

# Cabinet



Date of meeting:	09 February 2023
Title of Report:	<b>Cabinet Response to Budget Scrutiny Select Committee Recommendations</b>
Lead Member:	Councillor Richard Bingley (Leader)
Lead Strategic Director:	David Northey (Service Director for Finance)
Author:	Giles Perritt (Assistant Chief Executive)
Contact Email:	Giles.Perritt@plymouth.gov.uk
Your Reference:	CabR23
Key Decision:	No
Confidentiality:	Part I - Official

## Purpose of Report

The Budget Scrutiny Select Committee was convened on the 24 - 26 January 2023 to consider the Cabinet's approach to setting the budget for the 2023/24 financial year.

This report sets out the proposed Cabinet response to the recommendations made by the Budget Scrutiny Select Committee following its review of the Council's budget preparations for 2023-2024.

## Recommendations and Reasons

That the Cabinet:

1. Responds to each of the 19 recommendations made by the Budget Scrutiny Select Committee as outlined within Appendix A.
2. Thanks the Budget Scrutiny Select Chair and Committee for their work on scrutinising the Cabinet's proposed budget and making recommendations to Cabinet.

Reason: In line with the Constitution the Cabinet is obliged to take account of recommendations made by the Budget Scrutiny Select Committee.

## Alternative options considered and rejected

None - Cabinet is obliged by the Constitution to take account of recommendations made by the Budget Scrutiny Select Committee.

## Relevance to the Corporate Plan and/or the Plymouth Plan

The Select Committee considered the themes within the Corporate Plan to ensure that proposals within the budget and business plans delivered against the council vision.

## Implications for the Medium Term Financial Plan and Resource Implications:

The recommendations directly relate to the Council's Medium Term Financial Plan.

**Carbon Footprint (Environmental) Implications:**

Recommendations 5 and 6 relate to the Council’s Climate Emergency and Corporate Carbon Reduction Action Plan.

**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.

**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
A	Response to Budget Scrutiny Select Committee Recommendations.							

**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	Click here to enter text.	Leg	Click here to enter text.	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											

OFFICIAL

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: *Date.*

Cabinet Member approval: *Councillor Richard Bingley (Leader)*

Date approved

## APPENDIX A

### CABINET RESPONSE TO BUDGET SCRUTINY RECOMMENDATIONS 2023/24

	SCRUTINY RECOMMENDATION	CABINET RESPONSE
1.	<p><b>Equalities Impact Assessments (EIA)</b></p> <p>The Committee is aware of the requirements of legislation in respect of Equalities Impact Assessments.</p> <p>The Committee recommends that EIAs in support of the budget should –</p> <ul style="list-style-type: none"> <li>• Refer to the most recent census data available where appropriate to the EIA</li> <li>• That the impact of potential council tax increases upon those with protected characteristics should be more clearly defined.</li> <li>• Include the potential opportunities to improve the understanding of and foster good relationships between different groups in the community</li> </ul> <p>Whilst the budget itself contains proposals, rather than decision on service, the executive is recommended to consider carefully its public sector equality duty, in particular that <i>“Due regard is fulfilled before and at the time a particular policy or operational activity, that will or might affect people with protected characteristics is under consideration, as well as at the time a decision is taken.”</i></p>	<p><b>Census Data</b></p> <ul style="list-style-type: none"> <li>• The latest available census data has been used in the preparation of the EIA, which was updated shortly before papers were collated for budget scrutiny.</li> <li>• However, much of the census 2021 data is still being published nationally and the report for Cabinet/Council will have further updates.</li> </ul> <p><b>Council Tax</b></p> <ul style="list-style-type: none"> <li>• Council Tax is a progressive tax and those on the lowest incomes will pay less if they qualify for Council Tax support.</li> <li>• Socio-economic impacts are covered by the Equality Act but the relevant section has never been given statutory force through secondary legislation and guidance referred to in the Act has not been published.</li> <li>• As such the Council does not require mitigation of these impacts within EIAs. Nevertheless we do through our careful consideration and scrutiny of budget setting proposals seek to minimise the impact on essential services for the most vulnerable.</li> </ul> <p><b>Duty to promote good relations</b></p> <ul style="list-style-type: none"> <li>• We fully recognise our statutory Public Sector Equality Duty and the forthcoming Welcoming City Scrutiny Review may identify new opportunities to promote good relations.</li> </ul> <p><b>Assessment of Future Impact</b></p> <ul style="list-style-type: none"> <li>• It is important to note that a detailed assessment can only be undertaken on specific savings proposals when business cases are available. Further consideration will be given to reflect the impact of high level budget proposals with the EIA.</li> </ul>
2.	<p><b>Home Building</b></p> <p>The Committee recommends that the Executive should set out an ambitious, significant and</p>	<p>There remains a significant focus on providing more homes, building on the achievements of successive Plan for Homes programmes.</p>

	<p>sustainable home building programme to ensure that the City's housing stock keeps pace with its social economic and environmental ambitions.</p>	<p>The Cabinet would welcome the outcome of any specific, detailed work on this issue that scrutiny may wish to undertake to ensure the Council's ambitions are achievable within the context of a challenged construction industry.</p>
3.	<p><b>Working Balances</b></p> <p>The consequences of not keeping a minimum prudent level of balances can be serious and in the event of a major problem or a series of events, the council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way. The External Audit report provided to the Audit and Governance Committee highlights that the current level of reserves is insufficient.</p> <p>The Committee recommends that –</p> <ul style="list-style-type: none"> <li>the Section 151 Officer should undertake a review of the level of the working balance. As part of this review the 151 should consider best practice as advised by Chartered Institute of Public Finance and Accountancy, Local Government Association (LGA) and reviewed against our CIPFA comparator group.</li> </ul> <p>The output of the review should be included in the draft budget when presented to council and the productions of a robust and transparent plan to cover the future contributions working balances as set out in the MTFS.</p>	<p>The 2023/24 budget is based on the principles and objectives of the Medium Term Financial Strategy (MTFS), as agreed by Council.</p> <p>The MTFS sets out a financial objective (10) to retain a general fund revenue balance of at least 5% of net expenditure.</p> <p>The Section 151 Officer will undertake a review of the level of working balances as part of the MTFS review and will submit for consideration to Council in September.</p> <p>In addition, the Working Balance will be reflected within the statement on reserves which will form part of the Section 151 Officer's budget robustness statement included in the final budget proposals on 27 February 2023.</p>
4.	<p><b>Medium Term Financial Plan</b></p> <p>The Committee recommends</p> <ul style="list-style-type: none"> <li>that a three year Medium Term Financial Plan is prepared and considered at full council in September. This reflects similar recommendations made through the LGA corporate peer challenge and external auditors report.</li> <li>The committee expects the effect of this recommendation to reduce reliance of one offs in the annual budget setting process.</li> <li>Recommendations from external auditors are endorsed by the budget select committee. The Committee recommends that the Chair of the Audit and Governance Committee addresses these</li> </ul>	<p>The Section 151 Officer will undertake a review of the MTFS and will submit for consideration to Council in September 2023.</p> <p>A detailed response to the recommendation of external auditors will be provided to the Audit and Governance Committee, the outcome of that discussion will form part of the Chair's report to a future Cabinet meeting.</p>

	recommendations in their next report to Cabinet.	
5.	<p><b>Climate Emergency Assessment</b></p> <p>The Committee believes that climate impact should be adequately reflected in the budget papers or those supporting decision making. The committee were made aware that decision making processes would include an assessment of climate impact and a tool had been developed for implementation.</p> <p>The Committee recommended that –</p> <ul style="list-style-type: none"> <li>• An assessment of climate impact is included in the budget report presented to Council;</li> <li>• That the tool for assessing climate impact of decision making is implemented with urgency and appropriate resource is identified to quality assure such assessments.</li> </ul>	<p>An assessment of climate impact will be provided in the budget report for Council, this will be against proposals which are enabled by way of Council approval of the budget.</p> <p>The assessment tool for climate impact is being developed. Given the complexities and resource requirements involved in developing and supporting such a tool, further time is required to finalise the processes. Once completed climate impact assessments will be included at business case development stage.</p>
6.	<p><b>Fleet Decarbonisation Programme</b></p> <p>The Committee recommends that the Executive set this as a high priority for the Council and explores further opportunities for decarbonisation of the fleet through the Capital Programme.</p>	<p>As described at the scrutiny sessions, there has been a significant and sustained focus on decarbonising the all vehicles within the Council's fleet.</p> <p>However there are limitations and the decarbonisation of larger vehicles, such as Heavy Goods Vehicles, which are cost prohibitive in the context of the budgetary challenges being experienced by the authority.</p> <p>The Cabinet would welcome the outcome of any specific, detailed work on this issue that scrutiny may wish to undertake.</p>
7.	<p><b>School Transport</b></p> <p>The Committee recommends that the Executive review options for school transport, in particular how young people may be supported to travel independently where appropriate.</p>	<p>An Independent Review is underway.</p>
8.	<p><b>Children's Services Budget</b></p> <p>The committee is not assured that the proposed budget for 23/24 is sufficient. As such Committee recommend that the draft budget is developed to include further information so as to assure Councillors of the robustness of the Children's Services Budget as will be proposed to Council. This should take in to account all relevant future impacts e.g. impact of cost of living crisis / output</p>	<p>The budget for Children's Services has four key areas of planned reduction. These are relating to</p> <ol style="list-style-type: none"> <li>1. Savings achieved from remodelling Children's Centres into Family Hubs.</li> <li>2. £673K based on a reduction of externally commissioned assessments realised through the creation of an internal team and a reduction of vacant posts within the Targeted Support Service.</li> </ol>

	<p>of OFSTED inspection and the success of the drive to increase the number of in house fostering provision.</p>	<ol style="list-style-type: none"> <li>3. a reduction of £1.627m in the current placement budget. This will be realised through a reduction of the use of unregistered places and the use of residential care for children and young people in care.</li> <li>4. to reduce the number of entrants into care and therefore realise a £2.27m reduction in the planned growth for the placements budget.</li> </ol> <p>We are now working closely to review all high cost packages and our Edge of Care service to prevent care admissions where it is possible and safe to do so.</p> <p>The pressure on the placements budget has derived from the use of unregistered placements and placement breakdowns leading to higher cost packages.</p> <p>Our placement stability this year has increased with only 8.6% of our children in care having 3 or more placement moves compared to 12% three years ago. This will continue to be an area of development and will review all placement breakdowns so that we can understand how best to support earlier and prevent such breakdown</p> <p>With regards to the Education Budget we have right sized the SEND Transport budget and Short Breaks budget which has seen a £1.3m overspend over the last year. This money has been allocated to Children's Social Care as these are established pressures for statutory services. This should also support the realisation of the proposed budget for Children.</p> <p>It remains the case that this is a statutory service and the Local Authority is legally responsible for meeting statutory need and if children need to be supported we have a legal duty to do so.</p> <p>The Council conducted a thorough review of its cost base in July 2022 using CIPFA comparator data. This demonstrated that the Children's Services budget for Plymouth is within the low/median area of spend; with the majority of services being in the low spend area.</p> <p>As part of the final Budget proposal to Council, which closes the gap to a balanced position, a £1m allocation has been set-aside for social care. This provides a contingency sum to be drawn down if required.</p>
9.	<p><b>Work Experience</b></p> <p>The Committee recommends that Council significantly increases the availability of work experience and apprenticeships placements for Care Experienced young people to help them into</p>	<p>As part of our commitment to promoting equality we offer guaranteed interviews to those if they meet the essential criteria and are considered disabled, or have been in Plymouth City Council care.</p>

	<p>employment and review the Social Value Policy to reflect this.</p>	<p>Through our work on the Care Leavers Covenant we remain committed to our aim to make Plymouth the best place for care experienced children and young people to live, to grow up and be supported for when they are ready to leave care.</p> <p>As a council we are offering a number of work experience placements to students in years 10 and 12 who meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Live in Plymouth</li> <li>• Attend a Plymouth School</li> <li>• Looked after young person/Care leaver</li> </ul> <p>There will be an opening and closing event each week, which will induct the cohort of students to their week at the Council, as well as celebrating their achievement of successfully completing the scheme.</p> <p>Details are available in the “Jobs” section of the Council’s website. <a href="https://www.plymouth.gov.uk/work-experience">https://www.plymouth.gov.uk/work-experience</a></p>
10	<p><b>Alliance Contract / Local Care Partnership</b></p> <p>The Committee recommends to the Local Care Partnership that the principles which have driven the alliance contact are embedded within the development of the Local Care Partnership.</p>	<p>The Local Care Partnership and integrated commissioning arrangements for Plymouth will ensure that the principles and learning from Alliance commissioning arrangements are considered as part of future service redesign and procurement of health and care services.</p>
11	<p><b>NHS Capital Funding</b></p> <p>The Committee recommends to the Health and Wellbeing Board that it should use all of the levers available to it to ensure adequate capital and revenue resources are directed to Plymouth. The Health and Wellbeing Board is asked, as a first step, to require NHS Devon (ICB) to provide the ICB joint capital resource plan at the next meeting of the Health and Wellbeing Board to ensure planned capital resource is being aligned against local priorities.</p>	<p>The recommendation to the Chair of the Health and Wellbeing Board is noted and will be included for consideration at a future meeting of the Board.</p>
12	<p><b>Elections</b></p> <p>The Committee recommends that adequate resources for the delivery of new burdens in relation to the election process (e.g. Identification Requirements) are clearly identified within the draft budget.</p>	<p>The Section 151 Officer will ensure the resources are identified in the draft budget report.</p>



13	<p><b>Take up of free school meals</b></p> <p>The Committee recommends a communications campaign is implemented to increase uptake awareness of free school meals.</p>	<p>Relevant officers will make arrangements for further communications in support of the annual communication campaign to improve uptake.</p>
14	<p><b>Corporate Property</b></p> <p>The Committee discussed corporate property and the potential of alternative use of the estate, and recommends a review of the corporate estate to meet the Council's corporate objectives, and specifically -</p> <ul style="list-style-type: none"> <li>Identify if there are any potential buildings capable of being developed to provide residential care homes for young people in the care of the local authority.</li> </ul> <p>And</p> <ul style="list-style-type: none"> <li>Where buildings are found to be surplus to the requirements of the Authority, ensure that overage agreements are agreed, where appropriate, with buyers / developers.</li> </ul>	<p><b>Residential Care Homes</b></p> <ul style="list-style-type: none"> <li>This process is underway.</li> </ul> <p><b>Overage Agreements</b></p> <ul style="list-style-type: none"> <li>This recommendation accords with the current position. Restrictive covenants are used to limit future uses to accord with value received on disposal or overage provisions are included for future change of use to a higher value in order to protect the Council's position.</li> </ul>
15	<p><b>Balancing</b></p> <p>The committee expresses its concerns that savings within the draft budget are still subject to public consultation and may not be delivered.</p>	<p><b>Noted.</b></p>
16	<p><b>Councillor Community Grant Scheme</b></p> <p>The committee recommend that the community grant fund to remain at its current level.</p>	<p>When the Council set its budget for 2022-3 in February last year, an amendment was agreed that set up a Community Improvement Fund, allowing a capital allocation of £50k for each three Councillor Ward, and £33k for each two Councillor Ward, adding up to a total of £950k across the city for Councillors to invest in their communities on a discretionary basis.</p> <p>It is clear from feedback from Councillors that the ability to make "revenue" contributions to community projects is highly valued. As a result of this feedback the draft budget will include a fund of £3,000 per Councillor for the coming year. While this is a reduction on previous</p>

		years, it is substantially more than the original proposal of £1,250 per Councillor and has been made possible by a small windfall from the Government
17	<p><b>Residential Disabled Parking Bays</b></p> <p>The committee recommend that the relevant Cabinet member reviews the fees and charges for residential disabled parking bay.</p>	The relevant portfolio holder will review the fees and charges with officers.
18	<p><b>Footpath Maintenance</b></p> <p>The Committee recommend that the relevant Cabinet Member review the level of funding within the budget for footpath maintenance and resurfacing</p>	The relevant portfolio holder will review the level of funding with officers.
19	<p><b>Ring-fence Council Tax on empty homes or homelessness</b></p> <p>Additional empty homes premium is ring-fenced to deliver ambitions to bring empty homes back into use.</p>	<p>The premium from empty homes is included within the core resources of the council, forming part of the Business Rates calculation.</p> <p>As stated previously in relation to home building, the Cabinet would welcome the outcome of any specific, detailed work on this issue that scrutiny may wish to undertake to include bringing empty homes back into use.</p>