

# EXECUTIVE DECISION

made by a Cabinet Member




## REPORT OF ACTION TAKEN UNDER DELEGATED AUTHORITY BY AN INDIVIDUAL CABINET MEMBER

Executive Decision Reference Number – L56 23/24

Decision				
1	<b>Title of decision:</b> Asbestos Claims by Plymouth Community Homes (PCH)			
2	<b>Decision maker:</b> Councillor Tudor Evans OBE, Leader of the Council			
3	<b>Report author and contact details:</b> Wendy Eldridge, Lead Accountancy Manager Tel 01752 307118 E: <a href="mailto:wendy.eldridge@plymouth.gov.uk">wendy.eldridge@plymouth.gov.uk</a>			
4	<b>Decision to be taken:</b> 1. Approves the allocation of £1.154m Right to Buy capital receipts, received 2022/23 to the capital programme for the PCH Asbestos Liability claims; 2. Delegate to the Service Director for Finance approval to earmark future Right to Buy capital receipts to fund PCH asbestos liability through the capital programme until 2029 where they would not already have authority to do so within the scheme of delegation			
5	<b>Reasons for decision:</b> The housing stock transfer agreement with Plymouth Community Homes is dated 20 November 2009. The Transfer Agreement provides that Plymouth City Council is responsible for indemnifying PCH against the cost incurred in connection with asbestos refurbishment under Sch 6 Cl 7.12 of the agreement. This applies insofar as those costs exceed £10 million sum until the 20th anniversary of the agreement which is 20th November 2029. During the period since the Transfer Agreement was signed PCH has paid out £10m on asbestos refurbishment and therefore the liability for asbestos now falls on PCC. A further £3.029m has been paid by PCC during the period 2018/19 to 2022/23, this has been funded from the £3.5m RTB Capital Receipts that were set aside in July 2019 by Executive Decision L4 19/20. Leaving a balance of £0.471m available towards to continuing liability. This will not be sufficient to cover the 2023/24 liability, which is currently estimated to be £0.800m. The asbestos liability runs until November 2029.			
6	<b>Alternative options considered and rejected:</b> There is a legal obligation to make these payments to PCH.			
7	<b>Financial implications and risks:</b> It is anticipated that this spend would be financed from Right to Buy receipts received from PCH. These Right to Buy receipts would be ring-fenced to meet these costs.			
8	<b>Is the decision a Key Decision?</b> (please contact <a href="#">Democratic Support</a> for further advice)	<b>Yes</b>	<b>No</b>	<b>Per the Constitution, a key decision is one which:</b>  in the case of <b>capital</b> projects and contract awards, results in a new commitment to spend and/or save in
			x	

				excess of <b>£3million</b> in total	
			X	in the case of <b>revenue</b> projects when the decision involves entering into new commitments and/or making new savings in excess of <b>£1 million</b>	
			X	is <b>significant</b> in terms of its effect on communities living or working in an area comprising <b>two or more</b> wards in the area of the local authority.	
	If yes, date of publication of the notice in the <a href="#">Forward Plan of Key Decisions</a>				
9	Please specify how this decision is linked to the Council's corporate plan/Plymouth Plan and/or the policy framework and/or the revenue/capital budget:		This decision is meeting the Council's obligation within the PCH Stock Transfer Agreement.		
10	Please specify any direct environmental implications of the decision (carbon impact)		Asbestos Regulations 2012 require licensed asbestos removal to ensure it is removed safely and disposed of correctly. Opportunities for any property renovations to reduce energy consumption on properties with an asbestos risk would require adequate assessments and action to deter the risk to asbestos exposure.		
<b>Urgent decisions</b>					
11	Is the decision urgent and to be implemented immediately in the interests of the Council or the public?		Yes		(If yes, please contact Democratic Support ( <a href="mailto:democraticsupport@plymouth.gov.uk">democraticsupport@plymouth.gov.uk</a> ) for advice)
			No	X	<b>(If no, go to section 13a)</b>
12a	Reason for urgency:				
12b	Scrutiny Chair Signature:		Date		
	Scrutiny Committee name:				
	Print Name:				
<b>Consultation</b>					
13a	Are any other Cabinet members' portfolios affected by the decision?		Yes	X	
			No		<b>(If no go to section 14)</b>
13b	Which other Cabinet member's		Councillor Chris Penberthy (Cabinet member for Housing, Cooperative Development and Communities.)		

	<b>portfolio is affected by the decision?</b>								
<b>13c</b>	<b>Date Cabinet member consulted</b>		11 March 2024						
<b>14</b>	<b>Has any Cabinet member declared a conflict of interest in relation to the decision?</b>	<b>Yes</b>		If yes, please discuss with the Monitoring Officer					
		<b>No</b>	x						
<b>15</b>	<b>Which Corporate Management Team member has been consulted?</b>		<b>Name</b>		David Northey				
			<b>Job title</b>		Service Director for Finance				
			<b>Date consulted</b>		11 March 2024				
<b>Sign-off</b>									
<b>16</b>	<b>Sign off codes from the relevant departments consulted:</b>		<b>Democratic Support (mandatory)</b>			DS127 23/24			
			<b>Finance (mandatory)</b>			DJN.23.24.215			
			<b>Legal (mandatory)</b>			LS/2960(9)/JP/120324			
			<b>Human Resources (if applicable)</b>						
			<b>Corporate property (if applicable)</b>						
			<b>Procurement (if applicable)</b>						
<b>Appendices</b>									
<b>17</b>	<b>Ref.</b>	<b>Title of appendix</b>							
	A	Briefing report for publication							
	B	Equalities Impact Assessment							
<b>Confidential/exempt information</b>									
<b>18a</b>	<b>Do you need to include any confidential/exempt information?</b>		<b>Yes</b>		If yes, prepare a second, confidential ('Part II') briefing report and indicate why it is not for publication by virtue of Part I of Schedule 12A of the Local Government Act 1972 by ticking the relevant box in <b>18b</b> below.  (Keep as much information as possible in the briefing report that will be in the public domain)				
			<b>No</b>	x					
			<b>Exemption Paragraph Number</b>						
			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>18b</b>	<b>Confidential/exempt briefing report</b>								

	<b>title:</b>							
<b>Background Papers</b>								
<b>19</b>	Please list all unpublished, background papers relevant to the decision in the table below. Background papers are <u>unpublished</u> 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. 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.							
<b>Title of background paper(s)</b>		<b>Exemption Paragraph Number</b>						
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Cabinet Member Signature</b>								
<b>20</b>	I agree the decision and confirm that it is not contrary to the Council's policy and budget framework, Corporate Plan or Budget. In taking this decision I have given 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 (2010) and those who do not. For further details please see the EIA attached.							
<b>Signature</b>				<b>Date of decision</b>	14 March 2024			
<b>Print Name</b>	Cllr Tudor Evans OBE, Leader of Plymouth City Council							