

Cabinet



Date of meeting:	10 November 2022
Title of Report:	Budget 2023/24 – Draft Budget
Lead Member:	Councillor Richard Bingley (Leader)
Lead Strategic Director:	David Northey (Service Director for Finance and Section 151 Officer)
Author:	David Northey
Contact Email:	David.northey@plymouth.gov.uk
Your Reference:	Fin/Bud/2023/24
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To provide an update on progress on the development of the 2023/24 budget, and to seek support of Cabinet for the savings proposals developed to date.

Under the Council's Constitution, Cabinet is required to recommend the 2023/24 Budget to Council. This report sets out the latest information available to enable Cabinet to consider the first tranche of recommendations to Council in respect of the 2023/24 budget.

A summary of the proposed budget savings has been included for Members' consideration.

At the time of writing, the Government's Autumn Statement is expected mid-November, with the Provisional Local Government Settlement expected late December. Full details of both events will be included in subsequent reports.

Recommendations and Reasons

That Cabinet:

1. Note this report, and that it is subject to change in line with any Government Autumn Statement, Provisional Settlement adjustments and changes required as proposals are developed.
2. Support development of the proposed savings options set out at Appendix Two of this report for inclusion in the Council's draft budget for 2023-24.

Reason: To ensure Cabinet support for savings proposals prior to further development of the draft budget for 2023/4.

3. Agree that public engagement is undertaken on the 23/24 proposals as set out at Section 4 and Appendix Four of the report, which will be reported to Cabinet in January 2023 to feed in to the budget setting process.
Reason: to seek public views on the current proposals to be developed to feed in to the budget setting process

Alternative options considered and rejected

Not to bring forward proposals to reduce the resource requirement of the Council in respect of the 2023/4 budget – rejected on the basis that the Council must agree a balanced budget, and seeking support for further developing the recommended proposals will allow this to happen.

To bring forward alternative proposals to those set out in this report: rejected on the basis that further options will be required in addition to those set out in this report to bridge the continuing forecast shortfall for 2023/4.

Relevance to the Corporate Plan and/or the Plymouth Plan

The development and approval of the annual budget and the Medium Term Financial Plan (MTFP) 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:

The resource implications are set out in the body of the report.

Financial Risks

The Council is a complex service organisation with a gross revenue expenditure budget exceeding £500m, and faces significant financial risks given the continuing forecast shortfall, uncertainty about resourcing from central government, the wider economic environment and the Council's comparatively low levels of financial reserves. Each savings proposal carries its own risks, the mitigation for which will be explored as they are developed.

The Council is under a legal obligation to set a balanced budget for each municipal year, and the Council's Section 151 Officer is required to produce a statement as part of the budget documentation giving his view as to the robustness of the proposed budget.

Carbon Footprint (Environmental) Implications:

No impacts directly arising from this report. As proposals are developed and where relevant, an assessment of the carbon footprint implications of each decision/proposal

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 resources across the public sector has been identified as a key risk within our Strategic Risk register. As proposals are developed, officers will produce where relevant a risk register relating to the above areas specific to each proposal in order to inform decision making. The register will include mitigations of identified risks where necessary, and this will be reported as part of the decision making process.

Equalities Impact implications

As proposals are further developed, officers will assess and report equalities impacts and mitigations as part of the decision making process.

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
1	Net additional cost pressures and adjustments							
2	Proposed Savings by Directorate							
3	1 st Draft Directorate Budgets 2023/24							
4	(bridging the gap – budget savings and efficiencies proposals 2023-24							

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:

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Originating Senior Leadership Team member: David Northey (Interim Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 03/11/2022											
Cabinet Member approval: Leader after discussion with Cabinet colleagues											
Date approved: 04/11/2022											

I Introduction

- I.1 This report provides the latest position on the Council's budget for 2023/24.
- I.2 The Council continues to manage a challenging financial environment where service demands continue to increase, the longer-term impact of COVID-19 continues and where uncertain and unpredictable funding and cost levels remain.
- I.3 Together with all authorities the Council is now in a serious and unprecedented position due to additional national and international factors largely beyond its control, including rapidly rising energy costs, broader inflation related cost increases and demand pressures and costs in both adults' and children's social care.
- I.4 The Council's administration remains ambitious in its vision and objectives for the city and is committed in particular to ensuring that services to children, vulnerable adults and the provision of high value jobs continue to be key priorities.
- I.5 This report will form part of the key budget papers that will be made available to the Budget Scrutiny meeting when it considers the draft budget proposals. These will include:
- The draft 2023/24 Budget by service;
 - A list of savings proposals;
 - The Treasury Management Strategy scheduled for the Audit and Governance Committee on 28 November 2022;
 - The Capital Strategy also scheduled for the November 2022 Audit and Governance Committee.

2 Background

- 2.1 The Council is scheduled to set a budget for the next financial year on 27 February 2023. Once again, this is very challenging as, like all local authorities, the Council is facing growing pressures on resources as demand for services rises and costs increase whilst funding reduces.
- 2.2 This report highlights that due to estimated reductions in funding and rising demand for services and increasing costs, the forecast budget shortfall before savings of £(26.166)m are applied is £37.560m for 2023/24. The Council has worked hard over the last few years to reduce costs and has achieved this without significantly reducing services. For reasons already mentioned the shortfall in funding is likely to increase in future years, which means that, where possible, savings need to be both recurring and sustainable in the longer term.
- 2.3 The Council is in a serious, unprecedented financial situation as a result of external pressures that are not within its control. There needs to be realism about the prospect of further government support and officers have intensified their approach to mitigate the effects of the current economic climate. This means a combination of resisting pressures, managing down costs and having to propose some difficult decisions.
- 2.4 This report sets out details of nearly eighty savings proposals, from the large to smaller but still significant savings. No stone is being left unturned when identifying savings and this is the first tranche of proposals to change, stop, pause or reduce services in order to be able to close the financial gap and balance the books. The Council is likely to emerge from this process with fewer employees and a requirement to be clear about what it can and cannot do in the future.

- 2.5 The Council delivers more than 300 services – as diverse as bin collections, protecting vulnerable children, providing libraries, making planning decisions, attracting investment and jobs in the city, providing leisure facilities, providing parking, maintaining roads and pavements and looking after Plymouth’s parks and green spaces.
- 2.6 Every part of the Council has been involved in the response to the budget situation and many employees and services will need to work in new ways. A significant amount of work continues to support the city’s economy, which has been severely affected by the recent pandemic and cost of living crisis: high value jobs remain a priority.
- 2.7 It should be noted that options are limited by the fact that the Council needs to deliver a large number of services as a statutory requirement and has limited scope to influence how these services are delivered. Examples of this include supporting vulnerable children and adults in the city.
- 2.8 Despite these challenges, the City Council is ambitious for Plymouth and its residents and is keen to pursue its vision of making Plymouth a great place to live, work and visit. In doing so, listening to the views of city residents is a key part of the budget setting process and decision making.

3. Autumn Statement and Provisional Local Government Finance Settlement

- 3.1 At the time of writing this report the Government’s Autumn Statement has not been announced, whilst the provisional local government finance settlement is expected in late December 2022. As in previous years the late timing of the announcements has not been helpful in preparing the Council’s budget. However, any differences between the assumptions made within this report and the Autumn Statement and Provisional Settlement will be updated in subsequent reports.

4 Budget Engagement

- 4.1 A public engagement to support the 2023/24 budget setting process will take place between 11 November and 4 December 2022. A summary of the council’s financial position will be presented, alongside a high level list of the proposed savings. People will be invited to provide their feedback on the proposals and suggest other ideas for saving money. See Appendix 4 for a copy of the engagement materials.
- 4.2 The engagement will be promoted to the local media and through the Council’s own channels, which will include a website banner, newsroom feature, social media, e-newsletter, promotion to local businesses and via press release. The questionnaire will also be shared internally in the Staff News bulletin.
- 4.3 The themes arising from the engagement will be provided as part of the final budget proposals in the New Year.

5. Budget Planning Assumptions – Core Funding

Council Tax

- 5.1 The Council Tax base for 2023/24 has been assumed at 74,891 properties, an increase of 1,061 on 2022/23. The Council Tax Base report for 2023/24 will be presented to Cabinet for consideration in January 2023 and will then be presented to Council for approval. Any changes from these base assumptions to the final report will be reflected in subsequent reports.
- 5.2 The modelled rise in the council tax base for 2023/24 reflects changes including the number of new properties, a higher starting base than budgeted in 2022/23 and changes in the number of

council tax support claims. The collection rate has been maintained at 97.5% which is realistic and prudent due to the current economic climate.

- 5.3 It is currently understood that the Council Tax Referendum Limit is to remain at 1.99% (i.e. this is the highest level of increase permissible without a referendum) and an adult social care precept of 1% will be applicable. These will be confirmed as part of the Provisional Finance Settlement.
- 5.4 The current working assumption includes the adoption of the 1% Adult Social Care precept, providing an additional £1.251m. This precept is yet to be confirmed.
- 5.5 The current resource assumptions do not include an increase in Council Tax; the current maximum of 1.99% would yield an additional £2.489m. It should be noted the Government assumes that councils will maximise these items when referencing increases to councils' core spending power.

Business Rates

- 5.4 The business rates income forecast that Plymouth will receive in 2023/24 has been based on nil growth in the gross rates receivable. This has been assumed due to the continuing economic uncertainty, a high number of appeals still to process and the impact of the revaluation next year. The business rates multiplier is assumed to be flat as per previous years at £0.499p and we will be compensated for the lost income by way of a government grant as per previous years. The current assumption is a 2% increase which yields £0.856m; the final settlement will be known in late December 2022.

Revenue Support Grant (RSG)

- 5.5 Despite many previous announcements around reform of local government core funding, of which the RSG is a fundamental part, the current understanding is that the existing funding model will continue for at least another year. For planning purposes at this stage the 2022/23 allocation (£10.045m) has also been assumed for 2023/24. The actual figure for RSG or an alternative resource will be advised in the Provisional Finance Settlement.

New Homes Bonus

- 5.6 No details of any replacement for New Homes Bonus have been advised, and the allocation will be confirmed as part of the subsequent Settlement. For planning purposes new homes bonus is assumed to be £0.850m, 50% of the amount received in 2022/23.

Public Health Grant

- 5.7 The Public Health grant is another key source of income and is used to improve the health of the population, and in particular to tackle large differences in health outcomes that we see between local areas. At the time of writing this report the 2023/24 grant has yet to be advised and the assumption is there will be no change to the 2022/23 allocation. This will be confirmed as soon as the grant is announced, usually in late February.

Services Grant

- 5.8 Included in the 2022/23 Settlement was a new Services Grant, introduced to offset some of the additional burdens being placed on local authorities. For Plymouth, this grant was just over £4m

and was described as a one-off grant. As the additional costs are in large part on-going, the assumption across the local government sector is that this grant will continue in some form for 2023/24. It will more than likely be subsumed into the Revenue Support Grant. It is hoped the Autumn Statement will provide more clarity, otherwise full details will emerge as part of the Provisional Settlement in December 2022. For the current budget model, this grant has been assumed to continue at £4m for the coming year. If this does not materialise, the budgeted shortfall will increase by this amount.

6. Resources

- 6.1 In addition to the resources referred to above the Council receives a range of other one off specific grants. These include Better Care Fund grant, Social Care grant and others which form part of the awaited Settlement.

The table below Shows the total resources forecast and includes figures for a 1% increase in the Adult Social Care precept and the assumed growth in Business Rates. This leads to an additional £4.059m of resources.

Unringfenced Resources	Budget	Draft Budget	
	2022/23 £m	2023/24 £m	Increase £m
Council Tax	(122.575)	(125.635)	(3.060)
Business Rates	(65.130)	(66.129)	(0.999)
RSG	(10.045)	(10.045)	0.000
Total Resources	(197.750)	(201.809)	(4.059)

- 6.2 For Plymouth, every quarter percent (0.25%) increase in the Council Tax would yield an additional £0.305m; the current maximum of 1.99% would yield an additional £2.489m
- 6.3 Total costs are currently forecast to increase by £41.619m in 2023/24 and are summarised as follows. Full details can be found in appendix 1.

	2022/23 £m
Right Sizing the Budget	15.680
Additional Corporate Costs	13.965
Additional Directorate Costs	11.974
	41.619

- 6.4 As a result of the cost increases the budget shortfall before any proposed savings will be £37.560m. Currently savings of £26.166m have been identified and details of these can be found in appendix 2. If all of these savings are adopted the net budget shortfall would be reduced to £11.394m. A summary of this is shown below.

S	Budget		Budget
	2022/23	2023/24	Change
	£m	£m	£m
Total Resources	(197.750)	(201.809)	(4.059)
Total Expenditure	197.750	239.369	41.619
Gross Budget Shortfall	0.000	37.560	37.560
Proposed Savings	0.000	(26.166)	(26.166)
Net Budget Shortfall	0.000	11.394	11.394

6.5 The final recommendations on these matters will be presented for decision to Full Council on 27 February 2023.

7. Additional Budget Pressures

Right Sizing the Budget

- 7.1 As part of the 2022/23 budget we were able to include some one-off resources to balance the resources to the costs. As these were one-off, the costs need to be brought into the 2023/24 budget to right size the base costs. More details are set out in Appendix I and include the use of grants and the 2021/22 outturn variance, plus recurring costs which were covered by specific grant funding. These total £12.780m.
- 7.2 The pay award built into the 2022/23 cost base was modelled at a 2% across the board rise. In light of the current agreed increase, this requires a further £2.900m to be included in the 2023/24 budget base.

Additional Council wide costs

- 7.3 Given the current cost of living crisis and the current year's pay settlement, the assumption in this report is for a salary increase of 4% for 2023/24; an additional cost of £3.800m.
- 7.4 Utility costs are assumed to continue to rise with an additional cost pressure of £4.765m to cover the whole council estate including the crematoria and the Life Centre.
- 7.5 There are additional costs to finance our ambitious capital programme plus general treasury management reflecting the increased cost of borrowing money. Together these amount to £4.270m.
- 7.6 We have adjusted for the New Homes Bonus reduction as set out earlier in the report and we have accounted for additional costs associated with the Schools PFI (Private Finance Initiative) contract.
- 7.7 These additional costs total £1.130m; more detail is set out in Appendix I.

Additional Directorate costs

7.3 A Commentary on each directorate is set out in Section 9 below. Appendix I shows the additional costs totalling £11.974m. These include increased demand and costs for adult social care packages; the impact of the National Living Wage on care providers and the increasing demand within our homelessness service. Within the children's directorate we are seeing continued increases in the cost of providing the care as well as the increasing cost of providing school transport for SEND pupils and short breaks. Within the Place directorate, the longer term impact of the pandemic coupled with the emerging cost of living crisis has seen a reduction in car park income and increased waste collection costs as people continue to work from home.

8. COVID-19

8.1 COVID-19 has had a significant impact on the cost base for the Council. All relevant COVID-19 cost pressures have been included within the base budget for 2023/24. Unlike in previous budgets, there is no COVID-19 funding to offset these costs.

9. Directorate summaries

Chief Executive's Office

9.1 The Chief Executive's office manages a net annual revenue budget of just under £5.4m, or just under 3% of the Council's net revenue budget as a whole. Income, at £0.548m is made up of a combination of services provided for other public bodies, grants and charges made for services specific to projects, such as legal support for capital schemes. Through a combination of increasing chargeable activity for other public bodies and the introduction of multi-disciplinary teams, the service has reduced its revenue requirement from the Council by over £0.700m since 2013-14.

9.2 The Chief Executive's service covers four main areas of work. The oversight and governance team provides support for the Council's democratic functions, including Members' support and all the Council's decision making, covering Cabinet, Scrutiny, and all other decision-making bodies. The team also provides and supports the Council's performance and risk framework, responsible for the provision, reporting and analysis of our delivery of services to the public and the management and reporting of strategic and operational risk.

The Legal service provides services to all the directorates, ranging from commercial, litigation, and property related support to child and adult protection and the Council's Monitoring Officer responsibilities. We have plans to further minimise the amount of legal support that the Council commissions externally through greater provision from our own expertise, and tighter scoping of legal requirements.

9.4 The Communications team is responsible for the Council's external and internal communications arrangements and our relationships with external stakeholders. The elections and registration team manages the city's electoral register, and delivers local and national elections. With significant changes in voter identification being implemented through the recent Elections Act, the team will be ensuring that additional burdens funding from the government will meet the inevitable extra costs incurred in successful implementation of new responsibilities in this area.

Customer and Corporate Services Directorate

9.5 The Customer & Corporate Services directorate has a net annual revenue budget of £45.7m with two core objectives; supporting the organisation and delivering customer services. For the Directorate to carry out its work there are three core functions,

1. Finance (Treasury & Capital Management, Financial Planning & Accountancy, Financial Business Support & Procurement)
2. HR & Facilities Management (Hard & Soft FM, HR, Health & Safety, Wellbeing, Organisational Development & Strategic Projects)
3. Customer & Digital (Business Support, Libraries, Delt IT, Information Governance, Transformation, Digital, Registration & Coroners).

9.6 This year and as part of the Council's Transformation Programme we have delivered a new business support service, introduced new ways of working, reduced our office accommodation, delivered the Council's new website and won awards for our digital inclusion network.

9.7 We continue to support our customers online, via telephone and face to face and between 1 April 2022 and 31 October 2022 we have:

- welcomed over 165,000 customers into our libraries
- supported reading and literacy in 55 schools across the city
- supported over 102,132 customers through our call centres

9.8 Looking forward and to support the delivery of our savings in 2023/24 our efforts will be focused on the Customer Service Strategy, ensuring the most vulnerable and digitally excluded have choice in how to access our services, consult on our front doors and libraries, improve our processes supported by automation where we can, refocus DELT, maximise our assets, deliver our people strategy and drive organisational change as well as considering how best to deliver our corporate services in the future.

9.9 Business Support is a vital component that underpins critical activities right across the Council, both in front line delivery as well as in our corporate functions. It is supported by the Council's Transformation Programme, and will support the delivery of savings as it maximises opportunities to streamline, simplify and deliver services digitally.

Children's Directorate

9.10 The Children's Directorate has a net annual revenue budget of £61.1m – this is 31% of the Council's revenue budget. With annual income of £93.4m, its gross annual budget is £150.4m. The income is derived from grants from various sources, the largest being the Designated Schools Grant (DSG) at £78.2m or 84% of total gross budget. The DSG supports a number of funding streams for Early Years and Education services across the city. Other smaller grants are directly ring-fenced for specific statutory services e.g. skills programmes or services for our Children in Care. The majority of work within this Directorate is configured around the direct delivery of statutory functions for children and young people in the city; this is focused upon Education and Social Care services.

- 9.11 The Directorate is currently organised around two departments; the Education, Participation and Skills (EPS) Service and the Children Young People and Families Service. The gross budget for the EPS service is £95.6m which is £10.4m revenue, £79.8m grant awarded and £5.5m other income (e.g. income from schools). This Education, Participation and Skills Department delivers key statutory functions for the city such as; School Admissions, School Transport arrangements, support to the Early Years sector, support to the remaining Local Authority Maintained Schools, services for children and young people with Special Educational Needs or Disabilities (SEND) children and a small team focused on our most vulnerable learners e.g. children and young people absent from school. It also delivers the Adult Education Programme and city's Skills Plan.
- 9.12 The second and largest department is the Children, Young People and Families service with an annual gross budget of £54.8m which is £50.7m revenue, £2.6m grant funded and £1.5m other income. This service supports our most vulnerable children in the city; the majority of this work provides statutory services. At the end of September 2022 the department provided targeted support and social care services to over 2,000 children; with key cohorts being 485 children in care, 208 with a Child Protection Plan and 988 children with a Child in Need Plan. A further 200 children are supported through our Early Help services across the city.

People Directorate

- 9.13 The People Directorate has an annual gross budget of £132m, made up of both revenue and income. Income is generated through contributions from individuals with care and support needs in Adult Social Care and through fees for some areas in Community Connections. The People Directorate has two departments that carry out its work; these are Strategic Commissioning and Retained Client Services and Community Connections. The Directorate over the years has worked hard to reduce revenue spend by remodelling service delivery and maximising grant income to manage increasing demand and complexity of need across a range of areas.
- 9.14 The Strategic Commissioning and Retained Client department is responsible for the planning, developing and procuring health and care services for adults, older people and children from a range of providers across the City. These services include Domiciliary Care, Residential and Nursing provision, Supported Living, Extra Care housing, Carers support, Day services, Domestic Abuse support and befriending support. In addition the retained client service delivers the statutory oversight for the safeguarding of vulnerable adults, a reablement home from hospital service to support hospital discharge, a community outreach service to assist some of our most vulnerable in the community, a day service and respite facility for individuals with extremely complex needs.
- 9.15 The Community Connections department delivers statutory responsibilities in relation to Housing, supporting people who become homeless or households who are at risk of losing their tenure to access a range of accommodation across the city. The department is responsible for managing the delivery of Disabled Facilities Grants, adapting properties to better meet the needs of vulnerable residents. The team deliver HMO licensing and oversee standards across the Private Rented sector in the city. They work in partnership across local communities delivering community safety with the Police, supporting asylum seekers, refugees and our gypsy and traveller communities. Through the small sports development team they work to improve access to sports in the city working closely with Plymouth Active Leisure and delivering schemes such as Fit and Fed and manage the open access youth programme along with delivering some targeted youth groups for vulnerable young people in Plymouth.

Public Health

- 9.16 The functions include Public Health, Civil Protection, Public Protection Services, and Bereavement services. All of these services play a role in supporting the reduction of health inequalities through impacting on health and on the social, economic and environmental determinants of health. The ODPH directorate has a number of funding routes, including grants and also generates significant income; overall, this leads to a negative net budget.
- 9.17 The public health function receives a ring fenced grant from the government which is spent on specific functions such as sexual health services, drug and alcohol treatment, health visitors, school nurses and a range of other services to support health and wellbeing. The grant also covers the funding of the public health team who offer a range of support and advice to the city, as exemplified through the last few years of the pandemic.
- 9.18 Public protection services (environmental health, environmental protection, licensing and trading standards (a commissioned service)) and Civil Protection carry out a wide range of specialist technical services, from ensuring food outlets are operating safely, preparing for and responding to major incidents.
- 9.19 Bereavement Services touches the lives of residents of the city and sub region with an economic role for the city (in terms of employment and income) and an environmental role (with 65 acres of green space). A key focus in 23/24 is the development of the city's new crematorium. Unfortunately increased costs of gas have impacted on the cost of delivering these services and hence cost increased are required.
- 9.20 Leisure services for Plymouth are delivered through a Local Authority Trading Company, Plymouth Active Leisure (PAL), which has been in place since April 2022. PAL receives a significant subsidy from PCC currently. During its first year of operation, PAL have started to explore new ways of maximising usage and income to support the services.

Place Directorate

- 9.21 The Place directorate has a net annual revenue budget of £25.7m (i.e. 12.% of the council's net revenue budget). Its gross annual budget is £90.6m. It has an income of £64.8M annually which is made up predominantly of grant and commercial income. The directorate has over the years significantly increased its income and reduced its net revenue spend significantly from £45M in 2013/14 to the current annual cost of £25.7M.
- 9.22 The Place directorate has three departments that carry out its work. These are Strategic Planning and Infrastructure (Strategic and development planning, housing, strategic transport schemes, public transport, climate change and green estate work), Economic Development (Regeneration, Economy and Enterprise, Commercial property, Freeport, National Marine Park, Culture, Events and Tourism) and finally Street Services (waste collection and disposals, street scene, trade and commercial waste, Highways, Parking and marine services). The majority of these services are universal services that benefit and interface with the lives all of residents, businesses and visitors to the city

- 9.23 Strategic Planning and Infrastructure (SPI) plays a key role in creating the frameworks to drive growth and investment across the city, through its strategic and development planning functions. It delivers significant infrastructure investment through a £485M strategic transport programme, which is over 80% externally funded. The Transforming Cities Fund programme continues to be delivered at pace with significant investment in the city's walking, cycling, public transport provision and related public realm. It will continue to support new homes delivery across the city. SPI leads the council's climate change response working across all departments of the council and provides a leadership and co-ordination responsibility across city-wide partners. It will continue to deliver a pipeline of 18 existing Low Carbon Projects (largely grant funded) with a value of £25M and an emerging £35M pipeline.
- 9.24 The city council's economic development department generates £24.7m income. A large part of this income comes through the running and management of a PCC owned commercial estate with a value of over £200m and annual rent roll of £10M. The department leads a number of major initiatives that take place across the city, including regeneration schemes in the city centre and waterfront such as the West End, Bath Street housing delivery, facilitating hotel developments, support for the refurbishment of the Civic and Guildhall as well as schemes such as the new Derriford District Centre. The department provides support to help businesses grow and create well paid jobs proactively account managing major businesses, having landed over £500M of Foreign Direct Investment into the city over the past 5 years. Our current pipeline has 20 potential investment projects. Economic development supports businesses locally through the city's two BIDs and Destination Plymouth – marketing the city locally, regionally, nationally and globally – as well as delivering an annual events programme. Over the course of the next year, it will support the delivery of the Community Renewal and Shared Prosperity Funds and support our two business parks which employ over 250 people in 110 SME/start-up businesses. More than 220K annual visitors will be welcomed to the Box and it will continue to develop as a major museum and visitor attraction. Major interventions that will be further developed will include the National Marine Park, drawing down £10M of Heritage Lottery Funding; as well as the mobilisation of the Plymouth and South Devon Freeport.
- 9.25 The Street Services department provides invaluable year-round services to residents across the city in areas of waste collection, cleansing and green spaces. It will continue to strive to provide those services and keep the city in as best a shape as possible. It will collect over 100,000 tonnes of recycling and residual waste from 120,000 households weekly, operate household waste recycling centres which receive 350,000 annual visits accepting 22,500 tonnes of materials and manage recycling banks across the city. Street Services will maximise and grow its commercial waste provision. It will clean over 21,000 acres and 1700kms of public roads and footpaths; as well as manage 500 hectares of green space, 30,000 trees, 22 formal parks and 127 playgrounds. Through its Highways and Parking team, it will continue to maintain the city's roads and pavements, its 47 car parks and manage the city's highway network.

10 Savings Plans

- 10.1 A total of £4.743m corporate (council wide) savings have been identified. In addition, Cabinet Members and Officers have worked to identify a total of £21.423m of savings. Full detail of the proposals is shown in Appendix 2.
- 10.2 Many of the proposals are still indicative and subject to change following further reviews.

11. Current Budget Shortfall

- 11.1.1 The forecast budget shortfall as set out in this report is £11.394m. The gap before savings of £26.166m is £37.560m. All of the savings plans will need to be implemented to reduce the gap to circa £11m. The 26.1m includes a number of assumptions:
1. The Adult Social Care precept of 1% will continue for 2023/24
 2. The Services Grant of £4m will continue for 2023/24
 3. The New Homes Bonus will continue, albeit reduced in value
 4. The Business Rates growth compensation grant from Government will be 2% minimum
 5. The council tax collection rate will continue to hold at the current 97.5%
- 11.2 It should be noted that it is anticipated that the numbers will change as a result of both the November Autumn Statement and the December Provisional Settlement.
- 11.3 Many of the savings proposals are still indicative and subject to change following further reviews.
- 11.4 The remaining £11.394m needs to be reduced to a balanced position in time for the final budget report to Full Council 27 February 2023.
- 11.5 One option to be considered is to raise the Council Tax by the maximum permissible, currently 1.99% which would reduce the gap by £2.489m.
- 11.6 Officers and Cabinet will continue to work up further savings initiatives, working with all elected members and in particular the scrutiny committees. All new plans will be included in future budget reports as options to balance the budget for 2023/24.

12. Equality & Diversity

- 12.1 The Equality Act (2010) harmonised and replaced pre-existing equality legislation and extended statutory protection across nine 'protected characteristics'. It recognised forms of discrimination that were previously beyond the scope of legislation and introduced the concept of the Public Sector Equality Duty (PSED).
- 12.2 The protected characteristics include; age, disability, gender reassignment marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The PSED placed specific responsibilities on public sector organisations to consider equality in their decision making. It consists of a general equality duty, supported by specific duties. In summary, those subject to the equality duty must have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct.
 - Advance equality of opportunity between people who share a protected characteristic, and those who do not.
 - Promote good relations between people who share a protected characteristic and those who do not.
- 12.3 Plymouth City Council is committed to equality and diversity and to ensuring that the decisions we take promote equality. To help inform the development of the Council's budget and to ensure that we give 'due regard' to equality during this process, we are considering the equality implications of each of our budget decisions. A completed equality impact assessment will be presented with the final budget paper for each appropriate proposal

Appendix I**Net additional cost pressures and adjustments**

Right Sizing the Budget	£m
Additional 2022/23 pay award consolidated into the 2023/24 budget	2.900
One off in 2022/23 COVID 19 Additional Grant Income	4.890
One Offs in 2022/23 budget	6.123
Other Budgets funded from one off's in 22/23 consolidated into the base for 23/24	1.767
Total Right Sizing the Budget Costs	15.680

Corporate Items	£m
Energy pressures Hard FM	3.265
Energy pressures - Street Lighting	1.000
Energy pressures PAL	0.500
Salary Increases 23/24	3.800
Financing the Capital Programme	1.720
Interest and other TM pressures	2.550
PFI contract	0.273
New Homes bonus	0.857
Total Corporate Costs	13.965

Children	£m
CYP&F – Additional cost and volume of placements	3.053
Short breaks	0.370
Home to school Transport	1.000
	4.423

People	£m
Adult Social Care – Care Packages	1.700
National Living Wage	2.000
Homelessness Cost and volume	1.000
	4.700

Place	£m
Staffing - Streets	0.627
Vehicle fuel	0.446
Parking - 50% of legacy shortfall of £1.695m	0.450
Waste tonnage and additional costs	0.628
Grounds maintenance	0.700
	2.851

Total Directorate Costs **11.974**

Appendix 2 Savings Proposals

Corporate	2023/24 £m
One Offs found for 23/24	(2.493)
Fees and Charges increases	(0.760)
Reduction in Corporate Budgets	(1.500)
	(4.753)

Summary of Savings by Directorate	2023/24 £m
Children	(4.575)
People	(6.030)
ODPH	(0.250)
Place	(6.994)
Chief Executives and Customer and Corporate Services	(3.564)
	(21.13)

Children	2023/24 £m
Work with families to keep more children at home	(1.627)
Reduce the use of residential care, increase the use of foster care and work to ensure children in care can return to their families or a connected person in their lives	(2.275)
Review our workforce / organisational structure. Realigning services in Targeted Support and Social Care will reduce the need for agency workers and costs associated with external assessments	(0.673)
	(4.575)

People	2023/24 £m
Managing and reducing demand on housing and adult social care	(2.930)
Review Reablement Service	(0.250)
Review Early Help provision and Children's centres in partnership with Children's Directorate and partners across the city	(0.600)
Review Sports Development service and align function to Plymouth Active Leisure	(0.043)
Review Youth Services working in partnership with local providers to reduce costs.	(0.100)
Transfer funding for Health and Wellbeing Hubs to Public Health	(0.119)
Maximise Grants to support wellbeing services	(0.508)
Review contracts to deliver efficiencies	(0.205)

Maximise Disabled Facilities Grant	(0.500)
Develop a new operating model across the directorate	(0.200)
Increase Houses of Multiple Occupation licensing fee	(0.075)
Use £250k reserve to support range of children's services	(0.250)
Reduce Council subsidy associated with Leisure facilities. Tinside Lido: broaden offer including new events Plympton Pool: review operating costs and income Mount Wise Pools: Implement entry charge to contribute to costs of running Brickfields: develop community sports and wellbeing hub with partners	(0.250)
	(6.030)

ODPH	2023/24 £m
Maximisation of grants across ODPH	(0.250)
	(0.250)

Place	2023/24 £m
Reduce Concessionary Fares Budget - release underspends in this budget assessed against historic trends	(0.500)
Increase car parking charges As per Cabinet decision of 10 November 2022	(0.934)
Charging for collection of garden waste (councils are not required to provide garden waste collections as it is a non-statutory service) As per report to Cabinet on 10 November 2022	(0.530)
Re-instate charging for non-household waste at Household Waste Recycling Centres (Asbestos, soil, rubble, plasterboard) (delegated decision pending)	(0.177)
Re-instate charging for bin delivery (delegated decision pending)	(0.032)
Reduce budget for supporting non-commercial bus routes and seek to implement charges at Park and Ride sites to support the city's bus network (as per report to Cabinet 10 November 2022 and charges subject to consultation)	(0.229)
Generate savings and income from the commercial estate (lease renewals, re-gearing and new income)	(0.343)
Capitalisation of Strategic Project Teams costs	(0.050)
Review costs of the Economic Development Team through capitalisation of costs, efficiencies, income and sponsorship targets	(0.077)
Secure new and additional income and grants from cultural trusts and foundations	(0.125)
Ensure Tourist Information Centre is cost neutral	(0.025)
Seek sponsor for Bonfire Night on The Hoe or stop the event.	(0.030)
Review of Community Transport provision including release of bike hire underspend, consideration of funding underspends, the optimisation of services and identifying alternative funding models.	(0.070)
Withdraw from Devon and Cornwall Rail Partnership	(0.010)
Withdraw from South Hams/Plymouth Urban Fringe Team	(0.066)
Reduce/re-align financial contributions to environment/marine bodies	(0.010)
Increase Allotment income	(0.011)
Undertake a full-service re-structure of Strategic Planning & Infrastructure	(0.300)
Annual increase in parking fees and identify new forms of income	(0.423)

Highways Engineering Client Fees through capitalisation of back-office support	(0.128)
Re-profile Highways Maintenance in areas such as white-lining, gulley work, barriers and ironworks as well as rationalising staffing and seeking capitalisation of back-office costs	(0.500)
Route optimisation savings of refuse collection service	(0.290)
Increase fees and charges in Street Services in line with fees and charges policy – areas include commercial, trade and bulky waste, MOTs, marine, playing pitches and beach huts (as per report to Cabinet 10 November 2022)	(0.234)
Reduce street lighting costs by investing in a new computer management system that helps reduce energy costs (delegated decision pending)	(0.500)
Strategic Contract Optimisation	(0.430)
Introduce new Chelson Meadow Solar Farm to support energy savings (feasibility work subject to report to Cabinet on 10 November 2022)	(0.050)
In line with national government policy, create a habitat banking scheme to generate income from developments to improve biodiversity and offset environmental impact	(0.029)
Maximise nature-based solutions to create additional income	(0.020)
One off saving – Reduce Foreshore Reserve	(0.129)
One off saving – Reduce Park and Ride Reserve	(0.100)
One off saving – Reduce Bad Debt Provision	(0.343)
One off saving - Strategic Projects License Fee	(0.050)
Utilise funding allocated for food waste collection service pending Government guidance on next steps for introduction	(0.200)
Recovery of owed land receipts	(0.048)
	(6.994)

Customer & Corporate Services	2023/24 £m
Review Contact Centres/Customer Services operating within the Council to look at broader efficiencies, bringing services together and focusing on those who are not able to use digital services and the most vulnerable communities we serve	(0.188)
Reduce purchasing of library books as ebook loans are increasing	(0.050)
Cease Local Government Information Unit (LGIU) and Key Cities subscriptions	(0.021)
Swap revenue budget funding for Community Grants programme with capital funding which is available	(0.213)
Share policy and performance functions across the Council	(0.084)
Bring together marketing, design and communications functions across the Council	(0.080)
Reduce external legal advice	(0.020)
Review Lord Mayor's events and streamline resources	(0.030)
Review senior management resource across the Council	(0.200)
One-off proposal to freeze the Head of Policy and Regional Partnerships role for 23/24	(0.070)
Improve processes and implement automation technology to reduce manual work in Business Support	(0.200)
Consult residents on how the Council re-provisions its Library Service alongside a review of other community buildings and services.	Subject to consultation – likely to be 24/25 saving
Introduce a plan to save money on IT as part of review of how services are best delivered across the Council	(0.600)

Freeze vacancies from Transformation and Digital teams and identify funding sources	(0.300)
Reduce spending on agency staff used in managing council buildings	(0.060)
Adjust security provision in council buildings	(0.123)
Reduce posts within the Human Resources Organisational Development (HROD) service	(0.220)
Review learning and development spend across the Council	(0.025)
Review of audit requirements from the Devon Audit Partnership	(0.050)
Review budget for the Finance team	(0.250)
Reduce external financial advice	(0.050)
Vacate Windsor House earlier than planned	(0.500)
Accelerate transfer of Children, Young People and Families service from Midland House and sell the building	(0.230)
	(3.441)
	(21.413)

Appendix 3 Indicative Directorate Budget

Directorate	Budget 22/23			Budget 2023/24		
	Expenditure	Income	Net Budget	Cost Increases	Savings/ Income	Net Budget
Corporate	16.153	(50.891)	(34.738)	29.645	(4.753)	(9.847)
Children	150.426	(89.316)	61.111	4.423	(4.575)	60.959
People	131.846	(37.403)	94.442	4.700	(6.030)	93.112
ODPH	20.564	(20.861)	(0.297)	0.000	(0.250)	(0.547)
Place	90.956	(64.786)	26.170	2.851	(6.994)	22.028
Chief Executives and Customer and Corporate Services	120.476	(69.414)	51.062	0.000	(3.564)	47.498
	530.421	(332.672)	197.750	41.619	(26.166)	213.203
				Total Resources available		(201.809)
				Budget Shortfall		11.394