



Oversight and Governance

Chief Executive's Department
Plymouth City Council
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Plymouth PL1 3BJ

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CABINET

Tuesday 9 June 2020
2.00 pm
MS Teams Meeting

Members:

Councillor Evans OBE, Chair

Councillor P Smith, Vice Chair

Councillors Haydon, Coker, Dann, Lowry, Penberthy, Jon Taylor, Laing and Kate Taylor.

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

This meeting will be broadcast live and will be available on-line for playback once the meeting has concluded. By joining the meeting, councillors are consenting to being filmed during the meeting and to the use of the recording for online viewing.

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Tracey Lee

Chief Executive

Cabinet

Agenda

Part I (Public Meeting)

1. Apologies

To receive apologies for absence submitted by Cabinet Members.

2. Declarations of Interest

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

3. Minutes (Pages 1 - 8)

To sign and confirm as a correct record the minutes of the meeting held on 5 May 2020.

4. Questions from the Public

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

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

5. Chair's Urgent Business

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

6. Leader's Announcements

7. Covid-19 Cabinet Member Updates

8. Update from the Director of Public Health on Shielding

9. Update from the Chief Executive on Reset/ Resurgam

10. Update on the Good Neighbour Scheme

11. National Marine Park Update

12. **Plymouth and South West Devon Supplementary Planning Document (SPD) - Adoption** (To Follow)
13. **Capital & Revenue Outturn Report 2019/20** (Pages 9 - 26)
14. **Cabinet Appointments 2020/21** (To Follow)

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Cabinet**Tuesday 5 May 2020****PRESENT:**

Councillor Evans OBE, Chair

Councillor Pete Smith, Vice Chair

Councillors Haydon, Coker, Dann, Lowry, Penberthy, Jon Taylor, Laing and Kate Taylor.

Also present: Tracey Lee (Chief Executive), Giles Perritt (Assistant Chief Executive), Ruth Harrell (Director of Public Health), Anthony Payne (Strategic Director for Place), Andrew Hardingham (Service Director for Finance), Andy Ralphs (Strategic Director for Customer and Corporate Services), Andrew Loton (Head of Governance, Performance and Risk), Jamie Sheldon (Democratic Advisor), Helen Prendergast (Democratic Advisor), Helen Rickman (Democratic Advisor) and Amelia Boulter (Democratic Advisor).

The meeting started at 2.00 pm and finished at 4.24 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.

1. Declarations of Interest

There were no declarations of interest.

2. Minutes

Councillor Coker (Cabinet Member for Strategic Planning and Infrastructure) proposed an amendment to the minutes for 10 March 2020 (Minute 28). Amendment to reflect the update provided by Councillor Coker where he announced the launch of a new programme; Plymouth quieter neighbourhoods – Connected Communities. This program is aimed at celebrating the distinctiveness of Plymouth's communities and a place making approach to the design of Plymouth's streets.

Amended minutes were proposed as a true and accurate record by the Chair, Councillor Evans. Seconded by Councillor Sue Dann and agreed by Cabinet.

3. Questions from the Public

There were no questions from members of the public.

4. Chair's Urgent Business

There was no urgent business raised.

5. **Statement from the Director of Public Health**

Ruth Harrell (Director of Public Health) provided an update and it was highlighted that in Plymouth there have been cases of COVID-19 and lives have been lost. People have been badly affected and this was an awful tragedy for everyone concerned, however, the number of cases and deaths has been relatively low in the south west with social distancing having an impact.

There have been 44 deaths attributed to COVID-19 across the city with 400 cases of people infected. The testing centre opened rapidly in Plymouth and the next key focus would be on what happens next. There would be some guidance on coming out of the lockdown on Sunday in which we should see the gradual loosening of lockdown.

The more days people spend in isolation reduces the number of cases. This was a new disease and they were learning from research locally, nationally and across the world. The focus now on increasing the testing and people with any symptoms to self-isolate. There was a burden on asking people to isolate with a direct impact of COVID-19 on mental health, accessing other NHS services and impact on the economy could not be underestimated.

Key areas of questioning –

Councillor Lowry regarding who are key workers and testing.

Councillor Evans regarding information available on the council website

The Committee noted the update from the Director of Public Health.

6. **Statement from the Chief Executive**

Tracey Lee (Chief Executive) provided an update on Plymouth City Council's response to COVID-19 and conveyed her condolences to those that have lost a loved one. Thanks were given to Plymouth City Council's employees that have stepped up to ensure that critical services were being delivered and maintained as well as delivering new services. It was highlighted that –

- Gold (Strategic), silver (tactical) and bronze (operational) commands had been set up and were currently in the emergency response phase covering 4 objectives:
 - preserving life and limiting harm
 - keeping services open whilst keeping staff safe
 - supporting the local economy
 - visible and proactive community leadership
- £8.4m funding had been received from central Government and a further £7.2m is anticipated to cover the costs of COVID-19.

83% of Council staff are able to work from home and a workforce Bureau has been out in place to reassign staff where extra resource is required.

New services include supporting those shielding, Good neighbour schemes, and support for Domestic Abuse.

The Committee noted the update on Plymouth City Council's response to COVID-19.

7. **Leader's Announcements**

A Video 'Plymouth in Lockdown' was played for Members.

Councillor Evans (Leader) highlighted -

- Proud of how the city had come together in this current crisis and how people had supported each other;
- People were anxious and people have lost loved ones and dealing with the isolation and financial security. The council were doing everything it could to steer through these difficult times;
- Thanks were given to the economic team. They have been undertaking weekly calls with the Chamber of Commerce and PMG and making sure business were responding and lobbying the LEP and government business departments, LGA regarding the shortfall in government support;
- £37m distributed to over 3,000 businesses. There were still some businesses entitled to money and were in the process of tracking these down. If we can help we want to help and want those businesses to survive;
- Helpline for small businesses;
- Lobbying success for fishing with £10m received;
- Call for Fish has now spread to 23 ports around the country. This started in Plymouth;
- Shop4Plymouth, a new initiative is working well;
- Recovery programme for Plymouth launch announced which is called 'Resurgum' which has four stages
 - Acute
 - Analysis
 - Recover
 - Return
- Opening date of the Box is still being reviewed.

8. **Covid-19 Cabinet Member updates**

Councillor Peter Smith (Deputy Leader): It was reported that:

- They have implemented Government guidance for protecting staff and for staff to work at home. Measures would be put in place to support staff with mental health and emotional wellbeing;
- Sport and leisure currently all closed. Everyone Active provide a daily podcast to encourage activity at home. Plymouth has been selected by Sport England to support children and young people to improve lives through activity and sport;

- VE Day 75 events on the Hoe had been cancelled, however there were on line events to help celebrate safely at home;
- History Festival event had been cancelled, however was available to view on line;
- Other options were being looked at for Mayflower 400 celebrations;
- Discussions were taking place on the completion of the Elizabethan House project;
- Library service was available on-line with 7,000 e-book and audio books downloaded since the lockdown.

Councillor Lowry (Cabinet Member for Finance). It was reported that:

- Currently revenue was £190m for this financial year;
- Early assessment of COVID-19 on the city finances may cost £50m and they were working on refining this figure. Central government were fully aware of this cost and government have said that we would be fully reimbursed for the fight against COVID-19;
- Deferred payment of businesses rates for 2 months which can now be paid over 10 months rather than 12 months;
- Council tax was still being paid by residents and thank you. Last year there were 12,000 missed payments and this year 14,000 missed payment. Self-employed can defer payments until July 2020.

Andrew Hardingham (Director of Finance) was called to speak by the Chair.

Reiterated the further £7.2m to be received and money received (£2.5m) for hardship relief. However continuing pressures mean further funding will be necessary to meet shortfall.

Councillor Laing (Cabinet Member for Children and Young People). It was reported that:

- Social worker have reviewed every child and this was reviewed weekly to ensure that they were providing the right support. PPE provided for home visits;
- Continuing to provide support to care leavers;
- Lockdown impact on mental health and wellbeing and this was being discussed when contact was made with children and young people;
- Fostering and recruitment was continuing safely. Personal thanks to foster carers;
- Some children have entered care due to lockdown related issues and this has given to a rise in those in care which is being monitored;
- Responding to safeguarding issues with the police to ensure action was taken;
- There was no shame in asking for help and that we want to help families get through this.

Councillor Kate Taylor (Cabinet Member for Health and Adult Social Care). It was reported that:

- Caring for Plymouth and alliance between Plymouth City Council, Livewell SW and community organisations have established an offer from 8 am to 8 pm to support

Operation Shield. Thanks was given to each organisation and their staff for making a huge difference;

- Plymouth has 97 care homes across the city. Twelve of the care homes currently suspected or confirmed outbreak of COVID-19. The local authority has been in constant contact with these care homes from the start;
- Accommodation support for care home staff and infection control visits carried out. Corporate communications team providing support to care homes in terms of messaging;
- Staffing has been impacted and they were working with homes to support shortfalls with staffing;
- Livewell SW have provided IT support for residents to stay in touch with their relatives;
- Financial support for care homes to ease the pressures surrounding staffing and PPE;
- With regard to domiciliary care, they have 2,000 services users of which 725 were high risk. 5,000 visits scheduled to deliver care;
- Proud to Care recruitment drive with rapid enrolment to allow more staff back into the profession;
- Day services and outreach provision to ensure people were getting the support they need as well as balancing the needs of service users and families. They would be re-opening Colwill Lodge and Vine Lodge in a controlled way to support provision;
- Community beds were being made available following hospital discharge and private business were supporting this;
- St Luke's providing pre and post bereavement services for families, briefing for care home staff and measure put in place to support families;
- Recognised the impact on mental health and Livewell Southwest are providing additional support service which are listed on Plymouth On-line Directory;
- Personal Protective Equipment is being made available and provision for domiciliary care and supported living was satisfactory.

Councillor Penberthy (Cabinet Member for Licensing and Co-operative Development). It was reported that:

- Work delivered through the Alliance has provided an extra 40 self-contained bed spaces for the homeless, however some were choosing to rough sleep;
- Twice the number of people were in bed and breakfast accommodation;
- 3 times more claims for council tax support this year which would impact on council budgets and we're encouraging people to access help;
- Over 790 volunteers as part of the Good Neighbour Scheme;
- Plymouth Online Directory (POD) has been updated to include all the community schemes, there have been 58,000 visits to the site;
- Working with Food Plymouth and debt advice agencies to ensure this service sustainable;
- Disabilities facilities grant work is being undertaken to ensure people can be supported in their homes.

Councillor Dann (Cabinet Member for Environment and Street scene). It was reported that:

- Highlighted the importance of parks and green spaces during lockdown;
- They prioritised the collection of green and brown bins. Garden waste and bulky waste has been stopped to redeploy staff to maintain the service and collection of green and brown bins;
- Suspended service at the recycling centres at because it caused delays at Chelson Meadow to the collection of household waste. Plymouth City Council was planning to re-open Chelson Meadow following recent Government guidance received;
- Despite the reduced number of staff across the service and increased fly tipping, with the help of residents, they have managed to keep streets clean and collected rubbish;
- 5 tonnes of litter collected on the Parkway;
- Maintenance undertaken in parks and highlighted the issues with dog fouling;
- Parks accelerator program is still underway;
- Board meeting is planned for national marine park;
- Climate change still on the agenda.

Councillor Coker (Cabinet Member for Strategic Planning and Infrastructure). It was reported that:

- No clear guidance from the Department of Transport on workers, so immediately took the decision to undertake critical work on the network only;
- Reviewed car parking charges to enable key workers to park without charge;
- Automatically renewed blue badges where necessary;
- Real time passenger signs and road signs used to communicate with the public on guidance;
- Concessionary passes have also been automatically renewed and travel times extended;
- Bus companies are experiencing an impact from reduced patronage.

Councillor Haydon (Cabinet Member for Customer Focus and Community Safety). It was reported that:

- Bereavement Service at Efford was now available again and there have needed to be changes to the way families say goodbye to their love ones. They were ensuring that families were able to attend but have limited the number to 10. They have upgraded the webcast facility for more people to feel part of the service;
- Public Protection Service were involved in investigations with the increase in scams with fake test kits to disinfection of the home;
- Civil Protection Team were busy supporting the council with this current emergency;
- Customer services and Contact Centre were now working from home;
- Registration service has made changes to services by going virtual;
- Increase in dog fouling and this has prompted an increase in enforcement.

Councillor Jon Taylor (Cabinet Member for Education, Skills and Transformation). It was reported that:

- Thank you to schools and parents. Many schools were open and supporting children on site as well as those home learning;
- 1,000 children attending school each day and 180 across early year settings. Places still available for children of key workers;
- Ensuring most vulnerable children were safe and protected and do not fall behind with their learning;
- Home visits were in place for vulnerable children;
- CaterEd have been fantastic in filling the gaps and ensuring children do not go without food;
- Written to Secretary of State regarding the various issues with the Government voucher scheme;
- When schools reopen they were planning for that return. It would be challenging to get children back learning safely.

9. **Strategic Objectives for Plymouth City Council (Covid-19)**

The Leader, Councillor Evans OBE introduced the report on Strategic Objectives for Plymouth City Council (Covid-19). Giles Perritt, Assistant Chief Executive was in support. This was an urgent decision before Cabinet given that national emergency planning best practice is to identify recovery and renewal priorities as soon as practicable during the response phase to a major incident. Given the dynamic nature of the Covid-19 pandemic, the earliest opportunity has been taken to agree and publish the recovery and renewal framework to enable responses to national and local policy changes to be appropriately guided.

Following a discussion Cabinet agreed:

1. To note the challenges and opportunities at section (3) of the accompanying report that the city has faced since the beginning of the Covid-19 outbreak;
2. To note the key assumptions and adopt the key principles at section (3) of the accompanying report to guide decision making;
3. Early recovery and renewal priorities and objectives at section (4) of the accompanying report;
4. The terms of reference for the Reset Board.

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Cabinet



Date of meeting:	09 June 2020
Title of Report:	Capital & Revenue Outturn Report 2019/20
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Andrew Hardingham (Service Director for Finance)
Author:	Paul Looby – Head of Financial Planning and Reporting Hannah West - Finance Business Partner
Contact Email:	paul.looby@plymouth.gov.uk hannah.west@plymouth.gov.uk
Your Reference:	PL20/21
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report outlines the finance monitoring position of the Council as at the end of March 2020.

The primary purpose of this report is to detail how the Council has delivered against its financial measures using its capital and revenue resources, to approve relevant budget variations and virements, and report new schemes approved in the capital programme.

As shown in Table I below, the council has effectively balanced its budget reporting a small revenue overspend of £0.005m. The overall net spend equates to £185.488m against a budget of £185.483m.

Due to the need to deliver in excess of £17.000m of savings in 2019/20 on the back of balancing the 2018/19 revenue budget where £11m of net revenue reductions were successfully delivered this is a commendable outturn position. In addition to meeting the spending challenges over the past year there has been an impact upon the council's finances due to the COVID 19 pandemic.

Table 1: End of year revenue forecast

	Budget £m	Forecast Outturn £m	Variance £m
Total General Fund Budget	185.483	185.488	0.005

The latest capital budget as at 31 March 2020 for the five years from 2018/19 to 2022/23 was £892.911m. The capital programme expenditure for 2019/20 is £196.180m. This is shown by Directorate in Table 5.

Recommendations and Reasons

1. Note the revenue outturn position;
2. Note the revenue costs to be funded under the Flexible Use of Capital Receipts Policy and recommend that Council approves the Policy as recommended by the Service Director Finance;
3. Note the use of Working Balances to ensure a balanced position is achieved in 2019/20;
4. Note the Capital Report including the Capital Financing Requirement of £196.180m.

Alternative options considered and rejected

None – our Financial Regulations require us to produce regular monitoring of our finance resources including a revenue and capital outturn position which culminates in the production of the 2019/20 annual statement of accounts.

Relevance to the Corporate Plan and/or the Plymouth Plan

The financial outturn report is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

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

Carbon Footprint (Environmental) Implications:

No impacts directly arising from this report.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

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

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
I	Revenue Outturn							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

Fin	djn.2 0.21. 22	Leg	LS/3 4798 /AC/ 27/5/ 20	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Andrew Hardingham (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 22/05/2020											
Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance)											
Date approved: 27/05/2020											

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Plymouth City Council
Finance Monitoring – 2019/20
Quarter 4 Outturn at 31 March 2020

I. Introduction

- I.1 This report reviews the Council's financial performance and in terms of activity for the year ended 31 March 2020. By its very nature this report reviews past financial performance and how this will impact upon future years' i.e. reserves and balances. The impact of COVID 19 has also had an impact on the financial performance of the council albeit the latter part of March 2020. However, its impact and consequences upon the council's future financial position and reporting cannot be underestimated. Members and officers are working closely to assess the full year effect of COVID 19 and monitoring arrangements have been put in place to capture all costs related to the pandemic. These will be reported formally to Members as part of the planned monitoring of the council's finances and a revised budget for 2020/21 will be submitted to Council later in the year.
- I.2 The provisional outturn position (subject to external audit review) for 2019/20 is a small overspend of £0.005m. This outturn position needs to be seen in context of the financial challenges the Council faced during the year and needs to be read in the context of needing to deliver in excess of £17.000m of savings in 2019/20. Taking all of these factors into account, this is a commendable outturn position.
- I.3 In comparison to 2018/19 the reported overspend before making use of working balances was £1.117m. This year represents an improvement and the small £0.005m balance will be drawn from the Council's working balance. The 2020/21 budget has already made provision to replenish reserves as part of a planned approach over the next three years. This has been reflected within the developing Medium Term Financial Plan (MTFP).
- I.4 Significant pressures within Children's Social Care have been experienced due to increased cost and volume of looked after children's placements, as well as delivery plans not bringing the results anticipated. Within the Federated Directorate for social care these additional costs have been largely offset by efficiencies within Strategic Commissioning where client numbers were less than the budgeted number.
- I.5 Within the Place Directorate pressures within Street Scene were identified and have been managed down by identifying savings and maximising income across the Directorate although a significant pressure still remains and will need to be addressed in the current financial year.
- I.6 Pressures were identified within Customer Services due to volatility within the housing benefit budget and a number of legacy saving targets which were not achieved in year.
- I.7 The Government has allowed local authorities to use capital receipts to fund the revenue costs of Transformation Projects as part of the flexible use of capital receipts strategy. To be eligible any project funded from capital receipts must deliver ongoing revenue savings after the project has been completed. The Council has made use of this flexibility in previous years

and Council approved the Strategy in 2017/18 and 2018/19. During 2019/20 the Transformation team has embarked upon projects which are eligible under the Policy, however, these projects were not identified and approved as part of the 2019/20 budget. The Service Director for Finance is recommending that Cabinet approve these projects form part of the 2019/20 flexible use of capital receipts strategy and these are retrospectively approved by Council at its next meeting.

- I.8 The Business Administration Review will form part of the Council's flexible use of capital receipts strategy. The revenue costs for this project of £0.400m have been capitalised and the project will generate ongoing revenue savings of £0.588m from 2020/21 and £1.730m in 2021/22. This project along with work undertaken on the council's accommodation, which will have developed an outline business case by the end of June 2020, will be the two biggest financial contributions made by Transformation. Other projects being supported by Transformation include – Caring for Plymouth, the digital programme which will redesign our front doors and Procurement. All this work is subject to the impact of the emergency response to COVID19.
- I.9 Further details of the main variations are contained within section A of this report.
- I.10 It is appropriate, given the financial challenges facing the Council in the next financial year due to COVID19 and its impact upon the delivery of savings plans in the medium term, that as part of reporting the final position for 2019/20 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 Service Director for Finance, will ensure the details of the Council's reserves and provisions will be set out within the Statement of Accounts.
- I.11 The outturn figures will now feed into the Council's formal Statement of Accounts, which will include the Balance Sheet position. Due to the disruption caused by COVID 19 the Ministry for Housing Communities and Local Government (MHCLG) have confirmed details of the changes made to the Accounts and Audit Regulations 2015. The Accounts and Audit (Coronavirus) Amendments Regulations 2020 extend the statutory audit deadline for 2019/20 for all local authorities. The Service Director for Finance, as the Council's Section 151 Officer, must publish the draft Statement of Accounts by 31 August 2020 at the latest. The publication date for audited accounts will move from the 31 July to 30 November 2020 for all local authority bodies.

SECTION A: REVENUE FINANCE OUTTURN**2. Revenue Finance Outturn 2019/20**

- 2.1 Council approved a gross revenue budget of £501.368m with a net revenue budget of £185.483m for 2019/20 at its meeting in February 2019. 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 using working balances, shows a small overspend of £0.005m. 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 2019/20 the Council has managed a £17.000m savings programme in addition to increasing service demands and customer expectations.

Table I End of Year Revenue Outturn by Directorate.

Directorate	2019/20 Gross Expenditure	2019/20 Gross Income	2019/20 Latest Budget	2019/20 Outturn	Year End Over / (Under) Spend
	£m	£m	£m	£m	£m
Executive Office	6.450	(0.590)	5.860	5.859	(0.001)
Finance*	22.139	(5.051)	17.088	17.374	0.286
Customer and Corporate Services	96.991	(81.248)	15.743	16.554	0.811
Children's Directorate	139.818	(92.934)	46.884	47.911	1.027
People Directorate	125.360	(38.393)	86.967	85.984	(0.983)
Office for the Director of Public Health	18.572	(19.019)	(0.447)	(0.558)	(0.111)
Place Directorate	82.472	(58.074)	24.398	25.539	1.141
Corporate Items	9.566	(20.576)	(11.010)	(13.175)	(2.165)
TOTAL	501.368	(315.885)	185.483	185.488	0.005

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

- 2.3 Full details of outturn position by Directorate are shown in Appendix A. Further details for other adjustments and reserve movements are set out in section 5 of the report.
- 2.4 Across the Council, management actions to reduce the potential of an over spend being incurred included a review of all discretionary spend and delayed expenditure wherever possible.
- 2.5 Table 2 shows the outturn position for the Plymouth Integrated Fund.

Table 2 Plymouth Integrated Fund

Plymouth Integrated Fund	Section 75 indicative position	2019/20 Budget	Forecast Outturn	Forecast Year End Over / (Under) Spend
	£m	£m	£m	£m
N.E.W. Devon CCG – Plymouth locality	349.581	380,817	381,000	0.183
Plymouth City Council	253.559	255,569	255,662	0.093
TOTAL	603.140	636,386	636,662	0.276

*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 an underspend of £0.001m for the year, despite the substantial challenges faced by the Chief Executive's office during the year in managing demanding income and expenditure targets.
- 3.2 The costs of significant work supporting the Council's Brexit planning arrangements were recoverable from the Council's Brexit grant. In addition, the costs of legal work in delivering major capital projects for the Council and supporting public sector partners were also recovered. These actions, alongside a strong focus on minimising non-essential expenditure and re-allocating work to cover key vacancies in our establishment, has resulted in a successful year-end position.

Corporate Items

- 3.3 Corporate items is showing a favourable position of £2.165m see above. These budgets include a number of budget lines that do not relate to any specific directorate and are corporate by their nature. They include pensions and insurance. Due to the nature of these budgets, any pressures or saving that arise are difficult to address with any service specific actions leading to corporate pressure or underspend.
- 3.4 Budgets within this area played a significant part in ensuring the council declared a balanced budget at year end. Examples of these adjustments include:
- Releasing of the council's redundancy reserve;
 - Release of the 2019/20 council tax surplus due to collection performance during the year;
 - Receipt of NNDR levy surplus from government as part of the overall resources for business rates;
 - Release of savings from the Pension deficit solution.

Finance

- 3.5 Finance has ended with a £0.286m overspend. Although there have been some areas with significant pressure the successful management of Treasury Management (TM) activity has helped address most of these in-year.
- 3.6 It is worth noting TM activity will continue to feel the result of economic activity. Even more so in the light of the impact has following the lockdown measure in place to prevent the spread of Coronavirus. The service area will need to continue to manage interest rate challenges due mainly to the increase in borrowing to support the council's ambitious capital investment programme.
- 3.7 Facilities Management (FM) budgets in aggregate have overspent in 2019/20. Soft FM services have faced cost increases with Security staffing and cleaning materials. Within Hard FM emergency works due to asbestos and water leaks have contributed to the overspend.
- 3.8 Income targets for both TM and FM proved to be challenging this year and it is anticipated this challenge will continue into 2020/21 and beyond.

Customer and Corporate

- 3.9 The Customer and Corporate Directorate is reporting an adverse outturn position of £0.811m.
- 3.10 This is made up of many service areas including the Customer Service Department which is reporting an overall pressure of £0.524m. This is predominantly due to pressure within the Revenues and Benefits department offset by wider department vacancies savings.
- 3.11 Housing Benefit, is renowned for its volatility and has been acknowledged previously as an area of risk due to underfunding the provision as more claimants move to Universal Credit thereby reducing the ability to recover. Pressure continues with Housing Benefit subsidy funds and overpayments.
- 3.12 The Service Centre has, as outlined in the MTFP, a significant savings target that remains a challenge going forward. The pressure in 2019/20 totalled £0.600m but some in-year savings helped reduce this to £0.287 this financial year. Despite this, the £0.600m has been carried forward to 2020/21.
- 3.13 Human Resources (HR) & Organisational Development (OD) also delivered an underspend of £0.334m following reduced spend against the training budget and in-year vacancy savings.
- 3.14 There is a pressure of £0.534m held in the Customer Department. This pressure is the result of legacy items once held in the old Transformation and Change Directorate being apportioned out amongst the original members. This is the proportion belonging to Customer Services, Human Resources and ICT. A similar legacy target has been absorbed by Finance and the Chief Executive Office.
- 3.15 The Transformation department has a £0.106 underspend. This is due to departmental efficiencies achieved through the year and the application of capital receipts to fund the revenue costs Transformation projects.
- 3.16 The ICT budget recorded an overspend of £0.193m. This pressure has arisen due to the increased costs incurred from financing IT expenditure not being fully met by income including the Delt dividend. Costs have been closely monitored all year and controls put in place to

prevent them growing further. In addition the budget has absorbed costs of systems contributing to benefits being delivered in core services.

Children's Directorate

- 3.17 The Children's Directorate are reporting an adverse outturn position of £1.027m. The overall reported pressure can be attributed to a variety of reasons including the increased cost and volume of looked after children's placements, as well as delivery plans not bringing the results anticipated.
- 3.18 The cost of the care is particularly high due to increased numbers of looked after children. Numbers increased from 418 to 436 from April 2019 to March 2020.
- 3.19 In addition to this 5 high cost unregistered arrangements for young people with complex needs either had their arrangements established or extended. The level of support needed to keep young people safe, such as specialist residential care placements with high levels of staffing.
- 3.20 This increasing financial demand on Children's Services is not just a local issue, but is seen nationally and is a culmination of rising demand, complexity of care, rising costs and the availability of suitable placements.
- 3.21 The Service through business as usual have continued to hold expenditure wherever possible through the quarterly budget review exercise, holding vacant positions and grant maximization.
- 3.22 The Service continue to keep the pressure on going into the new financial year by continuing with the following actions to address the pressure in the system.
- Looked after Children – only one point of contact for all new entrants.
 - Fortnightly placement review to ensure step down of high cost placements.
 - Maximize contribution from partners including Health and Education.
 - Maximize local residential placements to avoid higher out of area costs.
- 3.23 Ongoing work continues, all placements are reviewed regularly in order to reduce the pressure on cost and volume where appropriate.
- 3.24 Education, Participation and Skills (EP&S) are reported within the overall Children's Directorate.

People Directorate

- 3.25 The Strategic Commissioning service is reporting a balanced position at year end. It is worth noting that throughout 2019/20, the Strategic Commissioning department has offset any savings against the Children's directorate pressures.
- 3.26 Adult Social Care client numbers have been dropping all year, resulting in reduced costs. These savings were however offset against the corresponding reduction in client contributions of £2.900m.
- 3.27 The Community Equipment budget overspent in year by £0.430m with the push to get people home safe without the need for expensive care packages, but this was offset against addition monies received from health.

- 3.28 As part of the MTFP for 2019/20, Strategic Commissioning have achieved savings of £2.519m as well as £2.546m of savings brought forward from 2018/19 that were realised from one off savings and needed to be achieved in this financial year.
- 3.29 Work will continue into 2020/21 to review all costs and volume impacts on the department spend with management actions to minimise all administration costs where possible.
- 3.30 The weekly dashboards will continue to be used to inform the service of all client numbers and costs, with the continuation of the successful Budget Containment meetings (2 per month) working with our key partners Livewell and CCG. These meetings oversee a Budget Recovery Plan with key measures including an enhanced Scheme of Delegation and client reviews.
- 3.31 Community Connections has finished the year £0.983m under budget following grant maximisation and controlling costs. The department was allocated full budget provision to run the service as part of the council's allocation of resources. Throughout the year, as one-off specific grants have been received these have been swapped out allowing the release of the original budget funding.
- 3.32 Average Bed and Breakfast (B&B) numbers for the year have been increasing and finished with an average number of 43 placements per night, although there was a reduction in the number at the same time last year (46). Housing benefit claims again increased due to the change to the Universal Credit System.
- 3.33 This cost pressure has been offset within the Localities budget with additional capitalisation of Community Equipment and the maximisation of government grants, one of which was received within March 2020. Increases in the B&B numbers have been minimised by the service with use of alternative properties provided through existing contracts as well as use of additional contracted staff to target single occupancy stays.
- 3.34 The department will face continuing pressures going into 2020/21 but will do all it can to achieve budget over all People Directorate services.

Office of the Director of Public Health (ODPH)

- 3.35 The Public Health Directorate has achieved an underspend of £0.111m at year end. The budget is made up of the grant funded Public Health of £14.925m plus the Public Protection Service and Bereavement Services. The grant funded section of Public Health forms part of the Integrated Fund.
- 3.36 The £0.405m reduction in the Public Health grant received in 2019/20 from the 2018/19 allocation has been covered by a variety of management actions, mainly around the contracts that are held within the department.

Place Directorate

- 3.37 Strategic Planning and Infrastructure (SP&I) underspent by £0.293m. This has been achieved through proactive budget management including maximising income, managing vacancies and capitalising salaries where applicable.
- 3.38 This has also enabled the commencement of the National Marine Park project.
- 3.39 Departmental Management has enabled savings to be made across all three service areas to offset overspending relating to the legacy target apportioned and GAME staffing pressures.

- 3.40 Income generation, including that from Asset Investment Fund (AIF) acquisitions have enabled a series of spend pressures within Economic Development to be met, including the loss arising from the discovery of asbestos at the City Business Park, unavoidable commercial estate pressures and delivering on political pledges.
- 3.41 Across the service, Streets are reporting a significant adverse variation of £1.902m, the details of which can be seen below. A reduction of income and additional disposal costs during social distancing (16 March) and Lockdown (23 March) have increased the adverse position from month 11 to outturn which made the adverse situation significantly worse.
- 3.42 Also included in this pressure are legacy savings totalling over £0.600m which have previously been covered by over achievement on income.
- 3.43 Street Scene & Waste adverse variation of £1.408m can be attributed to: the Refuse Transfer Station fire and closure of the facility for 9 weeks (and the subsequent loss of income) and increased costs associated with recovery and ensuring the return to pre-fire throughput levels over a period of time, increased agency spend to mitigate risks to over-exposure of Hand Arm Vibration equipment; health, safety and wellbeing (HSW) improvements as advised by the HSW Programme Board and Risk Summit, increased non-scheduled maintenance and fuel costs of an aging fleet, overall pressures to deliver clean and tidy streets in the lead up to Mayflower 400 and a loss of commercial income and increased agency costs during March 2020.
- 3.44 Grounds Maintenance reported an adverse variation of £0.221m as a consequence of a shortfall of predicted income and an increase in spend around agency staff – some of which can be attributable to an increased activity towards the end of the financial year.
- 3.45 Fleet and Garage adverse variation of £0.237m was as a consequence of unachievable savings targets.
- 3.46 Highways and Car Parking Outturn shows an adverse variation of £0.036m, in part due to a loss of income from car parking, which in any other year would have shown a surplus and helped ease pressure elsewhere in the service.
- 3.47 The Place Directorate has historically always managed to balance in previous years, the levels of additional commercial income that were able to assist in that regard this year were lower than historic capability.

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 2019/20 revenue budget was based on the achievement of the required targets.
- 4.2 Some Key Indicators are:
- ↑ 98.97 of NNDR collected against a target of 98.0% (2017/18 = 99.06%). 1% of NNDR collected equates to £0.916m.
 - ↑ Average borrowing rate of 1.89% was achieved against target of 2.80% (2018/19 = 2.18%). This equates to a notional £5.189m saving.

- ↑ VAT partial exemption at 4.27% against a target of 4.99% (2018/19 = 4.31%).
- ↑ Average investment return of 2.11% was achieved against target of 1.5% (2018/19 = 1.77%). This equates to a £0.572m return.
- ↓ 96.4% of Council Tax collected against a target of 98.0% (2017/18 = 96.8%). This equates to £130.141m.

5. 2019/20 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.

Working Balance

- 5.2 The Working Balance as at 31 March 2020 is £8.045m. The Working Balance has a recommended minimum set at 5% of the net revenue budget. This minimum is approved by Council. Due to the continued pressures felt, the Council has had to make further use of its Working Balance reducing it to 4.3% of the net revenue budget in order to deliver a breakeven position.

Table 4 Working Balance

	March 2019	MTFP adjustment	March 2020
	£m	£m	£m
Working Balance	8.050	(0.005)	8.045

Schools Balances

- 5.3 At the end of the year there was a total of £1.965m 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).
- 5.4 There is one nursery, one maintained mainstream school and one maintained special school with deficit balances included in this overall figure above, with a combined deficit of £0.180m. There are currently no implications to Plymouth City Council for this deficit as these are offset by the schools with a surplus balance.

SECTION B:**CAPITAL FINANCE REPORT FOR THE CAPITAL PROGRAMME
OUTTURN 2019/20****6.0 Capital Programme outturn 2019/20**

6.1 The capital programme expenditure for 2019/20 is £196.180m. This is shown by Directorate in Table 5 below. This is within the approved Capital Budget of £892.91m reported to Full Council in February 2020.

Table 5 Capital Spend - Outturn 2019/20

Directorate	Latest Forecast December 2019	Re-profiling	Approvals post Dec	Variations & virements	2019/20 Capital Spend	Movement in quarter %
	£m	£m	£m	£m	£m	
Place	159.559	(59.750)	11.045	(2.489)	108.365	68
People	7.879	(2.453)	0.856	0.024	6.306	80
Customer & Finance Service	112.711	(34.296)	0.222	(0.021)	78.616	70
Public Health	6.423	(3.930)	0.000	0.000	2.493	39
TOTAL CAPITAL PROGRAMME	286.572	(100.429)	12.123	(2.486)	195.780	68
Efficiency Strategy	0.000	0.000	0.400	0.000	0.400	
TOTAL CAPITAL EXPENDITURE	286.572	(100.429)	12.523	(2.486)	196.180	

6.2 The 2019/20 programme outturn of **£196.180m** has enabled investment in some notable schemes, including:

- **£50.073m** Asset Investment acquisitions including:
 - Carkeel Retail Park
 - Car Dealerships Showrooms
 - Next
 - Langage Business Park
- **£73.375m** Repayment of Pension deficit
- **£5.897m** Forder Valley Link Road and Interchange
- **£4.976m** Charles Cross Roundabout Improvements
- **£13.688m** for the redevelopment of the City Museum and Library into the 'The Box'
- **£6.943m** Highway maintenance and essential engineering
- **£4.991m** Community neighbourhoods, parks and public realm.

- **£1.898m** of Basic Need works in Plymouth schools to allow for increasing capacity trajectories
- **£2.446m** for Disabled Facilities Grant works
- **£1.999m** maintaining corporate and heritage assets
- **£2.451m** ICT provision, upgrading and creating new capabilities for ICT infrastructure

7.0 Capital Financing 2019/20

7.1 The table below shows the final financing of the 2019/20 capital programme.

Table 6 Financing of 2019/20 Capital Programme

Method of financing	Un ring-fenced £m	Ring-fenced £m	Total £m
- Capital receipts	0.000	3.755	3.755
- Grants (e.g. gov't, HLF, LEP, Environment Agency)	6.241	20.881	27.122
- Internal PCC Balance Sheet Funds	0.000	0.138	0.138
- Contributions, SI06 & CIL (neighbourhood element)	0.000	4.598	4.598
- Direct Revenue Funding from service areas	0.000	0.130	0.130
- Borrowing:			
- Corporately funded	103.221	0.000	103.221
- Service borrowing (revenue budget funded)	0.000	56.816	56.816
CAPITAL PROGRAMME FINANCING 2019/20	109.462	86.318	195.780
- Capital Receipts to fund the efficiency strategy	0.000	0.400	0.400
TOTAL CAPITAL EXPENDITURE FINANCING	109.462	86.718	196.180

8.0 Corporate Borrowing

- 8.1 Corporately funded schemes are charged to the Treasury Management budget. Over recent years there has been a big increase in corporate borrowing to fund capital projects. The cost of interest and loan repayments MRP (Minimum Revenue Provision) is directly charged to the revenue budget through the Treasury Management budget. Additional budget will be required to fund the future interest and loan repayments and this will be reviewed each year as part of the MTFP.
- 8.2 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.
- 8.3 The cost of borrowing is charged the year after the assets comes into use. 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 the service budgets because they will receive the income or savings derived from the project which will fund the cost of repaying the borrowing.

Revised Capital Programme 2020 – 2025**Table 7** The revised Capital Programme for the period 2020 – 2025:

Directorate	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	Total Programme
	£m	£m	£m	£m	£m	£m
Place	165.974	29.986	19.160	7.884	0.664	223.668
People	3.647	0.182	0.172	0.000	0.000	4.001
Customer & Finance Service	8.186	29.000	0.000	0.000	0.000	37.186
Public Health	8.774	0.195	0.000	0.000	0.000	8.969
TOTAL	186.581	59.363	19.332	7.884	0.664	273.824

Appendix A - REVENUE OUTTURN VARIANCES MARCH 2020

DEPARTMENTS	2019/20 Gross Expenditure Latest Approved Final	2019/20 Gross Income Latest Approved Final	Latest Approved Final	Outturn	Outturn Variation
	£'000	£'000	£'000	£'000	£'000
Executive Office	1,678	(156)	1,521	1,320	(202)
Departmental Support	858	(10)	849	816	(33)
Members	1,346	0	1,346	1,285	(61)
Electoral Function	678	(2)	677	807	130
Legal	1,890	(422)	1,468	1,631	163
Total Executive Office	6,450	(590)	5,860	5,859	(1)
Other Corporate Items	9,566	(20,576)	(11,010)	13,175	2,165
Total Corporate Items	9,566	(20,576)	(11,010)	13,175	2,165
Finance	22,139	(5,051)	17,087	17,374	286
Total Finance	22,139	(5,051)	17,087	17,374	286
Customer Services	85,165	(80,588)	4,576	5,101	524
Human Resources & OD	2,050	(109)	1,942	1,608	(334)
Departmental Management	(260)	0	(260)	275	534
Transformation	1,079	0	1,079	973	(106)
ICT	8,956	(551)	8,405	8,598	193
Total Customer and Corporate Services	96,991	(81,248)	15,742	16,554	812
Children, Young People, Families	44,103	(6,876)	37,227	38,253	1,026
Education Participation Skills	95,715	(86,058)	9,658	9,658	0
Total Children's Directorate	139,818	(92,934)	46,885	47,911	1,026
Strategic Comm Adult Soc Care	119,193	(35,502)	83,691	83,691	0
Community Connections	5,762	(2,704)	3,059	2,072	(987)
Management and Support	404	(187)	217	221	4
Total People Directorate	125,359	(38,393)	86,967	85,984	(983)
Economic Development	20,012	(19,985)	28	(811)	(839)
Strategic Planning	15,575	(5,688)	9,887	9,594	(293)
Street Services	46,643	(28,306)	18,337	20,239	1,902
Management and Support	241	(4,095)	(3,854)	(3,483)	371
Total Place Directorate	82,472	(58,074)	24,398	25,539	1,141
Bereavement Services	15,213	(15,213)	0	0	0
Civil Protection Unit	64	(9)	55	208	153
Environ Health (Food & Safety)	446	(19)	427	348	(79)
Environmental Protection	430	(37)	392	365	(27)
Licensing	1,159	(2,975)	(1,816)	(1,816)	0
Operational and Development	321	(401)	(80)	(97)	(17)
Public Health	741	(332)	409	323	(86)
Trading Standards	200	(34)	166	111	(55)
Total Office of Director of Public Health (ODPH)	18,572	(19,019)	(447)	(558)	(111)
Total General Fund budget	501,368	(315,886)	185,482	185,488	0.005

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