
 - Update on the Winter Works Programme
 - Thanks to the Lord Mayor
- Councillor Patrick Nicholson, Deputy Leader and Cabinet Member for Strategic Transport, Housing and Planning
 - Derriford Transport Scheme
- Councillor Michael Leaves, Cabinet Member for Strategic Streetscene / Environment
 - Work on low carbon initiatives and National Grid Warm Homes fund
- Councillor Bowie, Chair Place and Corporate Overview and Scrutiny Committee
 - Universal Credit
- Councillors Mrs Aspinall, Chair, Wellbeing Overview and Scrutiny Committee
 - Scrutiny of Primary Care Services

66. **Questions by the Public**

There were two questions from members of the public.

Question submitted by: Guy Alexander Bell
--

Why are you ignoring residents, refusing to answer any questions from residents and refusing to implement a CPZ when evidence HAS been shown to you of atrocious parking issues with at least 50% of parking by non-residents in the daytime?

Response: Councillor Ricketts, Cabinet Member for Transport and Housing Delivery.

Ward Members have engaged local residents on a number of parking concerns within the Stoke ward. As part of this process, officers provided Ward Councillors with support around the process to explore the feasibility of a CPZ.

Due to the volume of schemes being considered at the time, officers advised that a proposal for a Stoke CPZ would, regrettably, have to wait the determination a couple of other schemes, schemes that had been approved to be subject to statutory Road Traffic Act consultation (formal consultation).

I understand that, in accordance with the previous current CPZ policy, residents were balloted on their views and support for a CPZ, and through meetings held by Ward Councillors that residents expressed support for a CPZ.

Officers have previously taken receipt of all completed ballot cards, for all CPZ schemes delivered to date. This enabled officers to confirm that ballot outcomes have achieved the requirements set out under the previous CPZ policy, that only persons/properties entitled to vote have, and that persons/properties have equally not been excluded. Regrettably, no ballot cards were provided to enable officers to verify such a ballot achieved the criteria as set out under the previous policy.

The Council approved a series of amendments to the Councils CPZ policy in February 2018, some of these amendments including some amendments to the criteria for a CPZ, together with the introduction some new processes. One of these new processes was centred at factually establishing the parking difficulties within a defined area, known as the 'fact find'. Upon a request for a CPZ officers gather various parking and travel information, such as the type, amount and availability of parking within an area, information obtained in order to both help understand any parking difficulties and to determine whether any parking difficulties meet the new criteria for considering a potential CPZ.

The new policy was published on 19th February 2018 and sets out the councils new CPZ policy and the process for requesting and considering CPZ's.

<http://web.plymouth.gov.uk/modgov?modgovlink=http%3A%2F%2Fdemocracy.plymouth.gov.uk%2FieDecisionDetails.aspx%3FID%3D3354>

Question submitted by: Ian Anderson

Can the transport councillor supply the statistics as to why Zone (R) should have restricted parking from 12 noon till 3 pm Monday to Saturday?
Who decided and how many people actually voted for these parking times, as I didn't see any papers come through my letter box about it.

Response: Councillor Ricketts, Cabinet Member for Transport and Housing Delivery.

Under the Road Traffic Act the Council is required to consult on changes to Traffic Regulation Orders, this includes any amendment to the current Traffic Regulation Order for Controlled Parking Zone R.

Proposals to amend the operational hours of Controlled Parking Zone R were advertised on 28th February 2017. This involved a notice placed in the local media, documents made available at First Stop on New George Street and notices displayed on the streets within zone R. These notices inform the public of the proposals and how to submit representations to the proposals. Notices were displayed for 21 days with the consultation expiring on 21st March 2017.

During the consultation period a total of 27 representations were received to these proposals. Having considered these proposals the decision of the Cabinet Member for Transport and Housing was to implement the decision; to amend the operational hours to apply Monday to Saturday 12pm to 3pm. The change became effective on 30th August 2017.

67. **Lord Mayoralty 2018-19**

Councillor Nicholson (Deputy Leader and Cabinet Member for Strategic Transport, Housing and Planning) presented the recommendations from the Lord Mayor Selection Committee, Councillor Evans OBE seconded the recommendations.

Following the vote, the Council agreed to approve the appointment of Councillor Sam Davey as Lord Mayor for the 2018/19 municipal year.

For the Motion (55)

Lord Mayor, Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, 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, Kelly, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Abstentions (0)

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

68. **Taxi Licensing Policy**

Councillor Riley (Cabinet Member for Licensing, HR, Democracy and Governance) proposed recommendations in respect of the Taxi Licensing Policy, Councillor Kelly seconded the proposals.

Councillor Rennie proposed an amendment, Councillor Mavin seconded the amendment. Following a debate and vote the amendment was lost.

For the amendment (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Winter, Wheeler and Mavin.

Against the amendment (27)

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

Absent / Did Not Vote (4)

Councillors Sparling, Martin Leaves, Mrs Leaves and Storer.

(Councillors Martin Leaves and Mrs Leaves were absent due to interests declared)

Following a debate and vote Council agreed to –

1. adopt the new Hackney Carriage and Private Hire Licensing Policy (attached at appendix A);
2. adopt the conditions and guidance documents attached at Appendix B to this report;
3. delegate to the Taxi Licensing Committee the authority to review and where necessary amend the said conditions and guidance documents.
4. delegate to the Monitoring Officer any consequential amendments to the constitution.

For the motion (27)

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

Against the motion (0)

Abstentions (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Winter, Wheeler and Mavin.

Absent / Did Not Vote (4)

Councillors Sparling, Martin Leaves, Mrs Leaves and Storer.

(Councillors Martin Leaves and Mrs Leaves were absent due to interests declared)

69. **Council and Committee Meetings 2018/19**

Councillor Riley (Cabinet Member for Licensing, HR, Democracy and Governance) proposed the Council and Committee Meeting Calendar for 2018/19, Councillor Nicholson (Deputy Leader) seconded the proposal. Following a vote Council agreed the Council and Committee Meetings 2018/19.

For the Motion (53)

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

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (3)

Councillors Foster, Sparling and Storer.

70. **Constitutional Amendments**

Councillor Riley (Cabinet Member for Licensing, HR, Democracy and Governance) proposed the Constitutional Amendments in relation to Contract Standing Orders (Procurement), Councillor Sam Leaves (Chair of Audit Committee) seconded the proposal. Following a vote Council agreed the changes to Contract Standing Orders.

For the Motion (54)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, 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, Kelly, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs Bridgeman, Riley, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

71. **Motions on notice**

(i) Probation Services

Councillor P Davey proposed and Councillor Evans OBE seconded a motion titled Probation Services.

Following a debate and vote the motion was lost.

For the motion (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Winter and Mavin.

Against the motion (28)

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

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

(ii) Tackling Homelessness in Plymouth

Councillor K Taylor proposed and Councillor Penberthy seconded a motion titled Tackling Homelessness in Plymouth.

Following a debate and vote the motion was lost.

For the motion (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Winter and Mavin.

Against the motion (28)

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

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

(iii) Chemical Agent Attack

Councillor Jordan proposed and Councillor Darcy seconded a motion titled Chemical Agent Attack.

Following a debate and vote Council agreed to –

- Instruct the CEO to write to the Prime Minister Theresa May supporting the strong action taken in relation to Russia over this very serious issue.
- Revoke any official invitations to the City to Russian Officials until this matter is resolved.

- Record its' overwhelming dismay that, despite support from MPs of all parties, Jeremy Corbyn failed to back the government's conclusion that the Russian State was culpable for the attempted murder of Mr Skirpal and his daughter.

For the motion (28)

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

Against the motion (0)

Abstentions (27)

Lord Mayor, Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Winter and Mavin.

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

(iv) Protecting Plymouth's Fishing Fleet

Councillor Riley proposed a motion as amended titled Protecting Plymouth's Fishing Fleet. Councillor Ian Bowyer seconded the motion.

Councillor Evans proposed an amendment, Councillor Coker seconded the amendment. Following debate and a vote the amendment was lost.

For the motion (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Winter and Mavin.

Against the motion (28)

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

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

Following a debate and vote council agreed to instruct the Chief Executive to write to the Secretary of State for Environment Food and Rural Affairs and request the following -

1. That following the UK leaving the EU the government commits to maintaining the subsidies that the fishing industry already receives from the EU, and,
2. Any agreement negotiated with the EU post Brexit must;
 - a. reject completely the Common Fisheries Policy,
 - b. return control of, access, policy and quotas relating to British waters, to the British Government, and
 - c. continue to commit to formally withdrawing from the 1964 London Fisheries Convention, which permits vessels from five European countries to fish within six and twelve miles of the UK's coastline the announcement of which was made in July 2017.

For the Motion (54)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, 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, Kelly, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wogens, Mrs Bridgeman, Riley, Mavin, Carson, Winter, Mrs Loveridge and Cook.

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

(v) Plan for Education – Representation

Councillor Evans OBE proposed and Councillor McDonald seconded a motion titled Plan for Education – Representation.

Following a debate and vote the motion was lost.

For the motion (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Winter and Mavin.

Against the motion (28)

Councillors Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drear, Fletcher, Foster, Fry, James, Jordan, Kelly, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wogens, Mrs Bridgeman, Riley, Carson, Mrs Loveridge and Cook.

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

(vi) Why the Government Should Fund the Re-cladding of Devonport's Tower Blocks

Councillor Stevens proposed and Councillor Coker seconded a motion titled why the Government should fund the re-cladding of Devonport's Tower Blocks.

Following a debate and vote the motion was lost.

For the motion (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Winter and Mavin.

Against the motion (28)

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

Abstentions (1)

Lord Mayor

Absent / Did Not Vote (2)

Councillors Sparling and Storer.

(vii) Conservative Government's failure to address South West rail resilience issues

Councillor J Taylor proposed and Councillor Coker seconded a motion titled 'Conservative Government's failure to address South West rail resilience issues'.

Following a debate and vote the motion was lost.

For the motion (26)

Councillors Aspinall, Bowie, Coker, Dann, S Davey, P Davey, Evans OBE, Hendy, Lowry, McDonald, Morris, Murphy, Parker-Delaz-Ajete, Penberthy, Rennie, Singh, Smith, Stevens, J Taylor, K Taylor, Tuffin, Tuohy, Vincent, Wheeler, Winter and Mavin.

Against the motion (28)

Councillors Ball, Mrs Beer, Bowyer, Mrs Bowyer, Churchill, Darcy, Deacon, Downie, Drean, Fletcher, Foster, Fry, James, Jordan, Kelly, Martin Leaves, Michael Leaves, Mrs Leaves, Dr Mahony, Nicholson, Mrs Pengelly, Ricketts, Wiggins, Mrs

Bridgeman, Riley, Carson, Mrs Loveridge and Cook.

*Abstentions (1)
Lord Mayor*

*Absent / Did Not Vote (2)
Councillors Sparling and Storer.*

72. **Questions by Councillors**

	From	To	Topic
1	Cllr Mrs Pengelly	Cllr Mrs Beer	Children's dental waiting list and Dental Champions.
2	Cllr Bowie	Cllr Jordan	New plans for St. Budeaux Library.
3	Cllr Carson	Cllr Ricketts	Blocked Gullies.
4	Cllr Bridgeman	Cllr Michael Leaves	Litter picking equipment.
5	Cllr Churchill	Cllr Michael Leaves	Alternative weekly collections.
6	Cllr Parker Delaz-Ajete	Cllr Riley	Internal Policies in relation to Domestic Abuse.
7	Cllr Darcy	Cllr Bowyer	Plymouth Science Park.
8	Cllr Vincent	Cllr Nicholson	Ward Councillor's involvement in a Photo / Publicity Opportunity.
9	Cllr James	Cllr Mrs Bowyer	Proposals for Health and Wellbeing Hubs.
10	Cllr Mrs Aspinall	Cllr Ricketts	Controlled Parking Zones.
11	Cllr Carson	Cllr Nicholson	Central Park.
12	Cllr Stevens	Cllr Ian Bowyer	Information sharing between the executive members and members of the Council.
13	Cllr Churchill	Cllr Ian Bowyer	Russian Flag flying at Exeter City Council.
14	Cllr Hendy	Cllr Nicholson	Polling Station Locations.
15	Cllr Murphy	Cllr Nicholson	Ward Councillor's involvement in a Photo / Publicity Opportunity.
16	Cllr Vincent	Cllr Ricketts	Flooding in Laira.

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

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City Council

Friday 18 May 2018

PRESENT:

Councillor Sam Davey, Chair.

Councillor Mavin, Vice Chair.

Councillors Mrs Aspinall, Ball, Mrs Beer, Bowie, Bowyer, Mrs Bowyer, Mrs Bridgeman, Buchan, Carson, Churchill, Coker, Corvid, Dann, Philippa Davey, Deacon, Derrick, Downie, Drear, Evans OBE, Fletcher, K Foster, W Foster, Goslin, Hendy, James, Johnson, Jordan, Kelly, Michael Leaves, Sam Leaves, Loveridge, Lowry, Dr Mahony, McDonald, Morris, Murphy, Neil, Nicholson, Parker-Delaz-Ajete, Penberthy, Mrs Pengelly, Rennie, Singh, P Smith, R Smith, Stevens, Jon Taylor, Kate Taylor, Tuffin, Tuohy, Vincent, Wheeler, Wiggins and Winter.

Apologies for absence: Councillors Cook and Darcy

The meeting started at 10.30 am and finished at 11.50 am.

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.

1. **To Elect the Lord Mayor and Deputy Lord Mayor for the Period up to the Next Annual Meeting**

Agreed that Councillor Sam Davey is elected Lord Mayor and Councillor Chris Mavin is elected Deputy Lord Mayor of the city for the ensuing year.

2. **Lord Mayor's Chaplin**

The Lord Mayor announced the appointment of Pastor Mike Symonds of Engage Plymouth, as his Chaplain.

3. **Presentation of Drake's Sword**

Warrant Officer David Halliday RM, on behalf of the Royal Navy, presented Drake's Sword to the Lord Mayor to symbolise the key links between the Royal Navy and the City of Plymouth.

4. **Vote of Thanks to the Retiring Lord Mayor and Deputy Lord Mayor**

Agreed that –

- I. the Council accords to Mrs Wendy Foster the sincere thanks of the Citizens of Plymouth for the invaluable services she has rendered to the City as Lord Mayor since May 2017, and for the able manner in which she has presided over the deliberations of the Council during that period;

2. the Council also expresses its indebtedness to Councillor Nick Kelly for his diligent and efficient discharge of the duties of Deputy Lord Mayor, and to Councillor Ken Foster as the Lord Mayor’s consort, and Mrs Helen Kelly as the Deputy Lady Mayoress, who have supported them during their year of office.

5. **To Agree the Leader of the City Council**

Agreed that Councillor Evans OBE is elected Leader of the City Council.

6. **To Note the Membership of the Cabinet**

The Council received the report of the Council Leader (Councillor Evans OBE) which advised that the Cabinet would comprise the following Members –

Portfolios	Cabinet Members
Deputy Leader	Councillor Peter Smith
Children and Young People	Councillor Sue McDonald
Customer Focus and Community Safety	Councillor Sally Bowie
Education, Skills and Transformation	Councillor Jon Taylor
Environment and Street scene	Councillor Sue Dann
Finance	Councillor Mark Lowry
Health and Adult Social Care	Councillor Ian Tuffin
Housing and Co-operative Development	Councillor Chris Penberthy
Strategic Planning and Infrastructure	Councillor Mark Coker

Agreed that the membership of Cabinet is noted.

7. **To Agree Committees and their Members and Appoint Chairs and Vice Chairs**

A schedule of the nominations to committees, joint committees, panels etc was submitted.

Agreed that approval is given to the appointments to committees, joint committees, panels etc and their chairs and vice chairs for the transaction of the business of the Council until the next Annual Meeting as set out in the list circulated.

8. **To Nominate or Appoint Representatives to Outside Bodies**

A schedule of the nominations to outside bodies was submitted.

Agreed that approval is given to the appointments and nominations of councillors and others as representatives on outside bodies as indicated.

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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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CABINET – 5 JUNE 2018 - MINUTE 8

Corporate Finance Monitoring

Report Q4 and Outturn



Councillor Mark Lowry (Cabinet Member for Finance) introduced the Corporate Finance Monitoring Report, quarter 4 and outturn. Councillor Lowry highlighted that it was a challenging time for all local authorities in the face of reducing central government grants. Councillor Lowry further highlighted that –

- there had been an overspend on the 2017/18 budget;
- there had been non-delivery of savings targets;
- there would be a root and branch review of the current budget position.

Cabinet agreed to –

1. Note the provisional outturn position as at 31 March 2018;
2. Note the use of capital receipts - £1.085m - to write down Minimum Revenue Provision (MRP);
3. Note the use of £1.326m section 106 agreements to ensure a balanced budget position is achieved in 2017/18;
4. Note the Capital Report including the Capital Financing Requirement of £98.963m;
5. Undertake a review of the section 106 obligations and review the use of capital receipts to balance the budget for 2017/18, how they may be used in the 2018/19 financial year and what other options may be available;
6. Undertake a full review of the council's finances to understand where financial pressures currently are.

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Subject:	Financial Outturn 2017/18 - including Capital Programme (Subject to External Audit)
Committee:	City Council
Date:	25 June 2018
Cabinet Member:	Councillor Lowry
CMT Member:	Andrew Hardingham, Interim Strategic Director for Transformation and Change
Authors:	Paul Looby, Head of Financial Planning and Reporting Hannah West, Business Partner (Finance)
Contact details:	Tel: 01752 307271 Email: paul.looby@plymouth.gov.uk Tel: 01752 305171 Email: hannah.west@plymouth.gov.uk
Key Decision:	No
Part:	I

Purpose of the Report:

This report is the outturn report for 2017/18 and details the financial position of the Council as at the end of March 2018.

The Council's gross revenue budget for 2017/18 was £514.145m which after allowing for income and grant was £183.883m. The financial outturn position before any adjustments is an overspend of £2.411m against the budget set in February 2017. Assuming the transfers to and from reserves and making use of capital receipts as proposed in the report are approved, a breakeven position will be declared i.e. an outturn of £186.294m.

As is normal practice, this report proposes a number of adjustments to the financial accounts following the financial review always undertaken by the Section 151 Officer at the end of the year. Decisions made as part of this report will feed into the Council's annual Statement of Accounts which is subject to external audit. The external audit is expected to commence in June 2018 with the final accounts approved and signed off by our external auditors at the end of July 2018.

As at 31 March 2018 the Working Balance stands at £9.167m and the final Capital outturn position is £98.963m. The Working Balance represents 5% of the net revenue budget which remains at the 5% recommended minimum as set out in the budget approved by Council.

The Corporate Plan 2016/17-2018/19

This outturn report is fundamentally linked to delivering the priorities within the Council's Corporate Plan and sets out how the Council has allocated its limited resources to key priorities to maximise the benefits to the residents of Plymouth.

Implications for Medium Term Financial Strategy and Resource Implications

The overall outturn position is break even against our gross budget of £514.145m which is testament to the robust financial management and discipline across all areas of the Council.

Given the size of the financial challenge faced for 2017/18, with a total savings target of £18.290m, balancing the budget, albeit using one off additional funds, is a major achievement for the Council. This was an essential objective due to the continuing reduction in funding from central government and an even more financially challenging 2018/19. Of the £18.290m savings target, over £10.000m was delivered through Transformation.

A range of financing options are available in order to balance the budget and ensure working balances are maintained at 5% of the net revenue budget. By using £1.085m of capital receipts and £1.326m derived from section 106 agreements the Council has protected its General Fund Balance.

The Medium Term Financial Strategy (MTFS) will now be updated to take account of the outturn position as detailed in this report.

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

In considering the budget variations for the year, Directors will identify any potential risks to delivering the budget in future years and risk assess the delivery of approved budget savings in 2017/18. These will be monitored as part of the corporate reporting process.

All actions taken as part of the Corporate Adjustments have been considered for their impact on: council priorities, legal obligations, customers and other services and partners.

Equality and Diversity

We have given due-regard to our Public Sector Equality Duty for all relevant managers.

Recommendations and Reasons for Recommended Action

1. Note the provisional outturn position as at 31 March 2018
 2. Note the use of capital receipts - £1.085m - to write down Minimum Revenue Provision (MRP).
 3. Note the use of £1.326m section 106 agreements to ensure a balanced budget position is achieved in 2017/18.
 4. Note the Capital Report including the Capital Financing Requirement of £98.963m.
-

Alternative Options Considered and Rejected

None considered as it is a statutory requirement to report on the use of the Council’s budget funds.

Published Work / Information

- The Local Government Act 2003
- The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2015
- Capital Financing Regulations (2012)
- 2017/2018 Annual report

Sign off

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Originating CMT Member: Andrew Hardingham													
Have the Cabinet Members agreed the contents of the report? Yes													

Plymouth City Council

Finance Monitoring – 2017/18

Quarter 4 Outturn at 31 March 2018

1. Introduction

- 1.1 This report reviews the Council's financial performance for the year ended 31 March 2018.
- 1.2 The provisional outturn position (subject to external audit review) for 2017/18 is showing a breakeven position after the application of reserves, capital receipts and section 106 agreements. This outturn position needs to be seen in context of the financial challenges the Council faced during the year.
- 1.3 Despite significant pressures within Social Care due to increasing demands arising from demographic growth and complex client needs a small underspend has been declared within People Directorate which will compare favourably with other Unitary and Upper Tier authorities. However, caution needs to be exercised when making comparisons as budgets for 2017/18 were developed from widely differing starting points.
- 1.4 Within the Place Directorate identified pressures within Waste Services and Fleet and Garage have been managed by identifying savings and maximising income across Directorate. Where pressures have been identified earlier in the year decisions were made to address some of these challenges to assist the Council and reaching this position.
- 1.5 Further details of the main variations are contained within section A of this report.
- 1.6 It is appropriate, given the financial challenges facing the Council in the next financial year and the medium term, that as part of reporting the final position for 2017/18 further consideration is now given to future levels of the Working Balance and reserves. As is normal practice at this time of year, the Chief Finance Officer, the Interim Strategic Director for Transformation & Change is recommending adjustments to provisions and reserves within the report. Full details of the Council's reserves and provisions will be set out within the Statement of Accounts.
- 1.7 The outturn figures will now feed into the Council's formal Statement of Accounts, which will include the Balance Sheet position. The Accounts and Audit Regulations 2011 require the Interim Strategic Director for Transformation & Change, as the Council's Section 151 Officer, to formally approve the Accounts by 31 May 2018, a month earlier than last year. The External Auditor is required to audit the accounts by 31 July 2018 – the statutory deadline for their publication; the Audit Committee will be formally asked to approve the final accounts for the year following completion of the audit.
- 1.8 This report contains the following sections and appendices:-
- **Section A** **Revenue Finance Outturn 2017/18**
 - **Section B** **Capital Programme Outturn 2017/18**
 - **Appendix A** **Revenue Outturn Variances 2017/18**

- I.9 Full details of how we have allocated our financial resources to our priorities are set out in our 2017/2018 Annual report. The Annual Report summaries how we are delivering the priorities for Plymouth.

- I.10 It sets out what we aim to achieve going forward and details what we achieved during 2017/18 despite the financial challenges we are facing including the creation of more jobs and homes for the city and our ambitious capital investment.

SECTION A: REVENUE FINANCE OUTTURN**2. Revenue Finance Outturn 2017/18**

- 2.1 Council approved a gross revenue budget of £514.145m with a net revenue budget of £183.883m for 2017/18 at its meeting on 27 February 2017. Table I below provides a summary of the Council's overall revenue expenditure and compares the provisional outturn (subject to Audit) with the latest approved budget.
- 2.2 The finance outturn position, before any adjustments, shows an overspend of £2.411m which is a 1.31% variance. The outturn position needs to be considered in the context of a challenging financial climate and the continuation of the Government's austerity programme with respect to public finances. In 2017/18 the Council has managed a £18.290m savings programme in addition to increasing service demands and customer expectations. In addition increased pension costs have arisen due to reducing workforce numbers and pressures have been experienced within housing benefit subsidy and recovery of overpayments.

Table I End of Year Revenue Outturn by Directorate.

Directorate	2017/18 Gross Expenditure	2017/18 Gross Income	2017/18 Council Approved Net Budget	2017/18 Budget Virements	2017/18 Latest Budget	2017/18 Outturn	Year End Over / (Under) Spend
	£m	£m	£m	£m	£m	£m	£m
Executive Office	3.852	(0.224)	3.628	(0.025)	3.603	3.603	0.000
Corporate Items	8.153	(7.081)	1.072	(3.352)	(2.280)	0.371	2.651
Transformation and Change Directorate*	154.263	(121.576)	32.687	3.683	36.370	36.215	(0.155)
People Directorate	253.558	(131.010)	122.548	(0.049)	122.499	122.449	(0.050)
Office for the Director of Public Health	19.731	(19.531)	0.200	(0.015)	0.185	0.176	(0.009)
Place Directorate	74.588	(50.839)	23.749	(0.242)	23.507	23.481	(0.026)
TOTAL	514.145	(330.262)	183.883	0.000	183.883	186.294	2.411

*Transformation and Change Directorate includes the Councils Treasury Management activities which are subject to a separate outturn report considered by Audit Committee.

- 2.3 The following proposals have been actioned to reach a breakeven position for the Council.
- use of capital receipts - £1.085m; to reduce the MRP budget.
 - use of funds from section 106 agreements - £1.326m.
- 2.4 Full details of outturn position by Directorate are shown in Appendix I. Further details for other adjustments and reserve movements are set out in section 5 of the report.
- 2.5 Across the Council, management actions to reduce the potential of an overspend being incurred over the last months of the financial year included a review of all discretionary spend and delayed expenditure wherever possible.
- 2.6 Given the timetable to produce the accounts, both PCC and N.E.W. Devon CCG have agreed to formalise the financial position as shown in Table 2 for the Plymouth Integrated Fund.

Table 2 Plymouth Integrated Fund

Plymouth Integrated Fund	Section 75 indicative position	2017/18 Latest Budget	Forecast Outturn	Forecast Year End Over / (Under) Spend
	£m	£m	£m	£m
N.E.W. Devon CCG – Plymouth locality	331.000	337.479	337.283	(0.196)
Plymouth City Council	131.000	253.298	253.461	0.163
TOTAL	462.000	590.777	590.744	(0.033)

*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).

3. Analysis of the Final Outturn Position by Directorate

Executive Office

- 3.1 This service area has recorded a balanced position for the year arising mainly as a consequence of controlling costs and receiving additional income from the Torbay DfE funding..

Corporate Items

- 3.2 Corporate items is showing an overspend position for the year of £2.651m. The key variations are;
- 3.3 Pension pressure of just over £0.300m, and non-delivery of previous savings targets totalling £1.800m, which includes; Staff Travel, Customer Service Transformation, Procurement, Commercialisation and Asset Management. Due to other underspends this brings the pressure down by £0.800m.
- 3.4 The reduction in the Education Services Grant (ESG) totalling £1.325m which has also resulted in an associated overspend in statutory services previously funded from this grant, is also shown here. This follows a decision for this pressure to be held corporately, instead of in the People Directorate. The ESG had been used to fund legacy pension costs inherited when Plymouth became a Unitary Authority in 1998.
- 3.5 By making use of capital receipts, and section 106 agreements these pressures will be addressed enabling a balanced budget to be achieved.

Transformation and Change

- 3.6 Transformation and Change Directorate is showing a small underspend of £0.155m at year end. Majority of this is within Finance, who delivered a £0.892m underspend, due mainly to the application of capital receipts to the Minimum Revenue Provision (MRP) as part of the Council's Treasury Management activities.

- 3.7 Human Resources (HR) & Organisational Development (OD) also delivered an underspend of £0.304m following vacancy savings being captured. Legal Services also generated a small underspend of £0.004m following efforts to generate additional income.
- 3.8 Transformation has ended 2017/18 with a pressure of £0.166m. This needs to be viewed with the backdrop of the service area picking up a significant in-year efficiency target with Smart Working and the decision to decentralise this service to enable bigger savings to be captured corporately.
- 3.9 Customer Services is also showing a pressure of over £0.600m as forecasted due to Housing Benefit subsidy shortfall and the requirement to further top up the bad debt provision. This was identified in the first half of the year and efforts made to reduce this pressure from growing. This will continue to be a pressure to the Council as the rollout of Universal Credit will make it increasingly more difficult for the Council to recover overpayments.
- 3.10 There is also a risk that pressure on welfare provisions will increase as Universal Credit continues to be applied.
- 3.11 The Departmental budget also shows a pressure of £0.245m as it holds Directorate wide legacy pressures from previous years.
- 3.12 Delt was again set the challenge of delivering efficiencies of £0.400m which was built into the base budget and achieved in full as part of the outturn position. Despite this the ICT budget shows a small pressure of £0.018m due to necessary stock write off.

People Directorate

- 3.13 The Children Young People and Families (CYPF) Service are reporting an adverse outturn position of £0.157m.
- 3.14 The overall CYPF overspend can be attributed to the increased cost and volume of looked after children's placements. Despite these increased costs, the department has made significant one off savings in year with good progress through the management-challenge & support sessions and budget containment meetings.
- 3.15 Early in-year monitoring identified the increasing costs of placements, with increases effective during 2017/18 showing 16.59% uplifts. The department has been working throughout the year to contain and cover pressures from other savings; however as we reached the third quarter a budget virement was agreed of £1.000m, effectively increasing the children's services budget for the current year, by making use of corporate funding solutions. This cost pressure has been identified going forward into future years and as such the MTFs additional funding has been increased from the original £2.000m to £3.200m.
- 3.16 The national and local context for children's placements is extremely challenging, with increasing difficulties in securing appropriate, good quality placements. High demand and limited supply of placements, a tightening of Ofsted requirements, as well as initiatives such as the introduction of the National Living Wage, have all led to an increase in the unit costs of placements. 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.
- 3.17 The detail of this final outturn position for CYPF includes:
- 3.18 Ongoing 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 also underway to review all placements in order to reduce the pressure on cost and volume where appropriate going forward.

- 3.19 Commissioners continue to work with colleagues in the peninsula to increase the sufficiency and quality of placements available. Since 2012 when there were 2 residential placements available in the city we now have 14 placements, and we expect this to continue to increase with two solo homes due to be registered in spring 2018.
- 3.20 Activity includes:
- Peninsula Fostering tender – new contracts begin 1st April 2018. The contracts require a breakdown and justification of any additional fees and all providers had to submit a breakdown of their core placement fees as part of the tender, to enable greater transparency of price. The contract also includes clear expectations around Staying Put arrangements. From the age of eighteen young people are no longer legally ‘in care’ or ‘looked after’ and therefore fostering arrangements and legislation relating to children placed with foster carers no longer applies. In circumstances where a young person remains with their former foster carer/s after their eighteenth birthday, the arrangement should therefore be deemed a “Staying Put” arrangement. Once the child reaches the age of eighteen and legal adulthood, the local authority is no longer making a placement, but facilitating a “Staying Put” arrangement for the young person.
 - Residential block contract – the residential block contract has been implemented from 1st March 2018. The tender secured 12 beds initially in or within 20 miles of Plymouth, with the option to develop new provision as needed during the lifetime of the contract. Since 1st March an additional two bedded home in Plymouth has been added to the contract; this provision is already being used by Plymouth young people. The prices on the contract are between 5% and 7% lower than market rates. A multi-agency group (including Finance representation) is in place to ensure the effective running of the contract and to minimise any voids.
 - Peninsula – Alternative provision for high risk children. The Peninsula local authorities are jointly funding a scoping exercise in relation to meeting the needs of children and young people with high risk behaviours, who don’t meet the threshold for Tier 4 or Welfare Secure, but are beyond the capability of a traditional children’s home.
 - Devon is leading this work on behalf of the Peninsula, and this includes a consideration of establishing a new provision, able to offer crisis/emergency care with highly skilled staff able to manage significant risk. This work also relates to the Devon-wide STP work stream in relation to “Young people whose needs we struggle to meet as a system and who present in crisis”. Key dates: Scoping report due spring 2018.
- 3.21 The Strategic Commissioning service is reporting a year end favourable position of £0.154m - a reduction of £0.154m from the predicted breakeven balanced budget at month 11. Throughout the year, there has been a steady increase in clients, especially around Domiciliary Care and Supported Living, which has had the effect of significant cost increases on those two areas. Additional client contributions through the year balanced out those costs and further savings on the salary lines helped to deliver the year end underspend reported.
- 3.22 As part of this year end position, Strategic Commissioning has achieved its target of delivering over £5.2m of savings in the current year. Although some of the savings are one-off, plans are in place for 2018/19 to replace with sustainable savings.
- 3.23 People Management & Support budget achieved a minor underspend of £0.004m

- 3.24 Education, Participation and Skills are also reporting a minor underspend of £0.034m due to a small variation within the home to school transport budget. This needs to be seen with the understanding that the shortfall in ESG of £1.325m was agreed to be dealt with corporately.
- 3.25 As part of the MTFs for 2017/18, Community Connections made savings of £0.500m to contribute to the £7.117m Directorate target, resulting in a minor underspend of £0.014m.
- 3.26 Average nightly Bed and Breakfast (B&B) placements for 2017/18 were 53.7 compared to budget for 28. The B&B cost pressure was £0.675m for increased demand during year, this included impact of higher nightly costs, introduction of Universal Credit and increasing accommodation needs for families. This pressure was contained by a number of one off actions including use of grant monies and targeted management action. Action is ongoing to limit the ongoing cost pressure of homelessness through lower placements and prevention work.

Office of the Director of Public Health (ODPH)

- 3.27 The Public Health Directorate has achieved an underspend of £0.009m at year end, despite a cut of £0.398m to the Public Health grant funding. The revenue funded services - Public Protection and Civil Protection is where the underspend was achieved whilst also contributing £0.070m to the People directorate.

Place Directorate

- 3.28 Strategic Planning and Infrastructure (SP&I) underspent by £0.327m. Capitalisation of salaries and spend savings have been the main contributors. This has been possible despite major planning application and pre-application income activities remaining weak, however, building control fees have performed well. The projected concessionary fares savings and delayed recruitment has also contributed to off-setting the planning application fee downturn. The remaining public examination costs for the Plymouth and South West Devon Local Plan will now be incurred in 2018/19 although the total costs still remain unknown.
- 3.29 Departmental Management was part of the £0.405m efficiency savings target achieved elsewhere in Directorate.
- 3.30 Income generation from Asset Investment Fund acquisitions has enabled a number of expected spend pressures within Economic Development to be met. This included enabling the removal of the Corporate Landlord budget savings target for Museums "mothballing", and containing an overall MTV net cost.
- 3.31 The New Homes Bonus target has already been achieved for 2017/18.
- 3.32 Street Scene & Waste outturn is £0.007m underspend. The street scene and waste service has delivered significant savings within year via an extensive street cleansing and waste modernisation programme. Additional resources totalling £0.500m were added during the year.
- 3.33 Fleet and Garage outturn came in as a £0.775m adverse. This has been reported throughout the year and is due to undeliverable savings targets, including legacy savings of £0.607m. The budget has been rebased for 2018/19 and these legacy targets have been removed.
- 3.34 Highways and Car Parking Outturn shows a favourable variation of £0.336m, of this £0.050m is due to capitalisation of the SSIMS project costs and £0.195m of additional income from the Car Parking trading account. £0.090m was due to the realignment of Amey to South West Highways (SWH).

3.35 Street Services Overheads shows a pressure of £0.163m.

4. Other Financial Performance

4.1 In addition to the financial outturn reports within this report there were a range of other significant performance achievements which have contributed to the year-end position. In-year collection targets are set for our Council Tax, Business Rates, Commercial Rent, and Sundry Debt Income including our Trade Waste Income. The 2017/18 revenue budget was based on the achievement of the required targets.

4.2 We continue to increase our collection rates in core income streams and explore alternative ways of making further improvements. For example, we created a new team within existing resources to focus on recovering debt due to the Council with a specific focus on reducing housing benefit over payments.

4.3 Some Key Indicators are:

- The Miscellaneous Debt Management Team raised invoices to the total value of £110.000m in 2017/18 compared with £103.000m in 2016/17, collecting 96.87% of this debt within 30 days (96.9% in 2016/17) against a target of 95%.
- 96.9% of Council Tax collected against a target of 98.5% (16/17 = 96.9%).
- 99.3% of NNDR collected against a target of 98.0% (16/17 = 99.1%).
- Average borrowing rate of 2.38% was achieved against target of 3.54% (16/17 = 2.61%).
- Average investment return of 1.34% was achieved against target of 1.3% (16/17 = 1.7%).
- 98.4% of all supplier invoices were paid within 30 days against a target of 99%.
- VAT partial exemption at 3.41% against a target of 5% (16/17 = 4.6%).
- 53.4% of the Council's spend was incurred businesses within the "PL" post code against target of 55% (16/17 = 56%).

Transformation – Flexible Use of Capital Receipts

4.4 As part of the Spending Review in 2015, the Government announced it would introduce flexibility for local authorities to use capital receipts to fund the revenue costs of service reforms and transformation. This included set up or implementation costs that generated future ongoing savings through services transformation, reducing costs and improving the quality of service delivery.

4.5 During 2017/18 the Transformation Portfolio delivered in excess of £10.000m worth of reoccurring savings, via three Programme strands that covered all aspects of the Council. The cost incurred to enable delivery totalled just under £3.000m which was funded from capital receipts as part of the Flexible Use of Capital Receipts.

4.6 The table below shows the net position for each programme.

Table 3 Transformation Programmes

Programme	Reoccurring Savings	Resource Costs	Net Savings
	£m	£m	£m
GAME	3.061	0.915	2.146
Transformation of the Corporate Centre	3.468	0.824	2.644
Integrated Health and Wellbeing	3.945	0.992	2.953
TOTAL	10.474	2.731	7.743

- 4.7 **GAME Programme:** This programme focused predominantly on modernisation of services including collection and disposal of waste. It paid particular attention to implementing Alternative Weekly Collections, rerouting the vehicles and investing in technology to enable quicker response times and more accurate charging. It also covered a strategic asset review that enabled Estate Rationalisation, and partnership working on One Public Estate (OPE). This delivered reoccurring savings of £3.061m.
- 4.8 Resource costs equated to £0.915m, this included the use of a Programme Manager, four project managers, four project support officers, an architectural technologist, a cost manager, two business change advisors and four business analysts.
- 4.9 **Transformation of the Corporate Centre:** This programme concentrated on service reviews to deliver cross cutting savings. Areas that underwent a review included Registration services, Library service, Finance Department and Legal Services. This enabled development of technology and digital focused solutions to improve efficiency and create shared services wherever possible. This delivered reoccurring savings of £3.468m.
- 4.10 Resource costs equated to £0.824m, this included the use of a Programme Manager, Business Transition manager, five project managers, three project support officers, two business analysts, and architectural technologist support.
- 4.11 **Integrated Health and Wellbeing:** This programme centred around working in partnership with the Clinical Commissioning Group (CCG), to improve services available to children and young people. Focus was on reviewing contracts, seeking economies of scale and ensuring value for money. This delivered reoccurring savings of £3.945m.
- 4.12 Resource costs equated to £0.992m, this included the use of a Programme Manager, a Communications Lead, five project managers, two project support officers, a business change advisor, four business analysts and a business architect.

5. 2017/18 Financial Review

- 5.1 As part of consideration of the outturn position, and before officially closing the accounts, it is necessary to review the Council's overall financial position, looking not only at the general fund revenue outturn position for the year, but reviewing the adequacy of reserves and provisions in the light of financial liabilities identified over the short to medium term. Decisions made feed into the Council's statutory Statement of Accounts which is subject to external audit.

5.2 As an integral part of the financial review the Interim Joint Strategic Director for Transformation & Change - Finance and Corporate Management Team (CMT) are recommending the following corporate adjustments.

a. Release of Capital Receipts

5.3 Local authorities have an option that part or all of the MRP payment could be funded from capital receipts. This is reflected in the MRP strategy and capital receipts to the value of £1.085m have been applied to ensure a balanced budget position is achieved in 2017/18.

5.4 Full details of the Council’s Reserves and Provisions will be set out within the Statement of Accounts for 2017/18.

b. Use of Section 106 Agreements

5.5 As reported to Cabinet in quarter 3 budget monitoring report, due to the significant budget pressures and demands placed upon services, an innovative approach to generate new resources and support the revenue budget has been identified through the use of section 106 agreements. To ensure a balanced budget is achieved in 2017/18 £1.326m of section 106 agreements has been applied to offset the outturn overspend.

Working Balance

5.6 The Working Balance as at 31 March 2018 is £9.167m. This represents 5% of the net revenue budget which remains at the 5% recommended minimum approved within the MTFS.

Table 4 Working Balance

	March 2017	MTFS adjustment	March 2018
	£m	£m	£m
Working Balance	9.351	(0.184)	9.167

Schools Balances

5.7 At the end of the year there was a total of £3.747m unspent monies against schools’ delegated budgets and other reserves. The main reasons why schools hold balances are:

- Anticipation of future budget pressures usually arising from pupil number variations.
- To provide for the balance of Government grants paid during the financial year (April–March) which cover expenditure occurring across the academic year (September – August).

5.8 There are two nurseries and three maintained schools with deficit balances included in this overall figure above, with a combined deficit of £0.514m. There are currently no implications to Plymouth City Council for this deficit as these are offset by the schools with a surplus balance.

Recommendations

That Cabinet:-

1. Note the provisional outturn position as at 31 March 2018.
2. Note the use of capital receipts - £1.085m - to write down MRP to ensure a balanced budget position is achieved in 2017/18.
3. Note the use of section 106 monies - £1.326m to ensure a balanced budget is achieved in 2017/18.

SECTION B: CAPITAL PROGRAMME OUTTURN 2017/18**6. Capital Programme outturn 2017/18**

6.1 The capital programme outturn position for 2017/18 is £98.963m. This is shown by Directorate in Table 5 below. This is within the approved Capital Budget of £674.640m reported to Full Council in February 2018.

Table 5 Capital Outturn 2017/18

Directorate	Latest Forecast December 2017	Re-profiling	Approvals post December	Variations & virements	2017/18 Outturn	Variance	%
	£m	£m	£m	£m	£m	£m	
Place	92.560	(11.272)	2.796	(0.224)	83.860	(8.700)	90.6
People	9.601	(1.153)	1.013	(0.744)	8.717	(0.884)	90.8
Transformation & Change	4.095	(0.846)	0.335	0.071	3.655	(0.440)	89.3
Office for the Director of Public Health	0.000	0.000	0.000	0.000	0.000	0.000	0.0
CAPITAL PROGRAMME	106.256	(13.271)	4.144	(0.897)	96.232	(10.024)	90.6
Efficiency Strategy	0.000	0.000	2.731	0.000	2.731	2.731	
TOTAL CAPITAL PROGRAMME	106.256	(13.271)	6.875	(0.897)	98.963	(7.293)	

6.2 The 2017/18 programme outturn of **£98.963m** has enabled investment in some notable schemes, including:

- **£36.137m** Asset Investment acquisitions including:
 - £3.074m Coburg House
 - £7.331m Next
 - £20.303m Royal Mail Site
- **£2.539** Strategic Property Acquisitions for regeneration and housing development including:
 - £1.678m Colin Campbell Court
 - £0.585m Bath Street
- **£11.563m** Derriford Transport Scheme
- **£7.989m** for the redevelopment of the City Museum and Library into the 'The Box'
- **£5.875m** Highway maintenance and essential engineering
- **£3.283m** of Basic Need works in Plymouth schools to allow for increasing capacity trajectories
- **£0.339m** improving the condition of Plymouth schools

- **£2.592m** for Disabled Facilities Grant works
- **£1.896m** maintaining corporate and heritage assets
- **£1.008m** ICT provision, upgrading and creating new capabilities for ICT infrastructure

6.3 The year-end position highlights **£13.271m** of re-profiling of schemes into 2018/19. This is spend which was scheduled to be delivered in 2017/18, but is now forecast to be delivered in 2018/19. Explanations for the most significant project re-profiling are given below:

- **(£0.761m) Oceansgate**
Work has been continuing to deliver the South Yard Oceansgate site. A delay in awarding the Balfour Beatty contract for infrastructure works and delays in completing legal agreements with local landowners has resulted in the 2017/18 anticipated works being delivered in 2018/19.
- **(£1.524m) Asset Investment Fund**
On-going negotiations over the structure and terms of the acquisitions, and also additional unforeseen circumstances such as adverse weather conditions resulting in construction delays for the Langage and Next sites has meant that these projects have required slight re-profiling.
- **(£0.616) The Box**
At the time of the latest capital programme approval (December 2017) it was anticipated that 2017/18 spend would be £8.605m. However, there was a contractual delay that caused a delay to the refurbishment of the museum. This was caused by the Mechanical and Electrical layout being revised by Events Communication to cater for Exhibition. This has resulted in the need to re-profile £0.641m worth of spend from 2017/18 into 2018/19.

Capital Financing 2017/18

6.4 The table below shows the final financing of the 2017/18 programme.

Table 6 Financing of 2017/18 Capital Programme

Method of financing	Un ring-fenced £m	Ring – fenced £m	Total £m
- Capital receipts	(0.003)	2.099	2.096
- Grants (e.g. gov't, HLF, LEP, Environment Agency)	6.325	22.704	29.029
- Internal PCC Balance Sheet Funds	0.100	0.000	0.100
- Contributions, S106 & CIL	0.031	0.671	0.702
- Direct Revenue Funding from service areas	0.000	0.295	0.295
- Borrowing:			
- Corporately funded	17.351	0.000	17.351
- Service revenue budget funded	0.000	41.576	41.576
- External Borrowing	0.000	5.083	5.083
CAPITAL FINANCING 2017/18	23.804	72.428	96.232
- Flexible Use of Capital Receipts	0.000	2.731	2.731
TOTAL CAPITAL FINANCING 2017/18	23.804	75.159	98.963

- 6.5 **Service Borrowing:** Service departments will make a revenue contribution for their borrowing based on the amount of the loan, the interest rate and the life of the individual assets. The interest cost is calculated using interest rates provided by the Treasury Management Team and is based on the term of the borrowing. The interest rates are fixed for the full term of the borrowing so that the service knows the full cost of borrowing.
- 6.6 The service would cover the cost of borrowing from the benefits gained once the scheme has been completed and commissioned. There should therefore be no additional cost to service budgets as the budgets will receive both the benefits derived and cost of debt financing.
- 6.7 **Corporate Borrowing:** Corporately funded schemes are charged to the Treasury Management budget. Over recent years the cost of such schemes has been absorbed into that cost centre. However, this is unsustainable going forward. A provision of £0.400m has been included in the 2018/19 revenue budget with further provisions included within the MTFs but these will have to be reviewed each year as the projects are completed.

Revised Capital Programme 2018 – 2022

- 6.8 The table below sets out the revised capital programme for the 2018 – 2022 period:

Table 7 Revised Capital Programme

Directorate	2018/19 Forecast	2019/20 Forecast	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	Total Programme
	£m	£m	£m	£m	£m	£m
Place	115.858	52.476	8.484	2.000	2.000	180.818
People	6.655	0.242	0.177	0.177	0.000	7.251
Transformation and Change	8.245	1.112	0.984	0.000	0.000	10.341
Office for the Director of Public Health	0.000	0.000	0.000	0.000	0.000	0.000
TOTAL	130.758	53.830	9.645	2.177	2.000	198.410

Recommendations

That Cabinet:-

- I. Note the Capital Report including the Capital Financing Requirement of £98.963m

REVENUE OUTTURN VARIANCES MARCH 2018

APPENDIX A

DEPARTMENTS	2017/18 Gross Expenditure December	2017/18 Gross Income December	Latest Approved Final	Outturn	Outturn Variation
	£'000	£'000	£'000	£'000	£'000
Chief Executives Office	3,020	(145)	2,875	2,875	0
Business Support	807	(79)	728	728	0
Total Executive Office	3,827	(0,224)	3,603	3,603	0,000
Other Corporate Items	8,335	(7,263)	(2,280)	371	2,651
Total Corporate Items	8,335	(7,263)	(2,280)	371	2,651
Finance	26,216	(5,544)	20,672	19,780	(892)
Legal	2,974	(932)	2,042	2,038	(4)
Customer Services	116,279	(111,630)	4,649	5,265	616
Human Resources & OD	2,065	(58)	2,007	1,702	(304)
Departmental Management	(263)	0	(263)	(18)	245
Transformation	3,035	(2,789)	245	411	166
ICT	6,898	(425)	6,473	6,491	18
Electoral Function	547	(2)	545	545	0
Total Transformation and Change	157,750	(121,380)	36,370	36,215	(0.155)
Children, Young People, Families	39,477	(3,439)	36,038	36,195	157
Strategic Comm Adult Soc Care	105,273	(31,220)	74,053	73,899	(154)
Education Participation Skills	104,359	(94,747)	9,612	9,578	(35)
Community Connections	4,185	(1,604)	2,581	2,567	(14)
Management and Support	214	0	214	209	(5)
Total People Directorate	253,509	(131,010)	122,499	122,449	(0.050)
Economic Development	14,621	(13,228)	1,393	731	(662)
Strategic Planning	13,544	(3,539)	10,006	9,679	(327)
Street Services	45,662	(28,875)	16,787	17,382	595
Departmental Management	518	(5,196)	469	835	366
GAME Transformation	0	0	(5,146)	(5,146)	(0)
Total Place Directorate	74,346	(50,839)	23,509	23,481	(0.026)
Public Health	16,427	(16,029)	398	398	0
Operational and Development	238	(55)	184	190	7
Trading Standards	436	(17)	419	394	(25)
Environ Health (Food & Safety)	432	(34)	398	377	(20)
Bereavement Services	1,122	(2,811)	(1,689)	(1,689)	0
Licensing	306	(408)	(102)	(76)	26
Environmental Protection	580	(165)	415	436	21
Civil Protection Unit	189	(26)	163	145	(18)
Total Office of Director of Public Health (ODPH)	19,731	(19,546)	185	176	(0.009)
Total General Fund budget	514,145	(330,261)	183,883	186,294	2,411

PLYMOUTH CITY COUNCIL

Subject:	Plymouth and South West Devon Joint Local Plan – Delegation of Consideration of Main Modifications.
Committee:	City Council
Date:	25 June 2018
Cabinet Member:	Councillor Coker
CMT Member:	Anthony Payne (Director for Place)
Author:	Richard Grant (Local Planning Manager)
Contact details	Tel: 01752 304331 email: richard.grant@plymouth.gov.uk
Ref:	
Key Decision:	n/a
Part:	I

Purpose of the report:

The Plymouth and South West Devon Joint Local Plan has been prepared jointly between Plymouth City Council, South Hams District Council and West Devon Borough Council.

The Joint Local Plan (JLP) has reached an advanced stage of preparation. In July 2017 it was formally submitted to the Secretary of State for examination. The formal hearing sessions into the Joint Local Plan commenced on 30th January 2018. A total of 11 days of hearings took place over February and March 2018. At the close of the hearings, the Inspectors indicated that they may set out Interim Findings in a note to the Councils. At the time of writing these Interim Findings have not yet been received.

During the course of the hearings a number of Main Modifications to the JLP were discussed with the Inspectors and other participants. These Main Modifications represent changes to the JLP which the Inspectors consider are necessary to make the plan sound. The final set of Main Modifications will be set out in the Inspectors Final Report, and the JLP can only be adopted if these modifications are made. Prior to being set out in the Final Report, the Main Modifications must be subject to a 6 week consultation period, with any responses being sent directly to the Inspectors for their consideration.

It is likely that the Main Modifications will be set out in the Interim Findings from the Inspectors that the Councils are currently awaiting. It is also likely that the Inspectors will wish to gain an indication from the Councils as to whether the Main Modifications are acceptable, and for the Councils to request that the Inspectors make such changes to the plan to make it sound. In order to progress the Examination process as efficiently and quickly as possible, this report is seeking to delegate consideration of the Main Modifications, and the request to the Inspectors for changes to be made to the plan, to the Service Director for Strategic Planning and Infrastructure, in discussion with the Leader, the Portfolio Holder for Strategic Planning and Infrastructure and the Plymouth and South West Devon Joint Local Plan Member Steering Group.

In the event that it is considered that the Main Modifications are unacceptable, a report will be brought to Cabinet and Full Council setting out the reasons for, and implications of such a decision.

The Corporate Plan

The JLP and Plymouth Plan supports the delivery of Corporate Plan priorities as follows;

- Both are ground breaking initiatives, creating both a single strategic integrated plan for the city and a pioneering joint planning approach across the entire Plymouth Housing Market Area with the adjoining councils.
- The JLP and Plymouth Plan set out a strategic framework for reinforcing Plymouth's role in the region and firmly establishing Plymouth as an international city.
- The JLP and Plymouth Plan have a strong focus on reinforcing and delivering Plymouth's radical growth agenda.
- The JLP and Plymouth Plan between them provide integrated policies and a framework for delivery of a healthy and caring city.

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

The direct costs associated with the actions in this report relate primarily to the continuing cost of the Examination in Public into the Joint Local Plan.

The cost of the Public Examination will be shared between Plymouth City Council, South Hams District Council and West Devon Borough Council. The final cost will depend on the length of the examination and the nature of any issues raised by the Inspector.

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

The JLP and the Plymouth Plan provides a strategic policy framework for both people and place. The creation of sustainable communities, and the theme of providing quality of life for everyone in the city, runs through the heart of the plans, providing an effective and integrated strategic framework for addressing and responding to issues such as community safety, community cohesion, child poverty and equalities and diversity.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes, as an integral element of the plan's sustainability appraisal.

Recommendations and Reasons for recommended action:

Council is recommended to authorise the Service Director for Strategic Planning and Infrastructure in consultation with the Leader, Portfolio Holder for Strategic Planning and Infrastructure and the Plymouth and South West Devon Joint Local Plan Steering Group, to consider any potential Main Modifications to the Plymouth and South West Devon Joint Local Plan, if suggested by the Inspectors in Interim Findings and if agreed to make a request to the Inspector to make changes to the Joint Local Plan and proceed to public consultation on the Main Modifications in accordance with section 20(7) of the Planning and Compulsory Purchase Act 2004

REASON: To enable the Examination into the soundness of the Plymouth and South West Devon Joint Local Plan to proceed as efficiently and quickly as possible to adoption of the Joint Local Plan.

Alternative options considered and rejected:

One alternative is to present the revised JLP to a later meeting of the City Council, depending upon when the Interim Findings are received; a second alternative is to convene a Special Full Council. Either option would delay adoption of the JLP.

Published work / information:

A very large amount of information has been published relating to the Examination into the Joint Local Plan. All of this material is available on the Joint Local Plan Examination webpages <https://www.plymouth.gov.uk/plymouthandsouthwestdevonjointlocalplanexamination>

Background papers:

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

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert references of Finance, Legal and Monitoring Officer reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	pl181 9.24	Leg	lt/30 635/ 1106	Mo n Off	lt/306 35/11 06	HR	n/a	Assets	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member Paul Barnard (Service Director for Strategic Planning & Infrastructure)													
Has the Cabinet Member(s) agreed the contents of the report? YES													

1.0 Introduction

- 1.1 Since February 2016, the City Council has been working in collaboration with West Devon Borough Council and South Hams District Council on the Plymouth and South West Devon Joint Local Plan (JLP). In February 2017, the JLP reached an important milestone when the three Councils agreed to publish the draft plan for 'pre-submission consultation' and to then submit the JLP to the Secretary of State in line with Regulation 22 of the Town and Country Planning (Local Planning) (England) Regulations 2012. The JLP was therefore subject to formal consultation and was then submitted to the Secretary of State on 31st July 2017.
- 1.2 The formal Examination in Public of the Joint Local Plan commenced as soon as the JLP was submitted, with the appointment of two Planning Inspectors to conduct the examination into the soundness of the plan. The Inspectors are Mrs Wendy Burden and Mrs Yvonne Wright. The Inspectors set out a timescale for the Examination which led to the Hearings into the soundness of the JLP commencing on 30th January 2018. 11 days of hearings followed throughout February and March, with the final day of hearings taking place on 22nd March 2018. At the close of the hearings, the Inspectors indicated that they may produce Interim Findings of their consideration of the JLP, as soon as possible after the close of hearings. At the time of writing, officers have not yet received these Interim Findings.

2.0 Main Modifications

- 2.1 Throughout hearings into local plans, it is normal practice for a number of Main Modifications (MMs) to be discussed with the Inspectors. The Planning Inspectorate's publication "Procedural Practice in the Examination of Local Plans" describes the process in the following way:

"Where the Inspector identifies that there may be a need for MMs to the plan in order to resolve problems that would otherwise make the plan unsound or not legally compliant, the nature and likely extent of the MMs should be fully discussed at the hearings. These may consist of redrafted text, the omission of a policy or section of text (or the inclusion of a new one)."

Para 24 – "Procedural Practice in the Examination of Local Plans" (PINS 2016)

- 2.2 A number of Main Modifications were discussed as part of the JLP hearings. It is important to note that without these changes the JLP could not be considered to be sound, and the only course open to the Inspectors would be to find the JLP unsound. Prior to the start of the hearings, it had been agreed with the Joint Local Plan Member Steering Group that any particularly significant Main Modifications would be sent to the Steering Group for comments as they were discussed. In the event, all Main Modifications which were discussed were discussed with the Steering Group during the hearing sessions and at a Steering Group meeting on 3rd April 2018.
- 2.3 It is quite likely, however, that the Inspectors may set out further Main Modifications as part of their Interim findings.
- 2.4 The "Procedural Practice in the Examination of Local Plans" goes on to set out that:
- Where Main Modifications are to be recommended by an Inspector, the Inspector must be satisfied that requirements for public consultation and sustainability appraisal have been or will be met with regard to the modifications. Therefore, the Inspector will set out arrangements and seek agreement on a timetable for any necessary sustainability appraisal work and public consultation. It is clear that it will be necessary to undertake public

consultation on the Main Modifications once they have been set out by the Inspectors, and that the Inspectors will set out to the Councils the arrangements for doing so. It may be that these arrangements will be set out in the Interim Findings.

- Where Main Modifications are required, the Councils will be invited by the Inspector to make a formal request under section 20(7C) of the Planning and Compulsory Purchase Act 2004 to make changes to the JLP. Section 20(7C) sets out:

“If asked to do so by the local planning authority, the person appointed to carry out the examination must recommend modifications of the document that would make it one that—

- (a) satisfies the requirements mentioned in subsection (5)(a), and
- (b) is sound”

Therefore, it is likely that the Inspectors Interim Report will invite the JLP Councils to make such a request in respect of the Main Modifications.

- 2.5 Finally, given that once above processes have been completed the Inspectors will be recommending in their Final Report that Main Modifications are made to the JLP to make it sound, it is likely that they will find it helpful to know that the JLP Councils find the Main Modifications acceptable. Indeed, if the Councils are happy to make a request under section 20(7C) it should be on the basis that the Main Modifications are acceptable.

3.0 Delegation of Consideration of the Main Modifications

- 3.1 As noted above, at the time of writing the Councils have not yet received the Inspectors’ Interim Findings. Officers are continuing to work to progress the JLP to adoption as quickly as possible, with the aim of achieving an adopted plan by the end of 2018 (subject to the Interim Findings not requiring the Councils to undertake significant amounts of new work to make the plan sound).
- 3.2 In order to achieve this timescale, it will be necessary to undertake public consultation on the Schedule of Main Modifications as quickly as possible after they have been received. The most efficient and expedient way to move quickly to a public consultation is if the consideration of the Main Modifications and the request under section 20(7C) is delegated to the Service Director for Strategic Planning and Infrastructure, in consultation with the Leader and Portfolio Holder for Strategic Planning and Infrastructure. Given that the JLP is the local plan for South Hams and West Devon as well as Plymouth, the consideration of Main Modifications should also involve the Joint Local Plan Member Steering Group.
- 3.3 South Hams District Council and West Devon District Council have already delegated these decisions to the relevant officers and Members at meetings in May 2018.
- 3.4 Although unlikely, it is conceivable that the Main Modifications as suggested by the Inspectors are not considered to be acceptable, and therefore that the Councils would not wish to make a request under section 20(7C). In this event, it would be necessary for officers to bring a report to Cabinet setting out the reasons for such a decision, and the implications of not accepting the Inspectors’ Main Modifications.

4.0 Next Steps

- 4.1 This report recommends to the City Council that the consideration of the Inspectors' Main Modifications to the JLP, and the request under section 20(7C) to the Inspectors to make changes to the JLP is delegated to the Service Director for Strategic Planning and Infrastructure in consultation with the Leader, the Portfolio Holder for Strategic Planning and Infrastructure and the Joint Local Plan Member Steering Group.
- 4.2 Once the Interim Report is received and if the Main Modifications are considered to be acceptable, the next steps will be for officers to undertake any further work required to set out a Schedule of Main Modifications ready for a six week public consultation. It should be noted that the consultation will only concern the Schedule of Main Modifications, and will not allow further comments to be made on those parts of the JLP not subject to changes.
- 4.3 Once the consultation period is over, all comments will be sent to the Inspectors. They will consider the comments, and exceptionally may decide to hold additional hearings sessions. If they decide that further hearings are not required they will move to writing up the Final Report.
- 4.4 Upon receipt of the Inspectors' Final Report, which will set out the final set of Main Modifications, the JLP including all changes will be brought to Full Council for formal adoption.

PLYMOUTH CITY COUNCIL

Subject:	Amendments Scrutiny Committee Terms of Reference (Health and Adult Social Care)
Committee:	City Council
Date:	25 June 2018
CMT Member:	Giles Perritt, Assistant Chief Executive
Author:	Ross Jago, Senior Panel and Partnership Advisor
Contact details:	Ross.jago@plymouth.gov.uk
Ref:	N/A
Key Decision:	No
Part:	I

Purpose of the report:

Following a change to the political balance of the City Council an amended Committee Structure has been implemented.

The purpose of this report is twofold. Firstly the report recommends that Council approves a minor amendment to the Health and Adult Social Care Overview and Scrutiny Committee Terms of reference to clarify that committee's responsibility for –

- Audiology
- Mental Health Services
- Children's Health Services

This reflects the way in which such services are commissioned through the Integrated Fund. It would also enable the Committee as the designated health scrutiny function (NHS Act 2006) to make referrals to the Secretary of State on substantial service change if required. The recommended changes are attached at appendix I.

Secondly this report makes recommendations for the approval of minutes of the Wellbeing Overview and Scrutiny Committee and Place and Corporate Overview and Scrutiny Committee which have now been disbanded.

Corporate Plan:

Effective scrutiny impacts upon all aspects of the Corporate Plan by providing a process for challenge to decision making and development of policy.

These changes makes clear the role of the Health and Adult Social Care Overview and Scrutiny Panel.

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

There are no cost implications for these recommendations.

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

N/A

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? N/A

Recommendations and Reasons for recommended action:

That Council –

1. approves the changes to Article 7 and Part D of the Constitution in relation to the terms of reference for the Health and Adult Social Care Overview and Scrutiny Function as set out at Appendix I
2. approves the minutes of the Place and Corporate Overview and Scrutiny Committee, Wellbeing Overview and Scrutiny Committee and Select Committee on Universal Credit as appended at appendix 2.

Alternative options considered and rejected:

None.

Published work / information:

N/A

Sign off:

Fin	pl18 19.2 5	Leg	lt/62 225/ 1506	Mon Off	lt/62 225/ 1506	HR		Assets		IT		Strat Proc	
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Originating SMT Member – Giles Perritt

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Health and Adult Social Care Overview and Scrutiny Committee**Responsibility for -**

- Relevant policies in the Plymouth Plan
- Integrated Commissioning
- Hospital and community health services
- Dental services, Pharmacy and NHS Ophthalmic services;
- Public Health services
- Audiology Services
- Mental Health Services
- Adult Social Care Services
- Adult Safeguarding Services
- Children's Health Services
- Hear call-ins relevant to the role of the committee

Statutory Role with regard to undertaking all the statutory functions in accordance with Section 244, of the National Health Act 2006, (as amended by Health and Social Care Act 2012) regulations and guidance under that section.

Partnership Links

- Health and Wellbeing Board
- Plymouth Safeguarding Adults Board
- Integrated Commissioning Board

Membership - All members of the Committee will adhere to the general rules of Overview and Scrutiny. There are 9 members of the Committee including the Chair and Vice Chair. The Vice Chair is from the opposite political group to the Chair.

Chair – The Chair will be from the group in administration.

Vice Chair – The Vice Chair will be from the opposition group.

Urgent Decisions – Urgent decisions will be reviewed by the Chair with relevant responsibilities

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Wellbeing Overview and Scrutiny Committee**Wednesday 11 April 2018****Present:**

Councillor Mrs Aspinall, in the Chair.

Councillor James, Vice Chair.

Councillors Mrs Bridgeman, Cook, Dann, Dr Mahony, Tuffin and Vincent.

Apologies for absence: Councillors Deacon and Loveridge

Absent from the meeting: Councillor Tuohy

Also in attendance: Paul O'Sullivan (NEW Devon CCG), Craig McArdle (Director for Integrated Commissioning), Piers Tetley (NEW Devon & South Devon and Torbay CCG), Councillor Mrs Beer (Cabinet Member for Children and Young People), Judith Harwood (Service Director for Education, Participation and Skills), David Bowles (Senior Adviser Standards), Alison Mills (Head of HR Specialist Services), Matt Garrett (Service Director for Community Connections), Bernadette Smith (Senior HR and OD Business Partner), Paul Barnard (Service Director for Strategic Planning and Infrastructure), Matt Garrett (Service Director for Community Connections), Nick Carter (Housing Delivery Manager), Ross Jago (Lead Officer) and Amelia Boulter (Democratic Adviser).

The meeting started at 2.00 pm and finished at 4.33 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.

64. **Declarations of Interest**

In accordance with the code of conduct the following declarations of interest were made –

Member	Subject	Reason	Interest
Councillor Mrs Aspinall	Minute 69	Chair of Governors at Salisbury Road Primary School	Private
Councillor Dann	Minute 69	Chair of Governors at Plympton Academy	Private

65. **Chairs Urgent Business**

There were no items of chair's urgent business.

66. **Minutes**

The minutes of 14 February 2018 were agreed.

67. **Progress of the Health and Social Care Strategy for Devon**

Paul O’Sullivan (NEW Devon CCG) and Craig McArdle (Director for Integrated Commissioning provided an update and highlighted that –

- (a) the original plan was published in October 2016 and they were now taking the time to remind themselves of what the challenges were, what they are now, the progress made and to target priorities for the year ahead;
- (b) they were meeting the needs of an increasing ageing population and people living with long-term conditions. The Sustainable Transformation Partnership were working to deliver this plan and enabled the collaboration of the acute hospitals to work together for continued access to safe services;
- (c) the Devon STP was one of the most challenged areas in the country but had moved to one that’s now deemed to be making progress, however, there were still challenges ahead;
- (d) they were taking a whole population approach with the appropriate levels of intervention for established conditions to promote self-care and timely access to specialist services when required and to enable people to remain living well within their own communities.

In response to questions raised, it was reported that -

- (e) the sustainable transformation programme provides the framework to support the elderly as well as those with more complex needs either within their own homes or other suitable alternative setting;
- (f) there were now 115 Proud to Care Ambassadors recruited and trained to promote the career pathways within the health and social care system across Plymouth, Devon and Torbay;
- (g) mental health was still very prevalent within our own communities and was clearly an issue that needed to be addressed, however, we do need to recognise the progress made such as increasing the number of people accessing services and reducing CAMHs waiting times. The STP would continue to make mental health a priority.

The Committee noted the progress update of the health and social care strategy for Devon.

68. **STP Workforce Plan**

Piers Tetley (NEW Devon & South Devon and Torbay CCG) was present for this item and provided the committee with an overview of the STP workforce programme. It was highlighted that –

- (a) they were looking to reduce nursing and medical agency spend which continues to be an area of focus and were also securing short-term work force supply to fill short-term posts rather than use agency staff;
- (b) they were working with education providers to attract staff for the future as well as ensuring the right number of clinical professionals were coming through into the right the roles;
- (c) they were undertaking organisational development around developing leaders for the future as well as supporting existing leadership;
- (d) 12 GP trainee places as part of the Targeted Enhanced Recruitment Scheme would be available in Plymouth commencing in the summer 2018;
- (e) they were looking at creative ways to retain people such as building a better connection between social care and health which could lead to shared funding to support new entrants and to actively encourage a career pathway within the NHS and beyond;
- (f) over the last 2 years they were able to reduce agency spend by around £20m and would continue to focus to drive down that cost.

In response to questions raised, it was reported that –

- (g) there were a number of GP vacancies in Plymouth and this was clearly a major issue. A work programme was in place to reduce this as well as an enhanced recruitment scheme to attract doctors to the area. Short term measures around clinical pharmacy was helping as the solution to get more GPs into the city and within the next year should see an improved situation;
- (h) the use of agency staff was primarily within the acute setting and they were looking at initiatives such as recruiting internationally;
- (i) they would be looking to attract in total 24 GPs to Plymouth, other initiatives include backfilling of roles by encouraging retired GPs to return back into the health system. This was a long term initiative and Plymouth was seen as a priority;
- (j) they were looking at new types of roles and making sure the training was appropriate as well as being more creative with the roles for a more seamless career health path.

The Committee noted the STP workforce and organisational development work stream update.

69. **School Standards Report**

Councillor Mrs Beer (Cabinet Member for Children and Young People), Judith Harwood (Service Director for Children, Families and Learning) and David Bowles (Senior Adviser Standards) were present for this item.

Councillor Mrs Beer reported that they even though they were improving in most areas they still remained below the national targets. To address this, the local authority had established an accountability system to take into account the operational work being undertaken and the Education Board overseeing strategic improvements. In addition to this the local authority was developing the Plymouth challenge to transform improvements within secondary schools.

In response to questions raised, it was reported that -

- (a) priorities had been established and strategic interventions put in place to address the widening gap in attainment levels. The local authority does support individual schools but ultimately want to ensure that the overall system was stimulated to make improvements. However, there was a caveat with the analysing of data because the qualification system changes on a yearly basis and they were never comparing the same data;
- (b) the Staff survey was not extended to schools because they are not our staff and resources would prevent us from undertaking this across the board;
- (c) 25% of our secondary schools were judged as a Grade 4 and seven of the schools were below the national target. They have established a strong relationship with the Regional Schools Commissioner in Bristol and were trying to address the inadequate underfunding;
- (d) they didn't have any detail on whether social media and/or mobile devices were having an adverse impact on the results. However, children were using mobile devices as a learning tool but there was a mixed picture on how schools use and manage the control of social media within schools;
- (e) they were preparing pupils for very different jobs and need to be assured that they have the right skills to prepare them for future employment;
- (f) schools citywide were unfunded and as a result struggle with good recruitment campaigns to attract the best teachers as well as the funds to develop outstanding leadership. Funding could also assist a school to undertake more innovative work;

The Chair stated that scrutiny were here to provide support to the Cabinet Member when serious issues like this need to be raised and lobbied with the MPs. Councillor Mrs Beer welcomed the continued support from scrutiny on this matter.

The Committee noted the School Standards Report and requested that further scrutiny be undertaken on the monitoring of the Education, Participation and Skills Action Plan.

The Education Board would therefore be invited to attend a future meeting to discuss progress made against the action plan.

(Councillor Mrs Bridgeman left the meeting after the item was discussed.)

70. **Staff Survey**

Alison Mills (Head of HR Specialist Services), Judith Harwood (Service Director for Education, Participation and Skills), Matt Garrett (Service Director for Community Connections) and Bernadette Smith (Senior HR and OD Business Partner) were present for this item. The Chair congratulated officers on the improved engagement with staff in completing the staff survey.

In response to questions raised, it was reported that -

- (a) the annual staff awards and thank you cards were a way to award and recognise hard working staff;
- (b) with regard to the lowest scoring questions around leadership this was being addressed by the team talks from Tracey Lee, also senior officers held regular shout outs and were making themselves more visible by walking the floor and chatting to staff.

The Committee noted the results of the staff survey and support officers in their role working towards a motivated, skilled and engaged workforce.

71. **Age Appropriate Dwellings**

Paul Barnard (Service Director for Strategic Planning and Infrastructure), Matt Garrett (Service Director for Community Connections) and Nick Carter (Housing Delivery Manager) were present for this item. It was reported that the UK population is ageing and in Plymouth there was an increase of 25% in the over 65s. This has been factored into the plans for the future for the city and how housing needs accommodate the elderly.

In response to questions raised, it was reported that –

- (a) they worked closely with the dementia co-ordinator as well as taking national guidance into account when they produced the joint local plan in terms of making Plymouth a Dementia Friendly City;
- (b) a working group was specifically looking at the needs of the city and to better understand how to accommodate people wishing or helping people to downsize;
- (c) with regard to the delivery of extra care for more specialist needs, it was reported that they were constantly looking for new sites and were working with the Older Persons Group to identify gaps in provision. They were always exploring opportunities to ascertain whether there

were opportunities to incorporate extra care as part of any redevelopment;

- (d) they were having constant conversations with the hospital around discharges and looking at how funds were used to support people staying out of hospital.

The Committee asked officers to look at adopting a whole system approach to adaptations to support keeping people out of hospital to remain in their own home and to explore how health funding could be used to add to this as a prevention measure.

72. **Planned Care Programme Briefing**

The Chair reported that along with the Vice-chair they had attended a meeting with officers from NEW Devon CCG to receive an update on the changes to planned care. The Chair reported that she had some concerns on how this was being offered and when the report comes before scrutiny in September wanted to be assured that what was being offered was fair.

73. **Integrated Commissioning Score Card**

The Chair advised that this item together with the integrated finance monitoring report had been included on the agenda for information. As no issues had been identified for consideration prior to the meeting, no Cabinet Member or officers had been invited to attend.

74. **Integrated Finance Monitoring Report**

The Chair advised that this item together with the integrated commissioning score card had been included on the agenda for information. As no issues had been identified for consideration prior to the meeting, no Cabinet Member or officers had been invited to attend.

75. **Work Programme**

The Committee noted the work programme and put forward the following items to be included on the work programme for 2018/19 –

- to ascertain whether an addendum could be added to the Taxi Licensing Policy on wheelchair accessible vehicles for larger scooters/wheelchairs.
- to receive quarterly progress updates on the CQC Action Plan.
- update on the progress made on the Education, Participation and Skills Action Plan by the Education Board in raising standards across all schools.

Place and Corporate Overview and Scrutiny Committee

Wednesday 7 March 2018

PRESENT:

Councillor Bowie, in the Chair.

Councillor Ball, Vice Chair.

Councillors Carson, Churchill, Sam Davey, Fletcher, Fry, Mavin, McDonald (substitute for Councillor Penberthy), Morris and Storer.

Apology for absence: Councillor Penberthy.

Also in attendance: Simon Arthurs (Senior Financial Analyst), Matt Garrett (Head of Community Connections), Faye Hambleton (Assistant Director for Customer Services), Andrew Hardingham (Interim Joint Strategic Director for Transformation and Change), Gareth Harrison-Poole (Head of Service Streetscene and Waste), Peter Honeywell (Transformation Architecture Manager), Ross Jago (Lead Officer), Councillor Jordan (Cabinet Member for Culture), Councillor Michael Leaves (Cabinet Member for Strategic Streetscene/Environment), Sarah Lees (Consultant Public Health), Amanda McDonald (Service Manager), Mandy Pearse (Head of Public and Partner Relations), Helen Prendergast (Democratic Support Advisor), Councillor Ricketts (Cabinet Member for Transport and Housing Delivery), Councillor Riley (Cabinet Member for HR/Democracy and Governance/Licensing), Dave Saunders (Strategic Development Manager), Jane Stephenson (Head of HR Business Services).

The meeting started at 3pm and finished at 5.30pm.

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.

52. **Declarations of Interest**

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

53. **Minutes**

Agreed that the minutes of the meetings held on 8 December 2017, 3 January and 31 January 2018 were confirmed as a correct record.

54. **Chair's Urgent Business**

There were no items of Chair's urgent business.

55. **Shared Services - Trade Union Recognition Agreement Update**

Andrew Hardingham (Interim Strategic Director for Transformation and Change) and Peter Honeywell (Transformation Architecture Manager) presented a report which highlighted the work undertaken to facilitate the signing of the recognition agreement, subject to the consultation findings, by the Unions (Unite, GMB and Unison) and Delt.

The Chair took this opportunity to thank officers for their hard work.

The committee noted the report.

Order of Business

With the permission of the Chair, the order of business was amended, as set out below in the minutes.

56. **Tracking Decisions**

The committee noted the progress of its decisions for 2017/18.

57. **Work Programme**

The committee agreed to include on its work programme for 2018-19 the following issues –

- (1) Homelessness Action Plan;
- (2) Gypsy and Travellers.

58. **Capital and Revenue Monitoring Q3**

The Chair advised that this item had been included on the agenda for information and as no issues had been identified for consideration prior to the meeting, no Cabinet Members or officers had been invited to attend.

59. **Library Service Update**

Councillor Jordan (Cabinet Member for Culture), Faye Hambleton (Assistant Director for Customer Services), Dave Saunders (Strategic Development Manager) and Amanda McDonald (Services Manager) presented an update on the library service.

Following the agreement of the Plan for Libraries in July 2017, the library service had undertaken a number of initiatives, including -

- (a) investment in library buildings;

- (b) enhanced and increased the in-library offer;
- (c) extended opening hours;
- (d) increased the outreach offer by implementing a more structured approach focussing on areas where libraries were closing or where there was no current provision.

The key areas of questioning from Members related to –

- (e) the current progress on the re-development of the St Budeaux Library;
- (f) staff morale following the service review;
- (g) what measures were in place to support literacy in schools and encourage children to use the library service);
- (h) whether there was a revised launch date for the library app;
- (i) how customers were interacting with the new service;
- (j) whether there were plans in place for the outreach offer at West Park (during the re-development of the St Budeaux Library);
- (k) the accessibility of the library service for those residents that worked during the day;
- (l) whether staff were confident in providing advice, through the assisted digital programme, for those residents applying for Universal Credit.

The committee raised concerns regarding the terminology used to describe activities and services currently available in 'Tier 1' libraries and work required to deliver the same activities and services in 'Tier 2' libraries. The committee considered that the libraries termed as 'Tier 2' would not be properly funded and ultimately this could lead to further library closures.

60. **Customer Services (Contact Centre Performance) Update**

Councillor Jordan (Cabinet Member for Culture), Andrew Hardingham (Interim Strategic Director for Transformation and Change), Faye Hambleton (Assistant Director for Customer Services) and Dave Saunders (Strategic Development Manager) presented this item.

The Contact Centre provided call handling for 14 services (including the Council's enquiry line).

As a whole 95% of all calls were answered within an average speed of 48 seconds. Staff were trained in a range of services (dependant on experience) which allowed for flexibility in answering calls across these services.

The key areas of questioning from Members related to –

- (a) clarification on the loss of two weeks' data from July 2017;
- (b) the longest average time it took to answer a call;
- (c) clarification relating to the data provided for Parking and Cleansing in 2016 (differing time frames);
- (d) interrogation of the data provided for the enquiry line.

The committee noted the report.

(Councillor Sam Davey was present for the remaining items)

61. **Staff Survey**

Councillor Riley (Cabinet Member for HR/Democracy and Governance/Licensing), Andrew Hardingham (Strategic Director for Transformation and Change) and Jane Stephenson (Head of HR Business Services) presented the 'the view from you' staff survey 2017. Each year since 2010 the Council has run a staff survey to ask employees their views on working for the Council; employees were asked to respond anonymously to an online questionnaire.

The key areas of questioning from Members related to –

- the clarity of the questions asked within the survey (whether staff fully understood the questions);
- concerns regarding the decrease (since the 2016 survey) to the 'my team uses customer feedback to improve our services' question and the measures implemented to address this;
- the confidence within the organisation that best practices were being shared across all services of the Council;
- concerns regarding the decrease in the number of apprenticeships within the Council.

The committee noted the report.

62. **Waste Services Update**

Councillor Michael Leaves (Cabinet Member for Strategic Streetscene/Environment) and Gareth Harrison-Poole (Head of Service Streetscene and Waste) presented the update which highlighted the 2017/18 baseline statistics for the provision for waste collection and the level of contact with the Council regarding waste services.

The key areas of questioning from Members related to –

- (a) clarification regarding the rise in the number of missed brown bins, 769 in May 2017 from 209 in May 2016;
- (b) the numbers of staff assigned to monitor the streets/hotspot areas, in order to report, incidents of litter/waste/fly tipping;
- (c) whether an increase in litter/fly tipping had been reported;
- (d) whether there were future plans to roll out more community bins.

The committee noted the report.

63. **Homelessness Delivery Plan**

Councillor Ricketts (Cabinet Member for Transformation and Housing Delivery) and Matt Garrett (Head of Community Connections) presented the Plan for Preventing Homelessness 2018-2020 which highlighted the following key points –

- (a) the purpose of the plan for preventing homelessness was to implement and deliver against the priorities contained within the Plymouth Plan;
- (b) the Plymouth Plan sets out the strategic direction for Plymouth between now and 2035 and reaffirmed the Council's commitment to tackling homelessness in the city;
- (c) the Plan sets out to build on previous actions initiated in the last Homelessness Strategies; it fulfilled the Council's statutory duty under the Homeless Act 2002 and developed a strategic response to identify local causes of homelessness as detailed in the Code of Guidance.

The key areas of questioning from Members related to –

- (d) what new duties did the Homelessness Reduction Act 2018 place on the local authority;

- (e) whether there was additional Government funding for the 'new duties' placed on the local authority, and if so, how much;
- (f) the lack of timelines/targets contained within the Plan.

The committee agreed to include the Homelessness Action Plan (including timelines/targets) on its work programme for 2018-19.

The committee recommended that an all Member briefing session on the Homelessness Reduction Act 2018 is arranged.

Select Committee Review

Wednesday 14 March 2018

PRESENT:

Councillor Bowie, in the Chair.

Councillor Ball, Vice Chair.

Councillors Mrs Aspinall, Carson, Churchill, Fletcher, Morris, Penberthy and Storer.

Also in attendance: Emma Rose (Strategic Development Manager), Sue Smith (Early Years and Childcare Manager) and Councillor Fay Cook (Family Nurse Partnership LIVEWELL SOUTHWEST), Downie (Cabinet Member for Safer and Stronger Communities), Matt Garrett (Head of Community Connections),

The meeting started at 10.00 am and finished at 5.00 pm.

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

1. **Appointment of the Chair and Vice Chair**

The committee agreed that Councillor Bowie is appointed as Chair and Councillor Ball is appointed as Vice Chair for this particular meeting.

2. **Declarations of Interest**

The following declarations of interest were made by Councillors in accordance with the code of conduct –

Name	Minute Number and Item	Reason	Interest
Councillor Mrs Aspinall	Minute 4 Universal Credit	Daughter employed by Plymouth Community Homes	Personal
Councillor Churchill	Minute 4 Universal Credit	Board Member for Plymouth Community Homes	Personal
Councillor Penberthy	Minute 4 Universal Credit	Leasehold flat within Plymouth Community Homes	Personal

3. **Chair's Urgent Business**

There were no items of Chair's urgent business.

4. **Universal Credit**

Councillor Downie (Cabinet Member for Safer and Stronger Communities), Emma Rose (Strategic Development Manager), Matt Garrett (Head of Community Connections), Sue Smith (Early Years and Childcare Manager) and Fay Cook (Family Nurse Partnership LIVEWELL SOUTHWEST) presented the Universal Credit update report which highlighted the following key areas -

- (a) Universal Credit was administered by the Department for Work and Pensions (DWP); local authorities had no involvement in the assessment process or management of ongoing claims; the DWP shared data with local authorities relating to claimants who may previously had been in receipt of housing benefit for the purposes of ensuring there were no incorrect payments made;
- (b) the Universal Credit 'full service' was rolled out in Plymouth by postcode areas between October 2017 and January 2018; this service was available to all new eligible claimants;
- (c) the Council had signed up to the Universal Support Agreement with the DWP, in order to provide claimants with personal budgeting support (PBS) and assisted digital support (ADS);
- (d) PBS was available for Universal Credit claimants who were identified as in need of help to manage their finances; primarily, referrals were made via DWP work coaches from a Plymouth job centre; the Council had contracted Advice Plymouth to provide this service;
- (e) ADS was available for Universal Credit claimants who were unable to use a computer and had no one who could help them; this service was offered from Plymouth libraries and was provided by Plymouth City Council's Customer Advisors.

The committee heard representations from various witnesses -

- (f) Iain Maitland (Vice Chair) representing South West Landlords Association highlighted the following key issues –
 - the introduction of Universal Credit had led to private landlords not receiving rent for a 10 week period;
 - it was a requirement of most insurance companies to provide information as to the tenants occupying a property; (some insurance companies excluded certain sectors of the community);

- the quality of advice being given to landlords and the information being captured; (a landlord had been advised that third party deductions could be made following a tenant vacating a property which was not the case; this had resulted in the tenant owing £1400 in rent);
 - the lack of information from the DWP relating to the status of claims; (as a result of an individual not being able to complete the claim, this had resulted in 10 weeks' arrears; the landlord was unable to ascertain whether the claim had been paid, whether it had been spent or the individual had yet to receive it);
- (g) Liz Phillips and Nicky Kingston representing Plymouth Community Homes highlighted the following key issues –
- the overall aim of Plymouth Community Homes was to provide support for their tenants, in order to sustain their tenancies (evictions were viewed as a failure and were only undertaken as a last resort);
 - as Universal Credit was paid monthly (based on a four weekly cycle) this had resulted in one period with no payment and no notification as to when this would occur;
 - the six week assessment period had resulted in Plymouth Community Homes supporting structural level of arrears of approximately £180,000, monies which would impact on the association's ability to provide other priorities/services;
 - the introduction of Universal Credit had resulted in increased expenditure to support tenants (which included 3,500 visits to tenants);
 - current arrears for Universal Credit claimants was 6.6% which equated to £140,000 of income due to Plymouth Community Homes;
- (h) Paul Williams representing City of Plymouth Credit Union highlighted the following key areas –
- the City of Plymouth Credit Union was a not for profit, member-owned financial organisation dedicated to the economic development of the Plymouth community; it provided financial services to all members and included those who had been excluded from traditional services;
 - the aims of the Credit Union were to encourage savings, provide low interest rate loans to members and to provide help and advice about money management;

- the services that the Credit Union provided included –
 - ▶ savings accounts (including the Jam Jar accounts);
 - ▶ savings secure loans;
 - ▶ payroll deduction scheme;
 - ▶ the Local Housing Allowance scheme allowed tenants to make direct payments to their landlords (this ensured that the landlord received their rent);

- (i) Eunice Halliday representing Plymouth Foodbank highlighted the following key areas –
 - the Plymouth Foodbank was ‘a community project working to serve the community and fight poverty, whilst helping people who were in financial crisis be providing them with much needed food, a listening ear and useful advice’;
 - the services also offered by the Foodbank included budgeting advice and support, training and education, a community internet café and help and money advice;
 - current issues related to –
 - ▶ the difficulty of individuals having to prove that they had been searching for work for 35 hours per week (this could include 17.5 hours of voluntary work);
 - ▶ claimants were not aware that the housing element of Universal Credit could be paid direct to landlords;
 - ▶ individuals not being aware that historical over-payments were being taken out of their Universal Credit claims;
 - ▶ the exemption part of the NHS prescription form did not include a section for Universal Credit;
 - ▶ the length of time it took an individual to receive Universal Credit;
 - ▶ the offer of help from the Council was limited;
 - ▶ individuals were experiencing delays with their claims, if they had not provided the exact amount of rent (to the penny) they were paying, when applying for Universal Credit;

- (j) Dave Ringwood representing PATH (Plymouth Access to Housing Limited) highlighted the following key areas –
- PATH was an independent local charity based in Plymouth; it was set up in 1995 in order to support people who were vulnerable to homelessness by providing a range of services from work with rough sleepers through to support for people to maintain their tenancies;
 - the services that PATH provided included -
 - ▶ working with rough sleepers and refugees;
 - ▶ Single Homeless Scheme - Plymouth Resettlement;
 - ▶ Plymouth renting support service;
 - ▶ housing information;
 - ▶ Easylet;
- (k) Nick Dilworth representing Citizen's Advice Plymouth highlighted the following key areas (a report had been circulated) –
- the issues currently under review were –
 - ▶ clarity and understanding of the impact of Universal Credit on different groups;
 - ▶ impact of Universal Credit on other council services which were not commissioned by the Department for Work and Pensions;
 - ▶ exchange of information mechanisms which were currently in place between the Department for Work and Pensions and the council and whether these were fit for purpose to help aid ongoing monitoring of Universal Credit;
 - ▶ the ability of social housing landlords to provide ongoing community support and if able to continue this practice the impact on their house building plans;
 - ▶ the willingness of private landlords to take on Universal Credit claimants due to the risk of arrears or to accept rent up to six weeks in arrears;
 - ▶ the implications on the private rented sector homelessness prevention, if tenants were evicted or refused tenancies;

- ▶ the impact of the length of time it took to process Universal Credit claims (six weeks) on rent arrears and potential eviction;
- ▶ the support being offered to tenants to sustain tenancies and minimise arrears;
- ▶ the impact on services provided by charities, foodbanks and community groups.

Key areas of questioning from Members related to –

- (l) the impact of the impending legislation (effective from 1 April 2018) which limited the entitlement to free school meals for families receiving Universal Credit;
- (m) the process (including the length of time) that it would take an individual to apply for Universal Credit;
- (n) measures that the Council could put in place to increase the take-up of the personal budgeting support service;
- (o) the number of claimants that had applied for a budgeting advance;
- (p) whether the statistics provided from the National Landlords Association (which estimated that only 18-20% of private landlords accepted people who used Local Housing Allowance) were reflected in Plymouth;
- (q) the level of liaison between private landlords and the letting agencies in Plymouth;
- (r) the comparison between the length of time it would take an individual to clear Universal Credit arrears and other legacy arrears;
- (s) whether other housing associations were experiencing similar situations regarding the impact of Universal Credit;
- (t) whether problems had been experienced when an Universal Credit claim had been stopped and subsequently re-started;
- (u) the national comparator for the level of arrears being experienced by housing associations;
- (v) the future projection of arrears that the Plymouth Community Homes could experience;
- (w) the age demographic of the individuals that had been evicted by Plymouth Community Homes (nine in total);

- (x) whether the number of Plymouth Community Home tenants claiming Universal Credit were new to the City;
- (y) the support provided to vulnerable individuals in applying for Universal Credit and thus sustaining their tenancies;
- (z) whether the DWP were encouraging people to open an account with the Credit Union in Plymouth;
- (aa) whether there had been an increase in the number of people using pay day loans due to Universal Credit being paid monthly rather than the weekly payment of legacy benefits;
- (bb) the number of people with an account at the Credit Union that were in receipt of Universal Credit;
- (cc) the level of involvement of the Credit Union with the Council and the Job Centres regarding the personal budgeting support service;
- (dd) the balance of account holders at the Credit Union (deposits/borrowing);
- (ee) how the Council could support the Credit Union;
- (ff) whether the Foodbank had seen an increase in people using its facilities due to the introduction of Universal Credit;
- (gg) whether legal advice was available as part of the suite of services provided by the Foodbank;
- (hh) what measures could be put in place to better assist individuals to prove that they had been searching for work for 35 hours per week;
- (ii) what improvements could the Council put in place to better help people move onto Universal Credit;
- (jj) the lack of awareness that individuals could request that the housing element of Universal Credit could be paid direct to their landlords;
- (kk) what were the concerns of Citizens Advice regarding the individuals moving from the Employment Support Allowance on to Universal Credit;
- (ll) proper mechanisms in place to access detailed information in order to be able future plan services;

- (mm) what were the specific issues relating to the cohort of people transitioning from the legacy benefit Employment and Support Allowance to Universal Credit.

The Chair thanked all the witnesses for attending and contributing towards a robust scrutiny session.

5. **Recommendations**

The committee agreed the following recommendations -

- (1) following proposed amendments to Universal Credit income thresholds, the committee understand that a significant number of children may be at risk of losing their free school meal entitlement; the committee therefore requests that Council officers review the potential impact of such a change on –
- families;
 - young people and consequential impact on educational attainment;
 - the Council's Joint Venture with CATERed;
 - impact of the Pupil Premium and consequential impacts on the education system in Plymouth;
 - health indicators;
- (2) during the witness statements, the committee raised concerns regarding the quality of communication and data sharing between statutory and non-statutory agencies, landlords and the community and voluntary sector; the committee therefore recommends that statutory agencies work together to develop robust mechanisms, as follows -
- to share predictive data relating to Universal Credit claimants and households to enable better planning of resources;
 - to better communicate information on Discretionary Housing Payments and the support available for Universal Credit claimants to social and private sector landlords and tenants;
 - better improve communication between local authorities, Department for Work and Pensions, social and private landlords;
- (3) that the Group Leaders write to the Permanent Secretary seeking -

- implementation of default automatic direct payment for the housing element of Universal Credit to social and private landlords with an opt out;
 - improve communications between Department for Work and Pensions and private landlords;
 - to provide a mechanism for confirming entitlement to Universal Credit, at an earlier stage, in order to progress Discretionary Housing Payments applications when they are needed;
- (4) request that the portfolio holder accelerates the work being undertaken between Plymouth City Council, Plymouth Community Homes, PATH and other landlords to use the Discretionary Housing Payments underspend this financial year;
- (5) encourage local businesses to introduce a payroll deduction scheme in order to promote the Credit Union;
- (6) investigate the feasibility of restricting the location of money lending and 'rent-to-own' companies within the city centre and deprived areas through planning controls;
- (7) investigate whether there is a secure storage area within the Council's estate that could be used by the Plymouth Foodbank;
- (8) properly fund Advice Plymouth in order to provide additional resources to cope with the increasing demand for complex case management and to seek financial contributions toward the service from partners;
- (9) review the existing training provided by the Council and partner agency staff regarding signposting and support for Universal Credit customers and undertake refresher training where necessary;
- (10) hold a further review to assess the impact of Universal Credit once the service has been live for 12 months (February 2019) and to receive quarterly updates to ensure that this issue is kept under review.

(Please note this meeting was webcast and can be viewed at https://plymouth.public-i.tv/core/portal/webcast_interactive/343519)

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Audit and Governance Committee – 31 May 2018 - Minute 11

Annual Report on Treasury Management Activities 2017/18



Chris Flower (Finance Business Partner) presented the Annual Report on Treasury Management Activities 2017/18.

The following points were highlighted to Members:

- a) as a result of the European Directive, Markets in Financial Instruments Directive (MiFID II), from 3 January 2018 Local Authorities were automatically treated as retail clients but could 'opt up' to professional client status, providing certain criteria was met - Plymouth had met the conditions to opt up to professional status and had done so to maintain its MiFID II status;
- b) the Council's Treasury Management Board has determined it was more cost effective to borrow short term loans instead of fixing in at higher long term rates;
- c) during 2017/18 the Council's investment and cash balances ranged between £70-£100 million due to timing differences between income and expenditure
- d) the Council confirmed compliance with its Prudential Indicators for 2017/18 which were set out in February 2017 as part of the Council's Treasury Management Strategy.

The Audit & Governance Committee agreed:

1. to note the Treasury Management Annual Report 2017/18;
2. to refer the Treasury Management Annual Report 2017/18 to Full Council for approval.

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CITY OF PLYMOUTH

Subject:	Annual Report on Treasury Management Activities for 2017/18
Committee:	City Council
Date:	25 June 2018
Cabinet Member:	Councillor Lowry
CMT Member:	Andrew Hardingham (Interim Strategic Director of Transformation and Change)
Author:	Chris Flower (Finance Business Partner – Accountant for Capital and Treasury Management)
Contact:	Tel: 01752 304212 Email: chris.flower@plymouth.gov.uk
Ref:	Fin/CF
Key Decision	No
Part:	I

Purpose of the report:

In order to comply with the Code of Practice for Treasury Management, the Council is required to formally report on its treasury management activities for the year, providing information on the progress and outcomes against the Treasury Management Strategy. This report covers the treasury management activities for financial year 2017/18 including the final position on the statutory Prudential Indicators.

This report:

- a) is prepared in accordance with the CIPFA Treasury Management Code and the Prudential Code;
- b) confirms capital financing, borrowing, debt rescheduling and investment transactions for the year 2017/18;
- c) provides an update on the risk inherent in the portfolio and outlines actions taken by the Council during the year to minimise risk;
- d) gives details of the outturn position on Treasury Management transactions in 2017/18;
- e) confirms compliance with treasury limits and Prudential Indicators (PIs) and the outlines the final position on the PI's for the year.

In line with the recommendations in the Code of Practice, this report is submitted to Audit Committee as the committee responsible for scrutiny of the treasury management function.

In accordance with Treasury Management Practices note 6, this report is required to be submitted to Full Council.

The Corporate Plan

Effective financial management is fundamental to the delivery of corporate improvement priorities. Treasury Management activity has a significant impact on the Council’s activity both in revenue budget terms and capital investment and is a key factor in facilitating the delivery against a number of corporate priorities.

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

Into the medium and longer term the Council is facing significant pressures due to the national economic situation, which has led to a reduction in resources for local authorities over the Government’s latest spending period. Effective Treasury Management will be essential in ensuring the Council’s cash flows are used to effectively support the challenges ahead.

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

There is an inherent risk to any Treasury Management activity. The Council continues to manage this risk by ensuring all investments are undertaken in accordance with the approved investment strategy, and keeping the counterparty list under constant review.

Recommendations & Reasons for recommended action:

- I. To approve the Treasury Management Annual Report 2017/18.

This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.

Alternative options considered and reasons for recommended action:

None - it is requirement to report to Council on the treasury management activities for the year.

Background papers:

- Treasury Management Strategy report to Council 26 February 2018
- Mid-Year Review report to Audit Committee 7 December 2017

Sign off:

Fin	pl1819.07	Leg/ Dem& Gov	It/3051 6/2105	HR	n/a	Corp Prop	n/a	IT	n/a	Strat Proc	n/a
Originating SMT Member: Andrew Hardingham, Service Director for Finance											
Has the Cabinet Member(s) agreed the content of the report? Yes											

Annual Report on Treasury Management Activities for 2017/18

Introduction

The Chartered Institute of Public Finance and Accountancy's Treasury Management (the CIPFA Code) requires the Council to report on the performance of the treasury management function after the financial year end).

The Council's Treasury Management Strategy for 2017/18 was approved by Council on 15 February 2017. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.

External Context

Economic background: 2017-18 was characterised by the push-pull from expectations of tapering of Quantitative Easing (QE) and the potential for increased policy rates in the US and Europe and from geopolitical tensions, which also had an impact.

The UK economy latest estimates the first estimate of Q1 GDP showed the UK economy expanded by 0.1% over the quarter and 1.2% year-on-year. The quarter figure was below market expectations, while the year-on-year figure was in line with expectations.

There are concerns that the UK economy will continue to decline in preparation for the exit of the EU in 2019. This is in contrast to the international growth momentum generated by the increasingly buoyant US economy and the re-emergence of the Eurozone economies.

The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering. The labour market showed resilience as the unemployment rate fell back to 4.3% in January 2018. The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020. The Withdrawal Treaty is yet to be ratified by the UK parliament and those of the other 27 EU member states and new international trading arrangements are yet to be negotiated and agreed.

The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017. It was significant in that it was the first rate hike in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February Inflation Report indicated the MPC was keen to return inflation to the 2% target

over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely.

In contrast, economic activity in the Eurozone gained momentum and although the European Central Bank removed reference to an 'easing bias' in its market communications and had yet to confirm its QE intention when asset purchases end in September 2018, the central bank appeared some way off normalising interest rates. The US economy grew steadily and, with its policy objectives of price stability and maximising employment remaining on track, the Federal Reserve Open Market Committee (FOMC) increased interest rates in December 2017 by 0.25% and again in March, raising the policy rate target range to 1.50% - 1.75%. The Fed is expected to deliver two more increases in 2018 and a further two in 2019. However, the imposition of tariffs on a broadening range of goods initiated by the US, which has led to retaliation by China, could escalate into a deep-rooted trade war having broader economic consequences including inflation rising rapidly, warranting more interest rate hikes.

Financial markets: The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69% and at 31st March 2018 were 0.43%, 0.72% and 1.12% respectively.

Gilt yields displayed significant volatility over the twelve-month period with the change in sentiment in the Bank of England's outlook for interest rates. The yield on the 5-year gilts which had fallen to 0.35% in mid-June rose to 1.65% by the end of March. 10-year gilt yields also rose from their lows of 0.93% in June to 1.65% by mid-February before falling back to 1.35% at year-end. 20 year gilt yields followed an even more erratic path with lows of 1.62% in June, and highs of 2.03% in February, only to plummet back down to 1.70% by the end of the financial year.

The FTSE 100 had a strong finish to calendar 2017, reaching yet another record high of 7688, before plummeting below 7000 at the beginning of 2018 in the global equity correction and sell-off.

Credit background: In the first quarter of the financial year, UK bank credit default swaps reached three-year lows on the announcement that the Funding for Lending Scheme, which gave banks access to cheaper funding, was being extended to 2018. For the rest of the year, CDS prices remained broadly flat.

The rules for UK banks' ring-fencing were finalised by the Prudential Regulation Authority and banks began the complex implementation process ahead of the statutory deadline of 1st January 2019. As there was some uncertainty surrounding which banking entities the Council would be dealing with once ring-fencing was implemented and what the

balance sheets of the ring-fenced and non ring-fenced entities would look would actually look like, in May 2017 Arlingclose advised adjusting downwards the maturity limit for unsecured investments to a maximum of 6 months. The rating agencies had slightly varying views on the creditworthiness of the restructured entities.

Barclays was the first to complete its ring-fence restructure over the 2018 Easter weekend; wholesale deposits including local authority deposits will henceforth be accepted by Barclays Bank plc (branded Barclays International), which is the non ring-fenced bank.

Money Market Fund regulation: The new EU regulations for Money Market Funds (MMFs) were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility Net Asset Value (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

Credit Rating developments: The most significant change was the downgrade by Moody's to the UK sovereign rating in September from Aa1 to Aa2 which resulted in subsequent downgrades to sub-sovereign entities including local authorities.

Changes to credit ratings included Moody's downgrade of Standard Chartered Bank's long-term rating to A1 from Aa3 and the placing of UK banks' long-term ratings on review to reflect the impending ring-fencing of retail activity from investment banking (Barclays, HSBC and RBS were on review for downgrade; Lloyds Bank, Bank of Scotland and National Westminster Bank were placed on review for upgrade).

Standard & Poor's (S&P) revised upwards the outlook of various UK banks and building societies to positive or stable and simultaneously affirmed their long and short-term ratings, reflecting the institutions' resilience, progress in meeting regulatory capital requirements and being better positioned to deal with uncertainties and potential turbulence in the run-up to the UK's exit from the EU in March 2019. The agency upgraded Barclays Bank's long-term rating to A from A- after the bank announced its plans for its entities post ring-fencing.

Fitch revised the outlook on Nationwide Building Society to negative and later downgraded the institution's long-term ratings due to its reducing buffer of junior debt. S&P revised the society's outlook from positive to stable.

S&P downgraded Transport for London to AA- from AA following deterioration in its financial position.

Other developments: In March, following Arlingclose's advice, the Council removed RBS plc and National Westminster Bank from its counterparty list. This did not reflect any change to the creditworthiness of either bank, but a tightening in Arlingclose's

recommended minimum credit rating criteria to A- from BBB+ for FY 2018-19. The current long-term ratings of RBS and NatWest do not meet this minimum criterion, although if following ring-fencing NatWest is upgraded, the bank would be reinstated on the Council's lending list.

Local Authority Regulatory Changes: Revised CIPFA Codes: CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Code [have been / are being] incorporated into Treasury Management Strategies and monitoring reports.

The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions. The Council intends to produce a Capital Strategy by December 2018.

In the 2017 Treasury Management Code the definition of 'investments' has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is to be identified and reported.

MHCLG Investment Guidance and Minimum Revenue Provision (MRP): In February 2018 the MHCLG (Ministry of Housing, Communities and Local Government) published revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision (MRP).

Changes to the Investment Guidance include a wider definition of investments to include non-financial assets held primarily for generating income return and a new category called "loans" (e.g. temporary transfer of cash to a third party, joint venture, subsidiary or associate). The Guidance introduces the concept of proportionality, proposes additional disclosure for borrowing solely to invest and also specifies additional indicators. Investment strategies must detail the extent to which service delivery objectives are reliant on investment income and a contingency plan should yields on investments fall. The definition of prudent MRP has been changed to "put aside revenue over time to cover the CFR"; it cannot be a negative charge and can only be zero if the CFR is nil or negative. Guidance on asset lives has been updated, applying to any calculation using asset lives. Any change in MRP policy cannot create an overpayment; the new policy must be applied to the outstanding CFR going forward only.

MiFID II: As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3rd January 2018 local authorities were automatically treated as retail clients but could "opt up" to professional client status, providing certain criteria was met which includes having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the Council have at least a year's relevant

professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The Council has met the conditions to opt up to professional status and has done so in order to maintain its erstwhile MiFID II status prior to January 2018. The Council will continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

Local Context

On 31st March 2018, the Council had net borrowing of £205m arising from its revenue and capital income and expenditure, an increase on 2017 of £45m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table I below.

Table I: Balance Sheet Summary

	31.3.17 Actual £m	2017/18 Movement £m	31.3.18 Actual £m
General Fund CFR	354	62	416
Less: Other debt liabilities *	-121	-4	-125
Borrowing CFR	233	58	291
Less: Usable reserves	-55	-8	-63
Less: Working capital	-18	-5	-23
Net borrowing	160	45	205

* *finance leases, PFI liabilities and transferred debt that form part of the Council's total debt*

Net borrowing has increased due to a rise in the CFR as new capital expenditure was higher than the financing applied including minimum revenue provision; together with a small decrease in usable reserves and a fall in working capital due to the timing of receipts and payments.

Borrowing Activity

At 31st March 2018, the Council held £358m of loans, (an increase of £71m on 31/03/2017) as part of its strategy for funding previous years' capital programmes. See table 2 below.

The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

Affordability and the “cost of carry” remained important influences on the Council’s borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have started to rise with the likelihood of further rises over the next 12 months.

The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose assists the Council with this ‘cost of carry’ and breakeven analysis. Temporary and short-dated loans borrowed from the markets, predominantly from other local authorities, also remained affordable and attractive.

The Council’s Treasury Management Board has determined it was more cost effective in the short-term to borrow short-term loans instead of fixing in at higher long term rates. The Council reviews the situation on a regular basis and also takes advice from its Treasury Management advisors.

Table 2: Borrowing Activity

	Balance on 01/04/2017 £m	Movement £m	Balance on 31/03/2018 £m	Avg Rate %
Public Works Loan Board	44	0	44	5.76%
Banks - LOBOs	82	0	82	4.38%
Banks - Fixed Long Term	18	15	33	3.03%
Short Term Borrowing	143	56	199	0.52%
TOTAL BORROWING	287	71	358	2.28%
Other Long Term Liabilities	113	12	125	-
TOTAL EXTERNAL DEBT	400	83	483	-
Increase/ (Decrease) in Borrowing £m			83	

LOBOs

The Council holds £82m (£82m in 2017) of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates. The Council then has the option to either accept the new rate or to repay the loan

at no additional cost. During the year £46m of our LOBOs had options, none of which were exercised by the lender.

Future transactions: Please note that on 13th April 2018 a LOBO loan for £11m was refinanced and this will reduced the amount of LOBOs held by the Council to £71m. The Council is still pursuing other refinancing deals.

LGA Bond Agency

UK Municipal Bonds Agency (MBA) plc. was established in 2014 by the Local Government Association as an alternative to the PWLB with plans to issue bonds on the capital markets and lend the proceeds to local authorities. In early 2016 the Agency declared itself open for business, initially only to English local authorities. The Council has analysed the potential rewards and risks of borrowing from the MBA and has approved and signed the Municipal Bond Agencies framework agreement which sets out the terms upon which local authorities will borrow, including details of the joint and several guarantee.

As at 31st March 2017 no bonds have been issued by the Municipal Bonds Agency.

Debt Rescheduling

The PWLB continued to operate a spread of approximately 1% between “premature repayment rate” and “new loan” rates so the premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council’s portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

Other Long Term Liabilities

Although not classified as borrowing, the Council has other capital finance from Private Finance Initiatives and Finance Leases etc. and as at 31st March 2018 this amounted to £125m.

The liability for the PFI scheme has increased our requirement for finance and therefore we increased our Operational Boundary and Authorised limit to allow for this.

Minimum Revenue Provision (MRP)

Under regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003/146, as amended, local authorities are required to charge to

their revenue account, for each financial year, MRP for the cost of their unfinanced capital expenditure.

Following changes in advice from CIPFA the Council changed its MRP calculations method in 2015/16 to use the annuity method. Prior years involved detailed calculations which were very prescriptive but these were replaced with a requirement that local authorities calculate an amount of MRP which they consider to be prudent.

The Council matches the economic benefits from its assets with the life of those assets. Therefore the Council changed its calculation method to 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 of £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 of value because £1m today has a higher value (NPV) than £1m in 20 years' time.

To assist the Council in keeping a balanced budget for 2017/18 the Council used £2.170 m of capital receipt towards the MRP charge for 2017/18.

Investment Activity

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2017/18, the Council's investment and cash balances ranged between £70 and £100 million due to timing differences between income and expenditure. The year-end investment position and the year-on-year change in show in table 3 below.

The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

Table 3: Investment Activity in 2017/18

Investments	Balance on 01/04/2017 £m	Movement £m	Balance on 30/03/2018 £m	Avg Rate/Yield (%)
Short term Investments (call accounts etc.)	18	0	18	0.80%
Covered Bonds and Loans	11	0	11	0.77%
Money Market Funds	13	13	26	0.21%
Other Pooled Funds	20	5	25	3.95%
TOTAL INVESTMENTS	62	18	80	
Increase/ (Decrease) in Investments £m			18	

Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

During the year the Council invested £5m into a new CCLA Diversification Fund which offers higher rates of returns than the Council other short term investments.

The £20m portfolio of externally managed pooled CCLA Property Fund has generated a total return in the year of £1.046m (5.2%), income return used to support services in year. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives is regularly reviewed.

Security of capital has remained the Council's main investment objective. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy.

Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum long-term counterparty rating is A across rating agencies Fitch, S&P and Moody's); for financial institutions analysis of funding structure and susceptibility to bail-in, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

Given the increasing risk and falling returns from short-term unsecured bank investments, the Council wants to diversify into higher yielding long term asset classes.

Other Non-Treasury Holdings and Activity

Although not classed as treasury management activities, the 2017 CIPFA Code now requires the Council to report on investments for policy reasons outside of normal treasury management. This includes service investments for operational and/or regeneration as well as commercial investments which are made mainly for financial reasons. The Council also holds £63.9m of investments in directly owned property and loans to local businesses. This represents an increase of £28.5m on the previous year. A register of such investments is maintained and reviewed quarterly as part of the Council's performance reporting arrangements.

These non-treasury investments generated £2.1m of investment income for the Council after taking account of direct costs, representing a rate of return of 3.3%. This is higher than the return earned on treasury investments but reflects the additional risks to the Council of holding such investments.

Treasury Management Outturn 2017/18

Budget Income and Expenditure

Treasury Management Outturn Position 2017/18

	2017/18 Budget	2017/18 Outturn	Year End Variance
	£m	£m	£m
Interest Payable	0.903		
LOBO and other long term loans		4.387	
PWLB (Public Works Loan Board)		2.550	
Temporary loans		0.673	
Other Interest		0.265	
Recharge to Departments for Unsupported Borrowing (in accordance with business cases)		(6.920)	
Total Interest Payable	0.903	0.955	0.052
Interest Receivable	(1.969)		
CCLA Property Fund		(1.046)	
Money Market Fund		(0.047)	
Other External Interest		(0.693)	
Total Interest Receivable	(1.969)	(1.786)	0.183
Other Charges	0.0	0.009	0.009
Debt Management	(0.113)	0.437	0.550
Amortised Premiums	(0.096)	0.217	0.313
Total Other Charges	(0.030)	0.663	0.872
Minimum Revenue Provision	7.637	7.302	(0.335)
TOTAL	6.363	7.134	0.712

The Council's Treasury Management Outturn for the year was a deficit of £0.712m. The Council has to service additional borrowing and the investment returns remain very low.

The Treasury Management Outturn does not include the returns from the Council's investments in the purchasing of capital assets as this is included in the Place revenue outturn.

The Bank of England increased the Bank Rate by 0.25% to 0.50% in November 2017 and this was the first rate rise in ten years. The Bank of England have indicated that there will

a further two rises in the next twelve months. The increase in interest rates increase the Council's Investments rates are always slow to increase but if the trends continue.

The Treasury Management budget is held as a separate budget under the Finance Department of the Council's General Fund. Whilst interest costs are slightly less than the budget there are a number of factors that contribute to the final position. Whilst the Council not only borrows to finance capital expenditure, it also has to maintain a daily net cash surplus position. The costs of borrowing to finance invest to save capital schemes is charged to departments. The figures above include the borrowing implications of decisions to utilise the Asset Investment Fund to acquire assets to earn a revenue return which is accounted for in directorate's budgets.

The MRP differential derived as a consequence of the changes to the MRP financing policy agreed in 2017/18 has been used to offset amortised premiums and the increase in the PFI financing requirements and factored into the overall revenue outturn position to enable the Council to break even at year end.

The TM budget has also benefited from repayment of loans enabling service departments to release back to revenue provisions previously created as the risk of default was considered high.

Externally Managed Funds

The Council also has investments in cash plus bond and property funds which allow the Council to diversify into asset classes other than cash with the need to own and manage the underlying investments. The funds which are operated on a variable net asset value (VNAV) basis offer diversification of investment risk, coupled with the services of a professional fund manager; they also offer enhanced returns over the longer term but are more volatile in the short-term. All of the Council's pooled fund investments are in the respective fund's distributing share class which pay out the income generated.

Although money can be redeemed from the pooled funds at short notice, the Council's intention is to hold them for the medium-term. Their performance and suitability in meeting the Council's investment objectives are monitored regularly and discussed with Arlingclose.

Update on Investments with Icelandic Banks

In March 2017 the Iceland authorities lifted the restriction on movement of monies from the country and in June 2017 the Council received its final payment.

The original claim in 2008 against the Iceland Banks was for £13m principle and £0.746m interest and this has been paid in full with an additional sum of £0.235m of accrued interest.

Compliance with Prudential Indicators

The Council confirms compliance with its Prudential Indicators for 2017/18, which were set in February 2017.

The Following indicators are set and monitored each year:

- Estimates of Capital Expenditure;
- Estimates of Capital Financing Requirement;
- Gross Debt and the Capital Financing Requirement;
- Operation Boundary for External Debt;
- Authorised Limit for External Debt;
- Ratio of Financing Costs to Net Revenue Stream ;
- Incremental Impact of Capital Investment Decisions.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

Interest Rate Exposures: This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2017/18 Limit	2017/18 Actual	Complied
Upper limit on fixed interest rate exposure	210%	57%	✓
Upper limit on variable interest rate exposure	80%	72%	✓

Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year or more. Instruments that mature during the financial year are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper Limit	Lower Limit	31.03.2018 Actual	Complied
Under 12 months	100%	0%	56%	✓
12 months and within 24 months	100%	0%	5%	✓
24 months and within 5 years	100%	0%	0%	✓
5 years and within 10 years	100%	0%	0%	✓
10 years and above	100%	0%	39%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 365 days: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2017/18	2018/19	2019/20
Limit on principal invested beyond year	£40m	£35m	£35m
Actual	£0m	£0m	£0m
Complied	✓	✓	✓

Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment.

	Target	Actual	Complied
Portfolio average credit rating	A	AA-	✓

Liquidity: The Council does not keep large amounts of cash in call accounts so that it reduces the cost of carrying excess cash. To mitigate the liquidity risk of not having cash available to meet unexpected payments the Council has access to borrow additional, same day, cash from other local authorities.

Investment Training

Officers have undergone the following training during the year:

Arlingclose – Review of Minimum Revenue Provision.

Arlingclose – Principles of Treasury Management Workshop.

CCLA – Investments Seminar

Arlingclose – Review of Borrowing and Investments.

Arlingclose - Accounts closedown workshop 2017/18.

Grant Thornton - Accounts Closedown Workshops for Local Authority Accountants

Prudential Indicators 2017/18

The Local Government Act 2003 requires the Council to have regard to CIPFA's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

This report compares the approved indicators with the outturn position for 2017/18. Actual figures have been taken from or prepared on a basis consistent with, the Council's statement of accounts.

Capital Expenditure: The Council's capital expenditure and financing may be summarised as follows.

Capital Expenditure and Financing	2017/18 Estimate £m	2017/18 Actual £m	Difference £m
General Fund	155.230	98.963	56.267
Total Expenditure	155.230	98.963	56.267
Capital Receipts	8.510	4.827	3.683
Grants & Contributions	37.350	29.731	7.619
Reserves	0.0	0.100	0.100
Revenue	0.930	0.295	0.635
Borrowing	108.440	64.010	44.430
Total Financing	155.230	98.963	56.267

Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.18 Estimate £m	31.03.18 Actual £m	Difference £m
General Fund	410.930	417.924	6.994
Total CFR	410.930	417.924	6.994

The CFR rose by £64m in the year (2017 £354m) from capital expenditure financed by debt outweighs resources put aside for debt repayment.

The increase in CFR shows that the Council is increasing its borrowing to pay for capital expenditure in the city.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Actual Debt: The Council's actual debt at 31 March 2018 was as follows:

Debt	31.03.17 Estimate £m	31.03.18 Actual £m	Difference £m
Borrowing	288	358	70
PFI liabilities & other Finance leases	125	125	(0)
Total Debt	413	483	70

The actual debt levels are monitored against the Operational Boundary and Authorised Limit for External Debt below.

Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent, but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	31.03.18 Boundary £m	31.03.18 Actual Debt £m	Complied
Borrowing	425	358	✓
Other long-term liabilities	130	125	✓
Total Debt	555	483	✓

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003

It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	31.03.18 Boundary £m	31.03.18 Actual Debt £m	Complied
Borrowing	450	358	✓
Other long-term liabilities	160	125	✓
Total Debt	610	483	✓

Recommendations

1. To note the Treasury Management Annual Report 2017/18.
2. To refer the Treasury Management Annual Report 2017/18 to Council for approval.

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