

## CITY OF PLYMOUTH

**Subject:** 2012/13 Indicative Budget (Revenue and Capital) allocated to corporate priorities

**Committee:** Cabinet

**Date:** 13 December 2011

**Cabinet Member:** Councillor Bowyer

**CMT Member:** Director for Corporate Support

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**Ref:** djn131211

**Key Decision:** Yes

**Part:** 1

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### Executive Summary:

This report sets out Plymouth City Council's 2012/13 Indicative Revenue and Capital Budget. It builds on the income assumptions set out in the latest published Medium Term Financial Strategy and its impact on the Council Tax. The budget brings together the elements of the Council's income and expenditure strategy, summarised by each department, together with its Capital strategy. It also reviews the impact on future Revenue and Capital Plans for 2013/14 and 2014/15.

At the time of preparing this budget, the Council has announced its intention to move from a five to a three directorate model progressively from 1 January 2012. The current directorates are: (Assistant) Chief Executive; Children & Young People; Community Services; Development & Regeneration; Corporate Support. The new model's three directorates will be Place; People; and Corporate Services. For this Indicative Budget for comparative purposes, we have continued to report on the existing directorate and department structures.

We knew that the end of the three year Comprehensive Spending Review (CSR) in 2010/11 would present further pressure on future funding arrangements. All indications were that Government funding would substantially reduce in the period 2011/12 to 2014/15. Although the CSR covered a four year period, the settlement announcement gave funding allocations for a two year period only. Following publication of this report, we are expecting a statement to the House from the Chancellor to be delivered at the end of November; we are then expecting further refinements to the funding for 2012/13. The local Settlement should be published in the first two weeks of December 2011. Any impacts on our budget resource assumptions will be analysed and presented in a supplementary report to Cabinet.

We are currently working to guidelines only for Government funding for 2013/14 and 2014/15 but remain only too well aware that future funding will continue to reduce. Indeed, future Local Government funding is expected to move away from a needs based formula towards a greater emphasis on incentivised funding. The published White Paper on Growth outlines plans for a review of business rates with the intention that in future local government will be able to keep what they collect; the introduction of a new homes bonus (consultation currently on-going); and plans to change the law so that Councils will be able to borrow against the proceeds of future business rates (known as Tax Increment Funding) in order to invest. In addition, the Government has instigated a full review of Public Sector pension provision, and we await full details of the impact on our budget.

In setting the 2012/13 budget, we have rolled forward the revenue budgets from 2011/12 as our base budget. In order to meet our reduced funding, and to maintain our delivery of frontline services, we have had to refine our assumptions on inflation and growth; challenged down future years spending profiles; stopped some activity linked directly to withdrawn grants and set new, reduced targets linked to the four top level priorities. These priorities are to Deliver growth; Raise aspirations; Reduce inequality; and Provide value for communities.

In setting the 2011/12 budget, three year "Budget Delivery Plans" were developed to address the requirement to reduce spend whilst maintaining and improving priority services over the next three years. Where delivered, the 2011/12 budget delivery plans have been rolled into "business as usual" and amalgamated into the departmental budgets. Where these plans have increased targets together with new plans, the additional savings are now shown as the 2012/13 and 2013/14 Budget Delivery Plans.

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### **Corporate Plan 2011-2014 as amended by the four new priorities for the City and Council:**

The budget is central to the successful delivery of the Corporate Plan 2012-15.

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

Once approved the 2012/13 budget will become the base year for the Medium Term Financial Strategy (MTFS) 2012-15. The MTFS will be revised and updated soon after the adoption of the 2012/13 budget and will reflect the final settlement announcement. Human resources, ICT and asset implications have been fully considered and referred to throughout the report.

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### **Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

All Departmental Delivery Plans are covered by Equalities Impact Assessments, signed off by the relevant Director. Each delivery action has considered the impact on: council priorities, legal obligations, customers and other services and partners. Each separate action has been

risk assessed in terms of potential barriers to implementation with corresponding mitigation stated where relevant.

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### **Recommendations & Reasons for recommended action:**

This report contains a high level summary of the Corporate Plan. The draft Corporate Plan will be published on 4 January and the Leader will refer the document straight to Scrutiny on January 11, January 16 and January 18 to inform Scrutiny's deliberations on the Council's proposed priorities and budget.

It is recommended that:

1. the Cabinet authorise the Leader to agree the draft Corporate Plan, for the purposes of consultation and scrutiny, in accordance with the budget and policy framework procedure rules;
  2. the proposed revenue target budget requirement of £201.1m for 2012/13 and four year Capital Programme of £160.6 is recommended for consultation;
  3. Cabinet consider findings from consultation, feedback from budget scrutiny and any material changes announced in the final settlement for Plymouth City Council in early February '12 and recommend the final revenue budget for 2012/13 to Full Council on 27 February 2012
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### **Alternative options considered and reasons for recommended action:**

It is a statutory requirement under Section 33 Local Government Finance Act 1992 for the Council to produce and deliver a balanced budget and to set a Council Tax.

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### **Background papers:**

- Finance Settlement Papers Department of Communities and Local Government
- The Prudential Code for Capital Finance in Local Authorities
- Equality Impact Assessments
- The Local Government Act 2003 and The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003
- Medium Term Financial Strategy
- Capital Financing Regulations
- Workforce development Strategy
- ICT Strategy
- Accommodation Strategy

### **Sign off**

Fin	MC111 2.019	Leg	TH003 4	HR	MG	Asset Man.	CJT/0 87/05 1211	IT	-	Strat. Proc.	PWC 1112. 008
Originating SMT Member Malcolm Coe											

## 1. Introduction and Contents

- 1.1. This report details how the Council has allocated its revenue and capital resources across departments and priority areas for 2012/13 to improve outcomes for local people. It is fully linked and underpins the Council's Corporate Plan 2012-15.
- 1.2. The proposed 2012/13 budget needs to be considered in the context of the national environment with regards funding assumptions for the Authority. We have a degree of certainty around the income for 2012/13, which builds on the settlement confirmed in December 2010. However, we await confirmation, expected progressively from December 2011, of any changes to specific grant funding for the budget year. Assumptions have been used to formulate the anticipated income for 2013/14 and the following year.
- 1.3. Any amendments required to this indicative budget, as a result of the December settlement and after consideration of our consultation process and the proposals from the January Scrutiny, will be presented to Council for approval in February 2012.
- 1.4. Funding allocations are made within the framework of the Council's Medium Term Financial Strategy, (MTFS), which sets targets and principles for setting three year revenue budgets and four year rolling capital budgets. The MTFS will be revised, updated, and published, following the approval of the 2012/13 budget and formal approval of the Council Tax.
- 1.5. Appendices to this report provide the main detail and delivery plans that underpin the 2012/13 budgets:

Appendix A	Departmental Indicative Budgets
Appendix B	Local Government Act 2003, Section 25 Section 1: Analysis of Budget Robustness Section 2: Adequacy of Reserves
Appendix C	Capital Investment Programme 2011/12 to 2014/15
Appendix D	Directorate Revenue Budget Delivery Plans

- 1.6. This report is a commentary on where the Council finds itself in terms of the national context and challenges. Each department describes its departmental context, progress and investment against challenges and pressures faced and lays out a summary of what the department intends to do to deliver a balanced revenue budget in 2012/13, and the plans for 2013-2015.

## 2. **The Medium Term Financial Outlook**

- 2.1 The City Council, like everyone else, finds itself operating in the midst of a serious, unprecedented economic downturn, and is facing a series of very challenging issues into the medium term.
- 2.2 The current economy continues to cause budget pressures, such as the impact of reduced income from our car parks and falling income from commercial rents. The downturn has also brought reduced interest rates and therefore reduced income for our treasury investments.
- 2.3 Our ability for future capital investment in the city to stimulate growth and regeneration will also be restricted. The capital programme will continue to require robust management to ensure that outcomes are maximised and the impact on the Council's revenue budget is kept to a minimum.
- 2.4 Against this, the Council face increasing spending pressures moving forward; for example, the increase in the number of children in care and impact of the growing elderly population on adult social care budgets.
- 2.5 Demand for Housing Benefits, with an 18% increase over the last twelve months, and personal finance advice has also significantly increased; this is directly linked to the economic situation.
- 2.6 The council has, for some time, been modelling a year on year real term reduction in its formula Grant.
- 2.7 The Council is not unusual in facing these issues and is prepared for the challenge. The Council will need to take some difficult decisions in the future about what services it does and what services it doesn't provide. The Council will need to continue to radically change shape over the coming years. The Senior Management Restructure needs to be embedded and become the start point for future changes. The new Directorate structure is due to be implemented with effect from 1 January 2012, with the Senior Management Team structure going live March 2012.
- 2.8 The Council needs to continue to work more closely with other partners in the public and private sector to provide the best solution for the city
- 2.9 Despite reducing resources and increasing spending pressures, Plymouth City Council continues to remain ambitious with our future plans. For example, the build of The Plymouth Life Centre and new Academy Schools will generate significant benefits to the residents of Plymouth. Such projects demonstrate our determination to press on with the regeneration and economic growth of the City in order to achieve our long term vision, meeting long term growth aspirations of 50,000 increased population and more than 40,000 new jobs by 2026.

### **3. Executive Summary**

- 3.1 This is a combined Revenue and Capital budget report setting out the City Council's 2012/13 income and expenditure.
- 3.2 Plymouth City Council has continued to make tangible improvements to client facing services whilst driving efficiencies throughout 2011/12. This principle underlies the strategy for the budget for 2012/13. The Authority has to direct scarce resources away from the support functions and towards the frontline services, but maintain the ability to provide the necessary level of support, not just for 2012/13 but the coming years.
- 3.3 This report needs to be read in conjunction with the Council's Corporate Plan 2012-15. A complete revision of the Corporate Plan will be published on 4 January 2012 and will include chapters providing overviews on the council's ICT Strategy, and Workforce Development Plan. This document will be made available for the January '12 budget scrutiny.
- 3.4 The 2010 evidence based 'Plymouth Report' led to the adoption of four city and council priorities, which are set out in detail in the Corporate Plan. Building on the strategies adopted in 2011/12, the 2012/13 budget continues to have a sharper focus on a fewer number of priorities and continues to drive improvement.
- 3.5 In setting the 11/12 budget, we deliberately targeted resources in to spending areas that contribute most to the city's four top level priorities. This strategy has been rolled forward into the 2012/13 budget. For 2011/12, the council developed robust, risk assessed delivery plans to underpin the achievement of the 11/12 budget as well as striving to achieve a balanced revenue position for the '12/13 and '13/14 financial years. These plans underpin the new 2012/13 budget, with increased targets together with plans new to 2012/13 coming into play. Our performance against these plans during 2011/12 and their robustness going forward, will now be subject to a thorough consultation and scrutiny process throughout December '11 and January '12 prior to finalising the budget in February 2012.
- 3.6 This year's budget setting process has again seen much closer working across Plymouth 2020, (the Local Strategic Partnership), with partners aligning priorities and key decision dates.
- 3.7 Each directorate's budget plans have been subject to a cross-directorate challenge at both CMT and Cabinet level. Also, for the first time, we have invited our Strategic Partners to join CMT for a city-wide budget challenge session.
- 3.8 The outcomes from these challenges will be considered to influence our resource allocation within the 2012/13 budget.

- 3.9 The Delivery Plan savings which have been achieved in 2011/12 have been rolled forward into the base budget for 2012/13 and future years. Where these Plans showed an additional savings target for 2012/13 and 2013/14, and where these additional savings have been confirmed, again these savings have been built into the base budget and no longer feature as Delivery Plans.
- 3.10 The Delivery Plans, detailed for each Directorate in Appendix D, now show the additional Plans for 2012/13 and 2013/14 as set out in the budget plans approved by Full Council February 2011, as part of the three year budget. Also shown are Plans developed to supplement and/or replace shortfalls against the original savings targets.

#### **4. Priority focus**

- 4.1 Following our analysis of the Plymouth Report we have reduced our priorities for the city, the council and our key partners to four: deliver growth, raise aspirations, reduce inequalities and provide value for communities.
- 4.2 We have recommitted to our growth agenda and recognised that we need to focus on it much more strongly if we are to achieve the step change required to achieve our vision for the city. This is the agenda that makes Plymouth distinct.
- 4.3 Closely tied to that is the need to raise aspirations. We not only want our children and young people to set their sights higher, but for those in contact with them to have higher expectations; for people to want to come to Plymouth as a place where they can develop and prosper. We do not want the local population to be held back by deprivation and inequalities, but to contribute to and share in the city's growth.
- 4.4 At the same time, we recognise that we are operating in tight financial circumstances and need to be innovative, resourceful; more customer focused; and provide greater value for money. These priorities are all interlinked.
- 4.5 Together with partners we have agreed a set of Level 1 outcome measures for which we share collective responsibility. The priority descriptors and outcome measures for these are listed in *figure 1*.
- 4.6 Our aim is to match our resources to our priorities, moving away from those areas which are "less important" and where we can stop doing things. In 2012/13 we are again focusing on value for communities and the efficiency agenda. We are also protecting budgets around growth.
- 4.7 We must have a sustained focus to deliver improved outcomes.

**Figure 1: City and Council top level priorities**

<b>Plymouth 2020 priority descriptors</b>			
<b>Deliver growth</b>	<b>Raise aspiration</b>	<b>Reduce inequality</b>	<b>Provide value for communities</b>
Develop Plymouth as a thriving growth centre by creating the conditions for investment in quality homes, jobs and infrastructure	Promote Plymouth and encourage people to aim higher and take pride in the city	Reduce the inequality gap, particularly in health, between communities	Work together to maximise resources to benefit customers and make internal efficiencies

<b>Level 1 Outcome Measures</b>			
Increase the number of jobs in Plymouth	Raise Plymouth's level 4 attainment	Reduce the gap in life expectancy by at least 10% between the fifth of areas with the lowest life expectancy and the population as a whole by 2020	Increase the value of commissioned goods and services by the third sector
An increase in the headline gross value added per head index at current basic prices	Increase in the number of visitors coming to the city.	Reduce the rates of premature mortality (<75 years) in men from all causes by 40% by 2020	Increase the % 'age of customer satisfaction of all public service offering VFM
Offering a good range of housing in safe, inclusive and sustainable communities	Overall / general satisfaction with local area	Reduce Child Poverty	Increase the % of people who feel they can influence decisions in their locality.
Deliver connectivity with key regional, national and international markets	Rate of small business growth with turnover greater than £100k		Per Capita CO2 emission in the LA area
			Increase % of people who believe people from different backgrounds get on well together

## **5. Revenue Resources**

- 5.1 Our resources for 2012/13 are based on confirmed assumptions and allocations. For 2013/14 we have reflected expected further formula grant reductions, as shown in *figure 2*. This is unprecedented in terms of local authority funding to date. We are used to seeing a year on year increase to cover the cost of likely cost rises
- 5.2 Central Government has now confirmed (mid-November 2011) the offer of a one-off Council Tax Grant allowance in 2012/13 equivalent to 2.5% of the Council tax base. For Plymouth City Council, this equates to £2.4m
- 5.3 Although this Grant offer is welcomed, it does mean the Authority would have a year on year shortfall in future funding, as this money is removed from the budget from 2013/14 onwards.



- 5.4 CMT and Cabinet have been made aware of our modelling assumptions over the past months and our Medium Term Financial Strategy, (MTFS), showing the impact of funding reductions has been published on our website.
- 5.5 The National context highlighted a 28% reduction (7% per year) in funding over the Comprehensive Spending Review period, 2011/12 – 2014/15. Our model assumes a 5% reduction in formula grant funding for 2013/14, accumulating to just over 16% when added to the actual funding reductions for 2011/12 and 2012/13. This is on net revenue budget only, and does not include the reductions and deletions of specific grant funding, held elsewhere in the budgets.
- 5.6 We are confident that our overall assumptions are robust and have therefore continued to model our spend allocations on the figures below. However, we continue to carefully monitor, and report on, the impact of changes to numerous specific grants (both revenue and capital) which could have a material impact in certain service areas. The detail of such grants will not become clear until late December '11 / early January '12. When known, the specific grant analysis will be fed into the budget scrutiny process in January 2012.
- 5.7 In Figure 2, 2011/12 shows actual funding; 2012/13 shows funding based on the Settlement as known at the time of preparing the Indicative Budget. Years 2013/14 and 2014/15 are shaded to indicate these are based on our assumptions only at this stage. These will need to be reviewed once Government funding is further clarified.

**Figure 2: Revenue resource assumptions**

	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m
<b>Total Resources available</b>	<b>208.2</b>	<b>201.1</b>	<b>198.2</b>	<b>200.7</b>
<b>Increase / (decrease) over previous year</b>	<b>(2.6%)</b>	<b>(3.4%)</b>	<b>(1.5%)</b>	<b>1.3%</b>

*Note: Council Tax level for '12/13 will be finalised at Full Council in February 2012.*

- 5.8 We are used to getting in the region of a £5 to £6m year on year increase in revenue funding, to fund pay increases, general inflation costs, and the ever increasing demands on our services.
- 5.9 Every 1% Council Tax rise generally adds revenue of approx. £950k, and a 1% drop in Formula Grant represents a reduction of £1.06m. For 2012/13, we have a net of £7.13m compared to our 2011/12 budget base.
- 5.10 Our last Council Tax increase, in 2010/11, was by 2.89%, and was followed by a freeze in 2011/12 and a possible freeze again in 2012/13. This means the Authority still has the lowest average Council Tax in the region. For purposes of comparison, a similar Council Tax increase for 2011/12 and 2012/13 would have generated an extra £2.8m and a further £2.9m of income, a total of £5.7m over the two years

## 6. Expenditure Assumptions:

- 6.1 The approach to the budget setting process was changed for 2011/12.
- 6.2 In response to the significant reduction in funding, the Council set up eleven “Theme” budget delivery programmes, which cut across the departments of the council. Each theme was sponsored by a Director, supported by a team drawn from all areas of the council.
- 6.3 Percentage reductions were then applied on a priority basis, to the 11 Budget Delivery Groups in order to set overall budget targets within the projected revenue resources available. These savings targets amounted to £8.2m for 2011/12; this increased to £15.7m in 2012/13; and £25.9m in 2013/14 as detailed in figure 3.
- 6.4 Saving targets range from year one 1.5% for areas such as Adult Social Care and Children’s Services to 40% in year three for Business Support & Corporate Support areas. The targets also clearly demonstrate that we continue the drive to reduce spend in back office support functions and allocate resources to improving front line service delivery.

**Figure 3: Three year revenue reduction targets by delivery group**

	Budget for Reduction £000	Reduction 2011/12		Reduction 2012/13		Reduction 2013/14	
		% 'age	£000	% 'age	£000	% 'age	£000
1 Policy, Performance & Partnerships	2,201	-15.0%	-330	-25.0%	-550	-40.0%	-880
2 Business Support & Corporate Coms	6,051	-15.0%	-908	-25.0%	-1,513	-40.0%	-2,420
3 Corporate Support Services	18,823	-15.0%	-2,823	-25.0%	-4,706	-40.0%	-7,529
- ICT - Direct Costs to Departments	3,484	-3.0%	-105	-5.0%	-174	-8.0%	-279
4 Adult Social Care & Health	70,999	-1.5%	-1,065	-3.0%	-2,130	-6.0%	-4,260
5 Children & Young People Social Care	25,762	-1.5%	-386	-3.0%	-773	-6.0%	-1,546
6 Children & YP (exc Social Care)	22,502	-1.5%	-338	-3.0%	-675	-6.0%	-1,350
7 Customer Services (inc Revs & Bens)	4,171	-1.5%	-63	-3.0%	-125	-6.0%	-250
8 Growth & the Economy	15,229	-1.5%	-228	-3.0%	-457	-6.0%	-914
9 Culture, Sport & Leisure	10,680	-5.0%	-534	-9.0%	-961	-13.0%	-1,388
10 Blue collar services / client side	14,596	-5.0%	-730	-15.0%	-2,189	-25.0%	-3,649
11 Accommodation costs	5,862		-750		-1,500		-1,500
Miscellaneous small budgets	1,464						
<b>Reduction Applied</b>	<b>201,825</b>		<b>-8,260</b>		<b>-15,753</b>		<b>-25,966</b>

- 6.5 The extent of the savings needed to balance the revenue budget meant we had to undertake a programme of transformation across the whole of the council. We need to do things differently. Therefore, target savings were applied to all departments

and services. However, we must continue to balance the target reductions to ensure that the reduced funding does not lead to a drop in the level of service provided in core priority areas. We cannot continue to operate in the same way; we have to do things differently

- 6.6 The advantage of the 'Budget Delivery Group' approach was that it enabled the council to look at entire spend for a specific function, (such as Policy & Performance), across all departments and the corporate centre, identify duplication and overlaps, and make recommendations for what structures and processes are required in the future. However, to maintain departmental 'ownership' of budgets and corresponding delivery plans, the spend reductions applied to the 11 delivery groups were translated back to existing departmental structures to provide clear revenue targets for Directors and their management team.
- 6.7 Further to these reductions, the Final Settlement, confirmed late in December 2010, required us to apply additional target savings in order to match the extra funding reductions. These savings amounted to £5.0m for 2011/12 and £4.7m for 2012/13 and 2013/14.
- 6.8 These savings were allocated firstly to the department directly affected by the funding reduction; for example the reduction in Early Intervention Grant (EIG) was applied 100% to Children and Young People. Secondly, the remaining savings were applied across the directorates following a robust cross-departmental challenge.
- 6.9 Adding these new challenges to those identified in Figure 3 above gives overall revised three year targets of:
- 2011/12            £13.341m
  - 2012/13            £20.453m            an increase of £7.1m
  - 2013/14            £30.666m            an increase of £10.2m
- 6.10 2012/13 indicative revenue budgets, by directorate showing the impact of these base budget target reductions are detailed in *figure 4*.
- 6.11 A more detailed analysis of budgets at Service level within each department is shown as Appendix A to this report.

**Figure 4: PCC indicative revenue budget 2012/13**

DIRECTORATE	10/11 £000s RESTATED BUDGET	11/12 £000s Delivery Plans	11/12 £000s REVISED BUDGET	12/13 £000s Delivery Plans	12/13 £000s "TARGET" BUDGET
Children & Young People	51,570	(3,341)	48,229	(1,018)	47,211
Community Services	111,241	(3,223)	108,018	(3,900)	104,118
Development & Regeneration	17,705	(745)	16,960	(223)	16,737
Chief Executive	2,371	(211)	2,160	(141)	2,019
Corporate Support	31,908	(5,221)	26,687	(2,432)	24,255
Corporate Items	6,783	(600)	6,183	600	6,783
<b>TOTAL REVENUE BUDGET</b>	<b>221,578</b>	<b>(13,341)</b>	<b>208,237</b>	<b>(7,114)</b>	<b>201,123</b>

## 7. Review of Reserves & Risk Management

- 7.1 We have reported the council's intention to support capital 'invest to save' initiatives, part funded through generated capital receipts. The first of these initiatives approved through Cabinet, and subsequently Full Council, was the Accommodation Strategy Phase 1. This entailed a one off capital investment of £6.4m and one off revenue investment of up to £0.8m to rationalise our office premises, generating year on year revenue savings of £1.5m and fundamentally changing how we work both in terms of office layout as well as customer interaction.
- 7.2 Corporate Management Team and Cabinet have considered, and will continue to consider, further invest to save proposals. Other key initiatives for which funding have been allocated include:
- developing the Care First system to improve our management of client information;
  - ICT investment to enable flexible working environments in all of our core office buildings (as part of Accommodation Strategy Phase 1). This will also provide greater opportunity for co-location working with key partners such as Health.
  - Parent and Child Assessments
  - Intensive Support for Young People with Multiple and Complex Needs.
- 7.3 In terms of Reserves, the council retains a prudent approach to risk management. Our core working balance, as at 31 March 2011, at £11.5m is 5.7% of our indicative net 2012/13 revenue budget. Our plans are to retain this Working Balance level throughout 2012/13 (compliant with the objectives set within our MTFS)
- 7.4 In addition to the Working Balance, specific earmarked reserves are forecasted at £23.0m at the end of March 2012 and forecasted to reduce to £20.0m by 31 March 2013. The balances are higher than estimated at this time last year as we now have to include, under IFRS requirements, Schools Balance (currently £5.5m) and unused year end Grants carry forwards (currently £3.0m)
- 7.5 Specific reserves are set to cover known or estimated future costs for specific activities and / or liabilities. For example, Waste Management Reserve (£1.5m) to meet the short term revenue costs of waste disposal and an Education PFI reserve (£1.5m) to meet the scheduled future PFI costs etc.
- 7.6 A detailed analysis of the robustness of the budget, considering relevant risks, is detailed in **Appendix B** along with an analysis of actual, and planned, movement across all key Council Reserves.

## **8 ICT Strategy & Investment**

- 8.1 Plymouth City Council's ICT service benchmarks nationally as a cost effective service. As ICT strives to reduce the number of applications used by the Council and seeks to consolidate around enterprise wide applications, savings proposed, within the 2012/13 budget, will require the full cooperation of all departments. We will also need to improve our ability to manage physical assets such as PCs, laptops and mobile phones.
- 8.2 Investment in ICT is fundamental to the successful transformation of the council. Having one consistent, joined up, reliable source of information on the customer, enabling flexible working across all of our buildings, increasing the use of e-learning facilities, and implementing a new greater functionality interactive website all form part of the overall ICT strategy moving forward.
- 8.3 However, investment, both in terms of finance and capacity, needs to be prioritised to ensure that smooth implementation is achieved in the areas of greatest need. To date, the elements of the ICT strategy that have been approved and are actively progressing relate to the Accommodation Strategy and CareFirst. Further ICT 'invest to save' proposals will be developed and presented for approval over the coming months. A £1.3m data centre fit out goes to full Council for consideration in December 2011.
- 8.4 The new corporate ICT architecture has been designed and delivered with the help of key partners bringing both expertise and capacity to ICT at a critical time. Approximately 600 staff have been successfully migrated to this new way of working and a comprehensive rollout programme for the rest of the organization is in place.

## **9. Human Resources and Workforce**

- 9.1 The Council directly employs approximately 4,300 staff (3,376 FTE) and a further 3,000 staff within maintained schools. The impact of the Council's budget proposals affect only those employed directly as schools have delegated budgets for staffing.
- 9.2 Our total wage bill (excluding on-costs) is around £84.5million. Each year the Council's budget includes a savings target of 3% for 'vacancy savings' which is naturally achieved from vacant positions and natural wastage/turnover.
- 9.3 We aim to reduce the direct and in-direct costs of the workforce through:
- Natural wastage / turnover
  - Planned retirements / use of temporary contracts
  - Recruitment controls and improving redeployment opportunities
  - Negotiated workforce reductions
  - Modernisation and workforce re-modelling
  - Maintaining capacity and improving productivity (which will also require some investment from the Council in skills, training and support)
  - Reducing the overall size of the workforce
- 9.4 The on-going Senior Management Restructure will achieve savings of at least £0.600m in 2012/13.

- 9.5 National pay negotiations are currently under way for the 2012/13 pay award.
- 9.6 Revised Terms & Conditions are now agreed and will achieve the necessary savings in 2012/13. We will need to keep under review the Council's reward, benefits and the pay and grading policies to ensure we reward performance and productivity link to competencies and outcomes to attract and retain the best talent and skills.
- 9.7 Budget Delivery Plans provide estimates in terms of staffing reductions. We continue to seek to reduce the workforce by around 500 posts by 2012/13. To date, we have delivered a reduction of around 250 posts, ahead of expectations. We will also need to review service delivery structures and methods to ensure we organise to continue to deliver more efficient services.
- 9.8 2011/12 will see the introduction of a new management development programme to invest in management and supervisor levels, as well as identify managers of the future to retain our talent. The Council's development programme is being targeted at change management, behavioural competencies, talent management, performance and modern working practices and basic skills. We continue to invest in the development and expansion of the Council's support for apprenticeships following a successful launch in 2010/11 and further work with the University of Plymouth to provide internships, work placements and graduate roles for students will be undertaken.
- 9.9 As part of our on-going plans set out in the 3-year Corporate Plan, we will continue to explore opportunities for greater efficiencies through shared services with other partners within the public sector across the city and region.

## **10. Capital Resources and Prioritisation**

- 10.1 Our financial strategy for capital has been aligned with our Medium Term Financial Strategy for Revenue. It now covers the current year plus three future years, making a four year Programme.
- 10.2 We maintain the principle that capital schemes are only approved into the programme where specific funding has been clearly identified and supported by business cases. Thereby, the capital investment programme, at any set point in time, will evidence 100% funding allocation against approved schemes. The Capital Delivery Board reviews all new proposed projects and ensures Capital Investment is prioritised to maximise outcomes against the council's Priorities.
- 10.3 As a consequence of the CSR 2010, Supported Borrowing for Local Authorities was withdrawn on any future funding requirements. This has added an additional pressure to our revenue requirements. It also explains why the funding for the programme now only shows £0.324m of supported borrowing. This will reduce to zero in the near future.
- 10.4 The council continues to challenge the affordability of its four year Capital Programme for the period 2011/12 to 2014/15. There remains significant volatility around future capital grant funding and income generation through capital receipts.

The four year programme shown in figure 5 below includes new projects to be approved by Full Council in December 2011, and also further monitoring re-profiling. The programme is based on known projects and funding streams. Officers will remain proactive at optimising external grant funding wherever possible in order to continue to deliver significant, ambitious capital investment in the city. The indicative programme for 2011/12 onwards will be updated once further details of funding are made available.

**Figure 5: Four year Departmental Capital Programme**

	2011/12 £000s	2012/13 £000s	2013/14 £000s	2014/15 £000s	Total £000s
Children's Services	18,906	22,756	12,937	1,629	<b>56,238</b>
Community Services	27,703	4,556	183	337	<b>32,779</b>
Development & Regeneration	28,567	12,569	6,523	7,371	<b>55,030</b>
Corporate Support/items	11,996	3,996	500	-	<b>16,492</b>
	<b>87,172</b>	<b>43,887</b>	<b>20,143</b>	<b>9,337</b>	<b>160,539</b>

This expenditure will be funded by:	£000
* Capital Grants/Contributions	92,481
* Supported Borrowing	324
* Unsupported Borrowing	24,774
* Capital Receipts	34,518
* Section 106 / Revenue / Funds	8,442

**Total Funding** **160,539**

- 10.5 At the 15 November Cabinet, in order to fund our ambitious Medium Term Capital Programme, it was agreed to consolidate the balance held in the capital receipt reserve into the main capital receipts programme. This amalgamation allowed a reduction in unsupported borrowing for the current and future programme.
- 10.6 The current programme for years 2013/14 and 2014/15 will increase as new grant allocations are confirmed for the City.
- 10.7 We remain committed to a significant capital investment programme despite the current economic climate. The Council, engaging with partners in major regeneration of the City, will not only contribute towards delivering improvement priorities, but will also help to sustain much needed work opportunities in the local area (for example, the construction industry).

Significant schemes include:

- The Plymouth Life Centre;
- A state of the art new college, Tor Bridge;
- Improving transportation Plymouth (Local Transport Plan);
- A further two new Academies
- A University Technical College (UTC)

10.8 We will continue to regularly review the assets that we own to ensure that they are fit for purpose and optimise the use of capital receipts, where deemed beneficial, in order to support our overall capital investment programme. However, our ability to generate capital receipts has been severely impacted in the last couple of years due to significantly falling land and property prices.

10.9 In reviewing the capital programme as part of 2012/13 budget setting we have built in a risk based capital receipt funding, now £34.5m over the four year period. This funding is based on a schedule of specific assets, with current estimated valuations and proposed timing for disposals. Our view is that we will dispose of very few assets over the next three years, with disposals increasing towards the end of the four year programme on the assumption that market conditions will improve.

10.10 The council has built in the requirement for **additional temporary borrowing** to cover the shortfall in capital receipt income for the 2012/13 and 2013/14 financial years. It is planned that this borrowing will be repaid in future years to coincide with our forecasted capital receipt income. Capital receipt generation will be kept under constant review by the Capital Delivery Board as part of regular monitoring. Any variations to the forecasted position will be reported to Corporate Management Team and Cabinet at the earliest possible opportunity.

## 11 **Asset Management Plan**

11.1 The Council's Asset Management Plan will provide an update on the previous year's plan together with more detailed information on the Corporate Operational Portfolio around key metrics i.e number, size, value and condition & performance of the assets.

11.2 It will also review the shape and opportunities of the estate building on the Property Performance model and service asset strategies. There will be an update on the Accommodation Strategy including further potential for co-location with partners, together with information on the latest round of benchmarking of the estate against other local authorities.

11.3 The document will also include detail on the corporate landlord initiative where all council land is held by one service area.

11.4 We will update on the management of assets including the provision of a new corporate property database, the on-going maintenance strategy, statutory compliance and the corporate property forum.



11.5 There will also be an update on Carbon Management including the Carbon Management Plan and the council's performance under the Carbon Reduction Commitment.

## **12 Value for Money & Efficiencies**

12.1 The Authority continues to encourage initiatives for identifying VFM efficiency gains with good success

12.2 Many of the Departmental 2012/13 budget delivery plans will continue to generate the efficiencies that are required to achieve our cumulative target. Each department will adopt a Budget Delivery Plan which will be supported by staff from the corporate centre and form part of regular quarterly performance and finance reporting.

12.3 The internal challenge and reporting of efficiencies has continued to improve substantially across the Council through the introduction of cross departmental Improvement Boards which focus on the implementation of budget delivery plans for each Directorate (all cashable efficiency savings are being reported against plans to achieve budget targets as well as general efficiencies to improve services to customers).

12.4 The Council continues its commitment to undertaking annual robust benchmarking against our council 'family group' as well as top performing councils. Such information is used to inform Budget Delivery Plans to ensure that greater savings are driven out from areas of high spend where possible.

## **13 Departmental Prioritisation and Budget Delivery Plans**

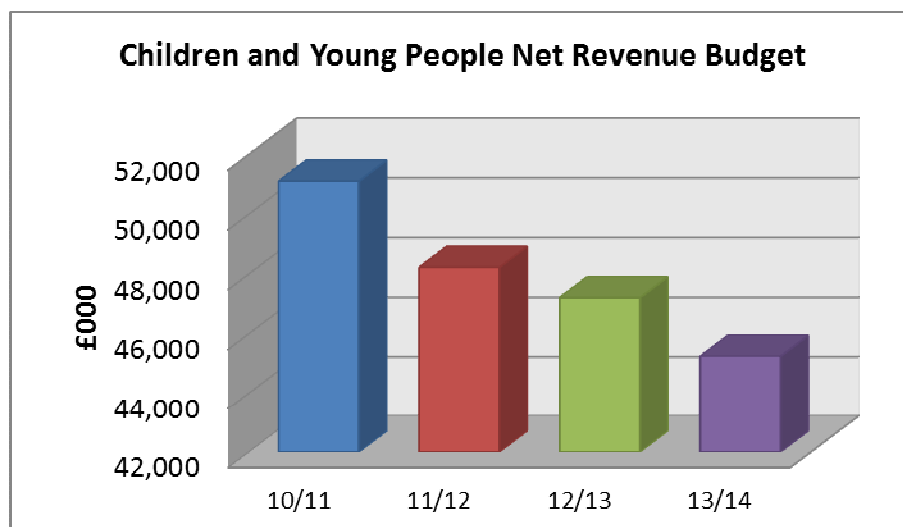
13.1 The Council has adopted a strategic approach to allocating its limited revenue and capital resources across departments based on clear prioritisation and a need to deliver against the City and Council's four Corporate Priorities.

13.2 Within this corporate framework, each department continues to focus on improving front line service delivery and drive efficiencies whilst tackling challenges and funding pressures through additional service demand. This section summarises the strategic direction that each department is adopting and plans that it will put in place to deliver improved services within the available budget.

13.3 Revenue Budget Delivery Plans that specify planned action to achieve two year reduction targets are detailed in **Appendix D**. Progress against these plans will be incorporated within regular quarterly performance and budget reporting.

## 14 Children and Young People

	<u>Net Revenue</u> <u>Budget £000</u>
10/11	51,111
11/12	48,229
12/13	47,211
13/14	45,246



### Departmental context

- 14.1 The Chancellor's Autumn Statement put education at the top of the agenda, with measures to invest in the infrastructure and ensure resources are placed in areas of most urgent need. The Government continues to push schools and the LA to drive up education standards. Measures include open procurement of education support services by schools, which presents challenge and opportunity for existing LA services. A school improvement role remains for the Local Authority, but swifter improvements are required, with failing schools expected to make structural reforms where necessary. A significant number of the city's schools have now transferred to academy status, with a further number actively exploring academy status in the near future.
- 14.2 The recent increase in the birth rate has bucked the historic trend of declining schoolchildren numbers and will place ongoing pressure on school accommodation capacity. The demand for primary school places is now reaching the point where it will outstrip supply and in certain localities this has already been reached. In addition, there is a significant issue of a backlog maintenance liability and suitability of an ageing asset stock remains.
- 14.3 The number of children in care has increased, with additional pressures including legislative changes such as the Southwark judgement and increases in the number of homeless young people presenting to Children's Social Care, as well as continued requirements around adoption and placement for children in Care. The cost of caring for an individual child varies in relation to their specific needs, and the service continues to balance the safeguarding risk and caseload management.
- 14.4 Strong changes in policy direction towards prevention and early intervention are coming from both the Department of Health and Department for Education. While a

strong prevention element exists within Services for Children and Young People, the requirement for more intensive and targeted services for the most vulnerable is outlined in both the education and public health White Papers. This includes marginalised young people, families experiencing difficulties, Children in Care, special educational needs, disability, and a focus on mental health, sexual health, alcohol and drug use.

- 14.5 A significant number of staff are employed via grant spend. We are continually tracking changes in grant determinations to assess and plan for the impact on Services for Children and Young People.

### Current year

- 14.6 2011/12 has again presented some significant challenges as we adapt to the reduced funding and new ways of working. Despite this, the current year end forecast, based on the second quarter's published report, shows a slight underspend of £0.160m.
- 14.7 Social care reports a nil variation in the second quarter of the year. The number of residential placements has increased from 17 to 19 (against a target of 13) and the number of Independent Sector Foster placements from 65 to 66. This has resulted in an increased forecast expenditure, offset by savings within 16+ Service placement budget and the In- House Fostering provision.
- 14.8 The Commissioning and Finance Board continues to look at the range of options to improve efficiency and also to make choices about services. This includes looking at new ways of preventing children from needing to come into care, where the risk could be managed differently so that we could focus on the most vulnerable children. The Commissioning and Finance Board continues to look at options to deliver a balanced budget by year end.

### Delivery Plans 2011/12 – 2013/14

	2011/12	2012/13	2013/14
DIRECTORATE	Total Delivery Plans	Additional Delivery Plans	Additional Delivery Plans
<b>CHILDREN AND YOUNG PEOPLE</b>	<b>3,890</b>	<b>1,018</b>	<b>1,965</b>

- 14.9 A very stretching target in 2011/12 of £3.9m included the reduction of specific grants EIG (Early Intervention Grant) £1.7m and ABG (Area Based Grant) £0.4m. The September 2011 monitoring shows all of the £3.9m is on track to be delivered within the year.
- 14.10 Where the 2011/12 Delivery Plans have been confirmed and verified by Finance as achieved, these savings have been absorbed as business as usual and netted off the relevant department budgets.

- 14.11 The target savings increase for 2012/13 by a further £1.018m, made up of
- Learning & Family Support £0.290m;
  - Children’s Social Care £0.520m;
  - Cross-cutting targets £0.208m.

**Full details behind these plans are shown in Appendix D.**

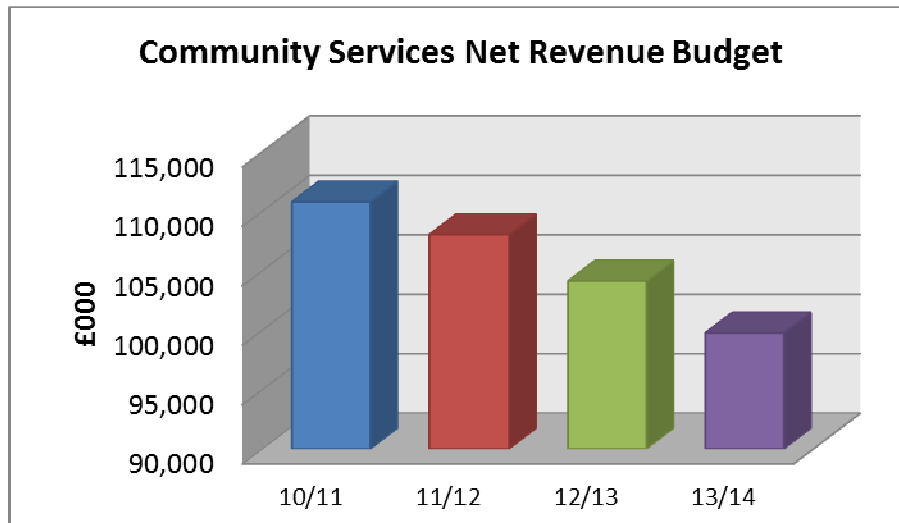
14.12 The departments Commissioning and Finance Programme board will continue to oversee the delivery of an ambitious programme of change designed to ensure services are provided efficiently within resources.

14.13 In Children’s Social Care the focus will be the continuation of wrap around services and risk managed diversion strategies to ensure that Children are able to stay with families in a safe environment wherever possible. Policy reviews such as the Transport review and the work regarding Special Educational Need will address underlying pressures whilst ensuring the most vulnerable are supported.

14.14 The back office, as with all departments, will also be reviewed to deliver efficiencies. The programme will inevitably lead to significant changes and the partnership with schools will also be a key feature in shaping the size and transformation of the department in future.

## 15 Community Services

	<u>Net Revenue Budget £000</u>
10/11	110,777
11/12	108,018
12/13	104,118
13/14	99,756



### Departmental context

15.1 Community Services covers four customer facing departments:

- Adult Social Care
- Environmental Services
- Culture, Sport and Leisure
- Safer Communities

All of these services face a range of challenges in the current economic situation and all face significant policy changes and demands.

### **Adult Social Care**

- 15.2 Major government changes are now reforming the system of social care. It is moving to a service that is more personalised, more preventative and more focused on delivering the best outcomes for those who use them.
- 15.3 We have jointly established a Health and Wellbeing Development Group, reflecting the anticipated role of the Council in ensuring better integration of health and social care as proposed in the Health and Social Care Bill, improving health and wellbeing outcomes for the people of Plymouth.
- 15.4 Nationally, Adult Social Care is facing increasing pressures due to the growth in relevant demographics and increasing levels of long term care needs for high dependency service users. We are projecting a 17% (6,800) increase of over 65s and 12% (700) increase of over 85s by 2015.
- 15.5 The Personalisation Agenda has again been given extra pace this year with targets around direct payments and personal budgets. This has changed both our commissioning activity and service delivery going forward.

### **Environmental Services**

- 15.6 Environmental Services is a highly visible front line service with enormous challenges especially in the areas of waste disposal, waste collection and recycling. Managing public expectations of enhanced levels of service against a very tight budget is difficult.
- 15.7 The amount of waste going to landfill per household remains ahead of target at 51.65kg (target 54kg). However, landfill tax is set to increase by £8 per tonne each year until 2014. The Council also faces fines of up to £150 per tonne if we landfill more biodegradable waste than our landfill allowance (LATS).

### **Culture, Sport & Leisure**

- 15.8 The city is currently investing a significant amount in providing the new Plymouth Life Centre, which will be of international quality and will provide top class sport and leisure facilities in the city.
- 15.9 Negotiations continue around the future of the Plymouth Pavillions, and the continued provision of an ice rink in the city whilst a long-term solution is sourced.

### **Safer Communities**

- 15.10 From next year there will be changes to the way police forces are governed, with elected Police and Crime Commissioners to replace police authorities, and the introduction of Police and Crime Panels to scrutinise them. Although Community

Safety Partnerships are set to continue, Commissioners and Panels will bring a new dimension to the council's partnership role in delivering crime reduction. Plymouth City Council is leading work amongst councils in Devon and Cornwall to develop our Police and Crime Panel.

- 15.11 Both policing legislation and the government's place-shaping agenda is likely to see increased focus on councils and other public services engaging with communities at neighbourhood level. Our approach to neighbourhood working has been reviewed and is in a positive position to respond.
- 15.12 Economic pressures are likely to see increased demands for services such as personal financial advice and will also present challenges in terms of crime reduction eg rising acquisitive crime. We have adopted a new framework for advice services and are undertaking intensive work with partners to address a recent rise in acquisitive crime.
- 15.13 Changes to the licensing regime as a result of the Police and Social Responsibility Act may provide opportunities with regard to tackling alcohol-related violence. Closer working with the NHS also provides more opportunities to work in partnership and jointly commissioning services eg domestic abuse and Sexual Assault Referral Centre. Although there are grant reductions for the statutory sector for some of this work, new opportunities for grants directed at communities, are emerging.
- 15.14 Despite changes in national requirements to provide Gypsy sites, the government has said councils should consider need in their area and take this into account in reaching decisions locally. We are seeing increases in unauthorised encampments and have responded with a strategic way forward to identify Gypsy sites locally, in line with the national context.
- 15.15 The city's growth agenda means our population will increase and diversify further. Our services need to be able to respond to the changing demands this will bring. Ensuring good community cohesion between different communities will be a vital part of successfully managing the change.
- 15.16 New equality legislation brings a refocused requirement for us to ensure that our statutory duties are achieving real outcomes for different groups within our local and visiting population as well as our workforce. This will need to be evidenced against our core internal work like budgets and policies as well as in mainstream external delivery. However, there is less emphasis on national standards and targets which means our equality, diversity and community cohesion work can focus even more on locally agreed priorities e.g. differences in life expectancy and diverse community priorities.

### **Current year**

- 15.17 The current year has again been challenging in order to deal with the continued pressure within Adult Social Care and also the rising costs of providing front line services within Environmental Services. Services are continually reviewed to deliver within budget whilst maintaining the level of service expected by our customers.

- 15.18 As a result of continuing cost pressure in Adult Social Care, a cross departmental Programme Board has been in place since 2009/10. The department is rolling out significant change in a managed and phased way which will result in a total transformation of the service by the end of the current financial year.
- 15.19 Safer Communities remain off target to achieve the reduction in serious acquisitive crime, mainly due to a poor start to the year. However, we are ranked third in our family group of fifteen. The department is on target to reduce levels of violence with injury, and to achieve the proportion of priorities at neighbourhood meetings that get resolved.
- 15.20 The forecasted annual overspend within Environmental Services is around £0.084m. We have now addressed the cost pressures attributed to increasing vehicle and maintenance costs due to an ageing refuse fleet and the high cost of specialist repairs with the authorisation to purchase a dedicated fleet of vehicles.
- 15.21 Culture, Sport and Leisure budget pressures are largely as a result of costs of delivering the Leisure Management project; early mobilisation costs; the naming rights consultancy costs; and supporting the operating deficit for the Mayflower Centre. The Plymouth Life Centre construction programme is on target for an early 2012 opening.

#### **Delivery Plans 2011/12 – 2013/14**

	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>DIRECTORATE</b>	<b>Total Delivery Plans</b>	<b>Additional Delivery Plans</b>	<b>Additional Delivery Plans</b>
<b>COMMUNITY SERVICES</b>	<b>4,686</b>	<b>3,900</b>	<b>4,362</b>

- 15.22 The target in 2011/12 of £4.7m included the stretching challenge to Adult Social Care to reduce costs by £2.3m, with the directorate challenge increasing by a further £3.9m in 2012/13, and another £4.4m in 2013/14.
- 15.23 Community Services is largely on track to deliver the £4.6m delivery plans for the 2011/12 budget. The main challenge has been to deliver a wide programme of modernisation within Adult Social Care which has been very resource intensive; some notable successes around decommissioning, re-provision of services and our contributions policy have come about due to some excellent consultation with service users
- 15.24 The September monitoring shows £0.730m of Delivery Plans with a status of not achieved. Although the department will continue to work hard to offset these plans, there is still a risk of non-delivery. The plans concern the proposed transfer of assets to the community, public toilets for example, and savings associated with the Leisure Management contract.

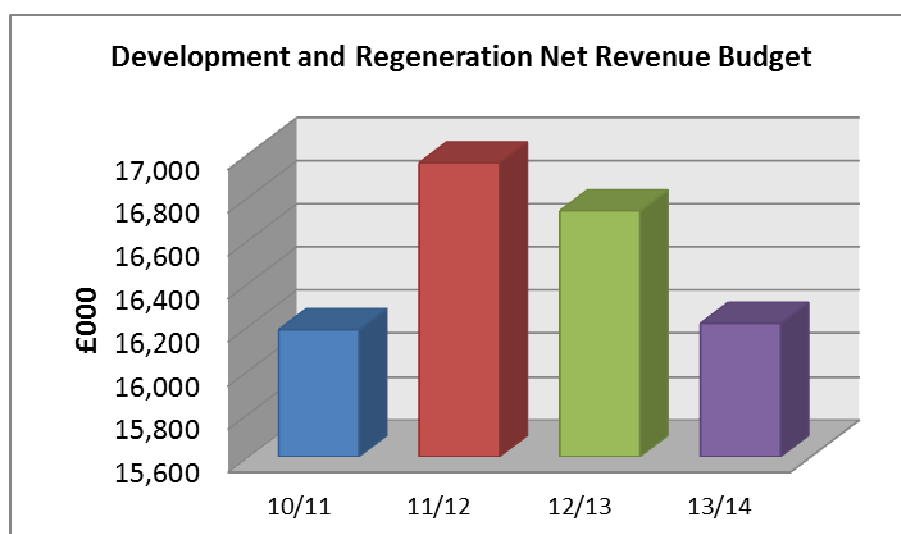
- 15.25 The target savings increase for 2012/13 by a further £3.900m. This is made up of
- Adult Social Care £2.500m;
  - Culture Sport & Leisure £0.230m;
  - Cross-cutting targets £1.170m.

**Full details behind these plans are shown in Appendix D.**

- 15.26 Adult Social Care plans going forward are around better commissioning and procurement, and ensuring value for money and a more targeted approach through the use of category management. We also want to look at integrating commissioning activity within the Council and rebalancing spend across all user groups through personal budgets. We are developing much leaner business processes.
- 15.27 Environmental Services is in year two of the three year action plan for savings/transformation of the service to achieve target budget. The plans are ensuring that front line services are still protected during 2012/13.
- 15.28 The main focus of Culture, Sport and Leisure services during 2011/12 was to award the leisure management contract and open the Plymouth Life Centre; both will be achieved within the current year. Other areas which will form part of the delivery plan will be modernisation of the library service, reduced support for the Theatre Royal and Pavilions, with a raft of smaller initiatives in order to balance the budget.
- 15.29 There are also a number of plans linked to reducing back office support within the department and ensuring a more consistent and standardised approach is in place in support areas.

## 16 Development & Regeneration

	<u>Net Revenue Budget £000</u>
10/11	16,184
11/12	16,959
12/13	16,736
13/14	16,213





## Departmental Context

- 16.1 Development & Regeneration covers four customer facing departments:
- Planning
  - Strategic Housing
  - Economic Development
  - Transport & Highways
- 16.2 The key objective of the directorate is to support and enable the delivery of the growth and regeneration agenda across the city. The current year saw the renewal of the new growth point funding and the planned closure of the Regional Development Agency. The establishment and development of a 'ring fenced' growth fund provides a new mechanism to support growth and regeneration which, alongside income for other assets (RDA asset transfers) and potential match through ERDF urban programmes and government funding streams such as Growing Places will help us deliver the growth the city aspires to.
- 16.3 As the economy and economic growth remain sluggish it becomes more important than ever to invest in initiatives which protect or deliver new growth and helps shift the city's economy away from a public sector led and focuses on the opportunities in the city's private sector.
- 16.4 The measures taken by the directorate in setting the budget for 2011/ 2012 and the following three year period remain on course. This is despite increasing challenges and pressures for each service as detailed below.
- Planning Services**
- 16.5 There are uncertainties relating to the Government's proposals to decentralise planning application fee setting powers and major reforms of the planning system and new neighbourhood planning arrangements with significant cost and resource implications and opportunities.
- 16.6 The Community Infrastructure Levy will replace Section 106 agreements and has major resourcing implications for future infrastructure planning and coordination of resources to support growth.
- 16.7 The fragile economy has necessitated a radical and innovative approach to overcome development viability through Market Recovery Scheme. Planning application fee income is still weak as a consequence although applications are rising raising workload implications if not managed carefully.
- 16.8 The above all create the potential to increase demand for planning services resulting in additional planning applications and policy framework requirements that will need to be resourced. Income generation within Planning Services has been benchmarked and shows that the range of charges is wider than most comparable authorities.
- 16.9 The potential for further increased income generation is assessed as limited, unless the Coalition Government decentralise planning application fees although that in itself will come with restrictions (e.g. income would be ring fenced to the

Development Management function making opportunities for other planning service savings more limited).

## **Economic Development**

- 16.10 This year 5 “Star Projects” were identified which will help deliver growth: Inward Investment, Waterfront Business Improvement District, Growth Acceleration Investment Network (GAIN), LEP and City Centre Regeneration. The challenge is to deliver on these projects against limited resources. The ED service is funded from income generated from the commercial property estate, with a circa £1.2 million surplus contributing to the general fund. It is a further significant challenge to maintain the service income target in a falling market.
- 16.11 Notwithstanding the present difficult state of the economy the commercial estate is currently 93% let. Given the size of the estate there will always be a natural turnover of tenants – a higher occupancy rate than that currently existing will therefore be unrealistic to achieve. There is a downward pressure on rentals and on occasions rent reductions are being granted in order to retain tenants.
- 16.12 It is essential that the ED service retains capacity to deliver on the Council’s growth agenda; unrealistic commercial income targets should not place service delivery at risk. In terms of policy, the recently launched Growing Places Fund of which £14.2 million has been allocated to the Heart of the West LEP, places an onus on councils to provide the ‘technical and financial expertise’ to deliver projects which unlock growth.
- 16.13 The Economic Development service, working across the department and with a range of partners will make an essential contribution to this policy and challenge for Plymouth as an authority
- 16.14 With our decreasing levels of Grant funding, and availability of private sector finance limited, the need to better align and join up varied funding streams is both a challenge and an opportunity when supporting the city’s growth agenda.

## **Transport & Highways**

- 16.15 The key challenge for the service has to be the management of the c.£2bn of assets it is responsible for. A draft Highway Asset Management plan is being prepared to better understand the issues and establish what additional funding or change in procedures may be required to ensure the network is maintained to an acceptable level.
- 16.16 Another area of challenge is ensuring that income revenue through car parks is maintained.
- 16.17 The service is also responding to ‘regional’ connectivity issues to ensure we benefit from the likely decentralised budgets for major highway schemes as well as potential decentralised local train services. This may generate greater demands for revenue work in preparation as well as direct support of services.

16.18 At the same time, there is a continued stream of work prioritising the need for the city to have better, quicker and more regular connections to London.

### **Strategic Housing**

16.19 There is increasing demand for Housing services brought about by the housing market, welfare benefit reforms and the recession.

16.20 There is a significantly increasing demand for homelessness and housing need, with the first upturn in the number of people in temporary accommodation since 2005/6 and 28% increase in homeless applications from previous years

16.21 There is also a disproportionate increase in the numbers of vulnerable single people seeking housing support.

16.22 There is also evidence in private rented housing of greater demand due to increasing numbers of people who cannot afford to buy. This restricts the supply and our ability to respond to temporary accommodation needs.

16.23 Welfare benefit reforms will mean people will have to move or access alternative income to pay for their home. This could mean more pressure and demand on affordable housing and housing needs / homelessness.

16.24 North Prospect and Devonport continue to demand significant attention from the council and a variety of partners, and will continue to do so, emphasising this is more than a bricks and mortar regeneration project.

16.25 Future years will see a reduced number of household adaptations for those with disabilities, which will increase the risk of larger numbers needing to move into care homes.

16.26 New house building of affordable homes is likely to reduce as the level of grant for each new build has been reduced. The city council is working to bring forward sites, and with partners to support new models for housing delivery.

16.27 The mix of increasing demand (11,000 on DHC waiting list) , limited supply (750 pa) and the demands of decanting 940 households over the next few years from regeneration projects, will test resources, and if not managed could increase costs of temporary accommodation.

### **Delivery Plans 2011/12 – 2013/14**

	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>
<b>DIRECTORATE</b>	<b>Total Delivery Plans</b>	<b>Additional Delivery Plans</b>	<b>Additional Delivery Plans</b>
<b>DEVELOPMENT &amp; REGENERATION</b>	<b>790</b>	<b>223</b>	<b>523</b>

*Full details behind these plans are shown in Appendix D*

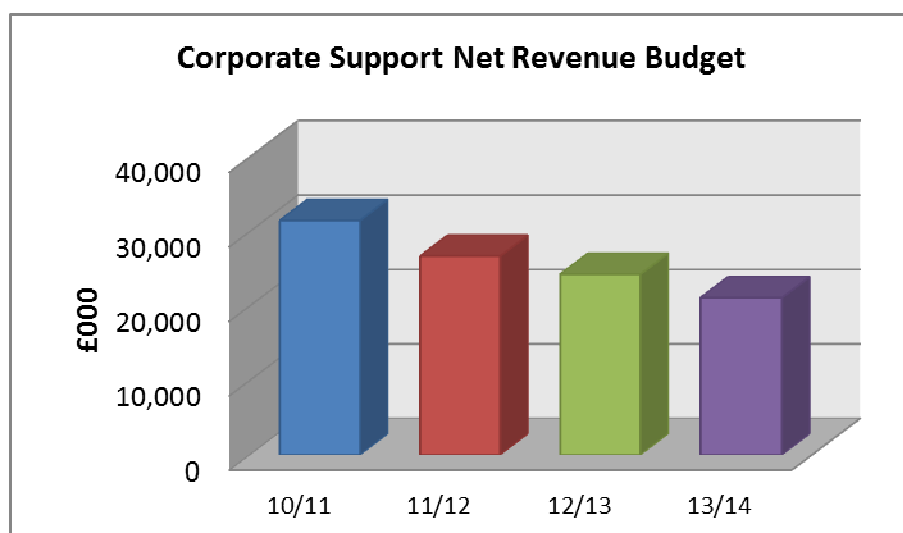
16.28 To meet a balanced budget for 11/12, the department has undertaken a series of actions to reduce overall costs and raise income to meet the £0.790m Delivery plan

target. The department has gone through a comprehensive exercise which has examined what we can stop doing, where we can look to increase or generate new forms of income, review budgets on a line by line basis, amalgamate budgets and make savings.

- 16.29 The September monitoring report shows the department is dependent on other department's plans to achieve their share of the cross-cutting savings. There is also pressure to increase fees and charges to generate the planned £0.100m increase.
- 16.30 However, the department remain confident that they will end the year within the tolerance levels, as other compensating savings are achieved.
- 16.31 The additional target for 2012/13 £0.223m relates to Growth Fund projects
- 16.32 In setting the budgets for 12/13 and beyond, the department had to grapple with the planned percentage reductions for the funding period, the continuing pressure to ensure income levels are maintained and increased wherever possible but also overcome the withdrawal of some specific grant funding, including New Growth Point and Family Intervention Service Grants.
- 16.33 The department will continue to ensure that services are provided and that capacity and support remains in place to support the delivery of the growth agenda, working collaboratively with public, private and voluntary partners to support job and housing growth.
- 16.34 This needs to be seen within the context of steps already taken across the department over the 2009/10 and 2010/11 periods which saw 21 % reductions in planning and 15% reductions in transport and housing staff numbers. It is therefore vital that as far as possible, the capacity is retained within the department to support the delivery of the growth priority. This is essential to ensure the Council and the city has the ability to respond to and maximise any new opportunities for funding, such as the Regional Growth Fund, the Homes Bonus scheme, and the Sustainable Transport Fund.

## 17 Corporate Support

	<u>Net Revenue Budget £000</u>
10/11	31,479
11/12	26,687
12/13	24,255
13/14	21,104



## Departmental Context

- 17.1 Nationally, the Government is continuing its delivery of both a radical new legislative programme and a phased reduction in public sector expenditure. These initiatives significantly impact on Plymouth City Council. Given the services that Corporate Support provide we will be involved either directly or indirectly in working through the implications of all proposals.
- 17.2 Linked to the above, the current economic uncertainty has a significant effect on the Council and the department. For example we are managing an increasing demand from people applying for benefits. The Government is proposing a radical overhaul of the benefits system which we will need to ensure is delivered.
- 17.3 To comply with the national agenda for increased openness from the public sector we already publish senior salaries and also, each month, details of our expenditure over £500. We have built on last year's first ever web based consultation on the budget and the results will be fed into the scrutiny process in January.
- 17.4 Examples of delivering 'more with less' in legal services include a 50% increase in judicial review claims with a 90% success rate and a 43% increase in childcare cases. The re-tendering of insurance saved the authority £408,000.
- 17.5 We have also delivered restructuring in the Registration Service and Democratic and Member Support.
- 17.6 We have already undertaken work with some of our partners to share services and nationally this continues to be actively encouraged. We set up the Devon Audit Partnership with Devon County Council and Torbay Council from April 2009 and this is already bringing benefits to the three partners and is looking to expand its business. .
- 17.7 In legal services, Devon authorities have undertaken shared procurement of e-libraries in addition Plymouth City Council has led on shared legal training and the authority undertakes legal work for other authorities
- 17.8 We are in discussions with other partners in the City to establish the scope for further sharing of services looking to maximise employment opportunities in the City. In the context of significant financial reductions for all partners there is currently a real spirit of co-operation.
- 17.9 In addition to shared services, initiatives for joint working this year have included the 'tell us once' project and the nationality checking process in the Registration Service. Other initiatives include developing a mutual insurance scheme with 24 other unitary authorities and providing an insurance advisory and claims service for Academies

## Current year

- 17.10 The Department has again faced significant challenges to achieve the current year budget. We have faced managing the increasing demand against reducing resources. However, we have significantly reduced our costs across the department whilst still achieving our key performance targets.
- 17.11 The Finance service has been further refined with the reduction of managers from four to two. Although this will generate on-going revenue savings, it will also allow the service to provide a more strategic response to Directorate and Finance requirements.
- 17.12 Revenues and Benefits, Debtors & Creditors, Customer Services and also Cashiers have been radically reformed, both in terms of structures but also the way in which they work, integrating all processes for housing benefit assessment and council tax around the needs of the customer. Work patterns have been changed resulting in greater efficiencies and reduced overtime.
- 17.13 The focus on the customer has been evidenced by the maintenance of the ISO9001 quality certification in the legal and insurance team and the 100% delivery against nationally set targets for appointments in the Registration service. The Registration service also achieved a 'good' score in the GRO assessment of the Registration Service. In other areas, the electoral team exceeded the electoral commission standards for elections in 5 of the 7 categories.
- 17.14 Throughout the directorate, we have promoted, and been focused on, creating a dynamic environment, cutting waste, optimising the use of our systems and data, joining up work, where practical, across the directorate and across the council and improving our customer focus in all areas.

### Delivery Plans 2011/12 – 2013/14

	2011/12	2012/13	2013/14
DIRECTORATE	Total Delivery Plans	Additional Delivery Plans	Additional Delivery Plans
CORPORATE SUPPORT	5,376	2,432	3,151

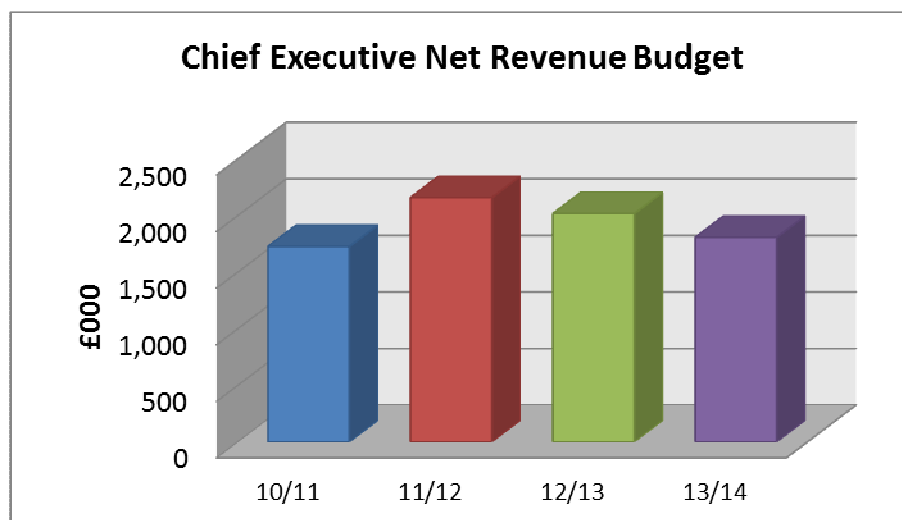
### *Full details behind these plans are shown in Appendix D*

- 17.15 To achieve the ambitious savings targets, we will require further radical transformation for Corporate Support, building on the work we have done already.
- 17.16 £3m of the 2011/12 £5.4m savings plans are cross-cutting projects. In particular, we are delivering the ambitious Accommodation Strategy and Procure -2-Pay projects which together amount to over £2m.

- 17.17 The Accommodation Strategy investment has started to deliver benefits from 2011/12 both financial, and cultural in terms of changing the way in which people work and interact with the public.
- 17.18 A key delivery action for us is to radically revise the way in which we procure items from outside of the council. Better category management, effective challenge and co-ordinated ordering from pre-negotiated contracts will generate significant financial savings across the council for many supplies and front line services.
- 17.19 A further £0.700m target was assigned to a major review of the Council's Terms and Conditions. The collective agreement was agreed and signed by the trade unions on 14 September 2011. Although this was delayed from the original implementation date of 1 April 2011 it went live from 1 November 2011 and will still deliver the required savings. We are also evaluating alternative options for the delivery of staff training in the future.
- 17.20 The ambitious target savings for Procurement, Accommodation and Terms & Conditions all increase further in 2012/13.
- 17.21 Other major areas of work over the coming year will be the implementation of the new Localism Act (general power of competence, new standards regime, directly elected mayors, local referenda, planning reforms, duty to cooperate etc).
- 17.22 The critical remaining piece of the jigsaw is the further transformation of ICT. We will need to invest further in our ICT during the next three years over and above already planned investments. We will need to be clear about how we deliver new ICT projects and how we can work with partners across the City to maximise outcomes.

## 18 Chief Executive

	<u>Net Revenue Budget £000</u>
10/11	1,728
11/12	2,160
12/13	2,019
13/14	1,809



## **Departmental Context**

- 18.1 The operating context for both the Council and the City is changing. Whilst budgetary constraints are putting greater pressure on managing resources more efficiently internally and engaging in more collaborative working across partnerships, other changes impact in this area too. These include the move away from top down target setting and overall inspection with the abolition of the Comprehensive Area Assessment, ending of Local Area Agreements, downgrading of the national indicator set.
- 18.2 At the same time, there is likely to be an enhanced role for Ofsted and the move towards greater local autonomy can also be seen in the removal of Regional Development Agencies and Government Offices for the Regions, along with less stress placed on nationally prescriptive partnership approaches.
- 18.3 The future change in responsibility for public health, from Primary Care Trusts to councils, is a further important aspect of this changing context; while the growing move from provider to enabling councils, with an enhanced role for commissioning, is another crucial ingredient in the mix. Although regulation is being eased considerably, the tight financial context in which the council and partnership will be operating in means it is even more important that they both know their business and how they are performing.
- 18.4 In terms of communications, there will be a greater need to achieve efficiencies in driving out duplication in the function across the Council, and improving the focus and clarity of both internal and external communications.
- 18.5 The above factors form the scope for the realigned Chief Executive's function. There will be greater emphasis on having a sharper strategic focus, meaningful and qualitative performance measures, self and peer assessments and more efficient and effective means of working together, with strong programme and project management to ensure delivery. Similarly, in order to achieve a step change in performance, the realigned function will need to demonstrate how it positively impacts on the performance management and communications functions of the Council.

## **Current Year**

- 18.6 We have set out our vision to remain ambitious for our city and its residents, together with our staff and Elected Members. This year we have remained focused on our customers and worked with our partners to provide easy points of contact and streamlined service delivery. We are moving towards being more of an enabling organisation rather than a simple provider. We will continue to help others to deliver services where possible, and move closer to sharing our support services with other agencies to get maximum efficiencies and benefits.



## Delivery Plans 2011/12 – 2014/15

DIRECTORATE	2011/12	2012/13	2013/14
	Total Delivery Plans	Additional Delivery Plans	Additional Delivery Plans
CHIEF EXECUTIVE	400	141	210

*Full details behind these plans are shown in Appendix D*

- 18.7 The Chief Executive's delivery plans for 2011/12 focused on integrating current arrangements for supporting the performance management, policy and communications functions across the authority, reviewing governance arrangements for the Council and its partners and providing a stronger, single focus for communication activity.
- 18.8 A major restructure has resulted in the amalgamation and streamlining of teams and management structures to provide a performance management, policy, partnership and communication function that serves the requirements of the whole organisation.
- 18.9 The additional targets for 2012/13 and 2013/14 require further rationalisation, to include for example consultation.

## 19. Equality Impact Assessments (EIA's)

- 19.1 We have taken steps to ensure our budget plans are as fair as possible. To help achieve this, we have again completed Equality Impact Assessments (EIA's) on the budget delivery plans. Given recent legislative changes we have revamped, simplified and streamlined our EIA format and adjusted it to align more closely to our local priorities.
- 19.2 This year's EIA's build on those published in December 2010 and while they still cover the nine "protected characteristics" within the Equality Act greater emphasis is now placed on our local priorities to narrow inequality gaps especially in relation to health and to improve community cohesion.
- 19.3 The Equality and Human Rights Commission issued guidelines on how EIA's assist in relation to spending decisions which make it clear that the equality duties within legislation: .... "do not prevent you from making decisions such as reorganisations and relocations, redundancies and service reductions nor do they stop you making decisions which may affect one group more than another. What the equality duties do is enable you to demonstrate that you are making financial decisions in a fair, transparent and accountable way, considering the needs and rights of different members of your community. This is achieved through analysing the impact changes to policies, procedures and practices might have on people within and across different protected characteristics."

- 19.4. Last year, in addition to the five departmental wide budget equality impact assessments we also completed specific EIA's at the implementation stage of key decisions if relevant. Where the EIA's have shown mitigation for differential impact is required we have agreed specific actions. We will do the same this financial year.
- 19.5. "Differential impact" means that the decision might unfairly have more affect one protected characteristic group or local priority action more than another. Where there is a possibility that this could be the case action to mitigate the impact is included within the specific EIA. Key considerations highlighted within the five departmental EIA's are noted below.

### **Chief Executive's Department**

- 19.6. As noted last year, there is minimal differential impact in relation to changes now implemented in the Chief Executive's department. Managers are actively managing any limited risks in relation to the new structures that we have set up for data analysis, performance management and arrangements for consultation. We continue to ensure that we align our equality and diversity work to city wide priorities and current action plans, while also retaining the ability to effectively and specifically engage with diverse communities across the nine protected characteristics.
- 19.7. Possible changes to our print and document arrangements continue to have the potential for some differential impact for those whose first language is not spoken English, older people and those with disabilities who require information in a range of accessible formats. While reducing costs in relation to printing, publicity and advertising we will continue to be mindful about the provision of accessible information through a range of accessible mediums and formats.

### **Children and Young People**

- 19.8 There is potential for both positive and negative impacts across all nine of the protected characteristics except in relation to the proposed locality restructure and the changes to schools catering. We are committed to undertaking further EIAs during the implementation stages of these budget actions to mitigate against any unintended differential impact.
- 19.9 Last year we identified that changes to transport arrangements, disability service restructure and changes to Special Educational Needs (SEN) may have more impact on older children, those with disabilities and boys (and their parents/carers). While the concessionary fares scheme ceased with effect from 31 July 2011 we continue to prioritise those with the greatest need and have made children and parents aware of alternative options. There is ongoing potential for some children and their carers to now use healthier ways of getting to school e.g. walking, which in the longer term may assist with our reducing health inequalities ambitions.
- 19.10 Life long learning structures have been reconfigured and services are being sold to schools. The previously identified potential for equality and diversity advice to schools to be reduced has been mitigated by schools ongoing use of the Ethnic Minority Achievement Service. Where further action is required in relation to primary advisory support and early years EIA's will be conducted as relevant.

- 19.11 Within our Social Care Services for children, young people and their families our intention is still to divert children from care into alternative community support interventions. The budget plans have a potential for limited differential impact on older children, those with attention deficit and hyper activity disorder (ADHD), young people with emotional and behavioural disorders and those with disabilities. We continue to monitor the take up of our services by these children/young people and address negative trends. We will also use of our mediation and family group conferencing processes to ensure maximum impact.
- 19.12 In addition, we are focusing on wrap around services and risk managed diversion strategies to keep children with their families where possible. We are using our performance score card tracking of the 'Diversion of Children from Care Strategy' (which is reviewed monthly) to take remedial action as soon as may be necessary. Those most in need of protection and safeguarding are our top priority.
- 19.13 With regard to the protected characteristics of faith, religion, belief; gender; gender reassignment; race and sexual orientation impact has been assessed as none or minimal. However, we will ensure that we continue to give relevant attention to the needs of those where religious considerations are significant (e.g. Muslims). Admissions into care are monitored to ensure disproportionate representation does not develop. We will continue to target care towards those most in need of protection and safeguarding. We remain committed to undertaking further EIAs on certain decisions as well as closely monitoring the changes during the implementation phase of budget delivery actions still pending.

## **Community Services**

- 19.14 As part of our plans to modernise and personalise our adult health and social care services several bespoke EIA's have already been conducted and where relevant mitigating action is in hand. Our 'putting people first and personalisation – fairer contribution policy' EIA showed an overall positive impact for people eligible for adult social care as fewer people have to pay a contribution towards their care and there is also a further reduction for those previously giving small contributions.
- 19.15. Most care recipients are over 65 so changes automatically affect older rather than younger people. Greater proportions of adult social care service users also have disabilities meaning that changes could also affect them. This is the same in relation to gender as 62% of service users are women. Any budget impact within adult social care will affect these groups but is not a differential impact as it affects all users regardless of their protected characteristic(s) or where they live.
- 19.16 Our Black Minority and Ethnic (BME) service user profile within adult social care is low (2%) so we do not anticipate a disproportionate impact. We recognise that we need to develop and embed race and also faith, religion and belief needs into individual care assessments in line with statutory requirements. We also need to encourage wider take up of our services within BME groups to reflect our wider older population. We are mindful of the requirements of our customers based on their gender assignment and sexual orientation and how this relates to their civil partnership status.

- 19.17 We anticipate that front line adult social care services will be unaffected as individual care needs, identified through the care management process, will continue to be met in line with our statutory duties. However, we will monitor services and individual packages to ensure that there is no additional age or disability-related impact and our assessed lack of impact in relation to faith, religion, belief; and sexual orientation remains the same.
- 19.18 Our plans in relation to culture, sports and leisure services have the potential to have some differential impact on children under the age of five and their parents/carers, older people, people with disabilities and women. We will monitor the use of relevant services against the protected characteristics and if any groups are under-represented we will target information to encourage take-up. We will also continue to make reasonable, adjustments to improve access, where practicable and ensure the same is expected of our contracted service providers.
- 19.19 Our Translate Plymouth is now self-financing and the new arrangements have had a positive impact on end-users (people with disabilities and those who do not speak or read English as their first language) as quality standards and access to linguists and translation is more accessible. This has also put the service on a sustainable footing in the medium-term.
- 19.20 Bulky waste proposals have been implemented with no differential impact. Proposals to upgrade public toilets should mitigate against any potential impact on older people, people with disabilities (including changing room facilities for adults with learning difficulties and dementia), carers and families with younger children.
- 19.21 Transferring some playgrounds to community ownership will have minimal impact on young people, their families/carers and people of all ages with disabilities. This is because we have more play spaces than required under the maximum “walking/accessibility distance” and current play spaces are under used. Charges and changed arrangements in relation to bowling greens should have had a limited differential impact on older people and those with disabilities because they tend to be the service users using these facilities rather than they are being unfairly treated differently to others within protected characteristic groups as the same fees would apply to faith groups or individuals for the same service.
- 19.22 Fees for cemeteries and crematoria were raised on 1<sup>st</sup> April 2011. We continue to consult with diverse communities and relevant stakeholders to mitigate against any potential differential impact in relation to race and faith, belief and religion (e.g. for our Chinese and Muslim communities). We will use this information as we move towards further service improvements and changes.

### **Corporate Support Services**

- 19.23 Our actions to move to cashless payment systems, integrating our customer services and revenues and benefits, and increasing the use of our self- service/website arrangements may affect older people, some people with disabilities and those who do not speak/use English as their first language. We have already closed cashiers and

improved our processes to maximise Housing Benefit subsidy claims with minimal impact.

- 19.24. As part of our financial inclusion and health inequality work, we will ensure that older people and those with disabilities take up the benefits to which they are entitled and that this is not made more difficult. We are already planning to meet the impact of proposed national changes to welfare benefits. We have established a new financial inclusion framework and a bespoke EIA is being drafted to mitigate against any differential impact,
- 19.25. With information technology changes, there will be no impact in relation to gender, faith, religion, belief or sexual orientation and some positive benefit for younger people and those that rely on technology due to their disability. In the longer term, backed by other support mechanisms like computers in public places and promotional activities about alternative ways to do business with us, these moves should have positive impacts across all the protected characteristics, reducing costs and increasing accessibility.
- 19.26 We are making progress in streamlining our debt collection which will allow us to ensure that debt is controlled and repayment arrangements affordable. We are giving specific consideration to vulnerable groups and utilising our contracts with financial advice service providers to minimise differential impact within each of the protected characteristics such as learning disability and mental health.
- 19.27 Changes to our training arrangements, human resources, business support, information technology (ICT) and legal services have the potential for differential impact on some staff groups within the protected characteristics. Reasonable adjustments such as specific ICT equipment for staff with disabilities will be provided to mitigate this. There is also a potential for front line services delivered by other service areas to be affected e.g. prioritisation of legal advice to front line services which will need careful planning given the proposed reductions. Robust contracting arrangements will help ensure that this differential impact is minimised.

## **Development and Regeneration**

- 19.28 The key thread running through the budget actions for Development and Regeneration is to have a clear corporate direction minimising the effect on front line services and maximising shared and self funding services.
- 19.29 The work of our Family Intervention Project and Anti-Social Behavior Team impacts most in relation to young people, parents and their families but especially lone parents who tend to be women. Their work has an indirect correlation to fear of crime and sense of wellbeing for older peoples, women, BME and lesbian, gay, bisexual and trans communities. Reductions have been made to the service to achieve savings and given this the services continues to target those most in need. We will continue to monitor anti-social behaviour and where relevant take action in priority situations as we become aware of any adverse effect on community cohesion.

19.30 Savings in relation to concessionary fares have been identified through new repayment mechanisms and refocusing the number of Ring and Ride services provided within Access Plymouth. We have used a smaller vehicle with fewer services as suggested by our service users during consultation.

19.31 Car Parks are being upgraded and charges have been raised equally across all protected characteristics in regards to those who own and drive cars. Within any public transport change there is a potential for differential impact on older people, younger people who do not have or drive cars, people with disabilities, women and those from the more deprived areas. We will undertake a full EIA on the implementation stages of transport budget plans as relevant.

### **Cross-cutting Budget Actions**

19.32 Where any changes to structures or service delivery arrangements lead to redundancies, we will ensure that staff are not unfairly selected for redundancy e.g. on the basis of them having a particular protected characteristic within the Equality Act 2010. We will also seek to avoid any indirect impact on staff within these groups that we cannot objectively justify. Where changes lead to commissioning services in different ways, we will use our strategic procurement procedures, which include specific reference to inequality and local priorities are used in order to deal with any potential differential impact. While reducing costs in relation to printing, publicity and advertising we will continue to be mindful about the provision of accessible information through a range of mediums

## **20 Budget Consultation**

20.1 The Council has continued to improve how it communicates with partners and the public in relation to its budget setting and spending plans. Throughout 2011/12 summary accounts have been made available within locations such as local libraries and Schools, articles published in the local newspaper and budget details issued in Plymouth People (the Council's newsletter) which is delivered to every household within the City.

20.2 Last year, we launched a new on-line consultation tool "You Choose". Members of the public, staff and business partners were given the opportunity to suggest increases or decreases for each Council service and provide suggestions about additional areas of income and reductions in expenditure.

20.3 This year, as part of our 2012/13 consultation we gave staff and the public the opportunity to help us refine our budget assumptions.

20.4 The public consultation for the 2012-13 budget setting process took place between Tuesday 11 October and Tuesday 8 November 2012. In total 1,115 people responded to the consultation.

20.5 To build on and validate the information gathered through the 2010-11 consultation, which assisted in the development of a three year medium term financial plan, the aim of this year's consultation was to determine the public's view on services that

were important to them including spending priorities around health and community safety.

- 20.6 The Council continues to keep its partners fully informed of its corporate priorities and financial position through comprehensive quarterly performance and finance reports. As per previous years, presentations and discussions will be held with all key stakeholders such as political groups, Chamber of Commerce, local MPs, Unions and the LSP and Civil Society representatives, throughout December 2011 and January 2012
- 20.7 From the survey, the top three service priorities are:
- Creating and protecting jobs across the city
  - Support for vulnerable children, children in care or in need of protection
  - Tackling criminal damage and anti-social behaviour.
- 20.8 Further analysis will be undertaken and submitted within the final report for Scrutiny Management Board in January; this will include an analysis of the comments provided by respondents as part of this consultation
- 20.9 The full results from the consultation and outputs from the stakeholder discussions will culminate in a thorough three day scrutiny of the corporate planning and budget documents along with those of our partners on the 11th, 16th and 18th January 2012 where the views of the public will be presented for the panel's consideration..
- 20.10 The recommended budget presented within this report is draft and subject to any necessary changes and amendments made through the consultation and scrutiny process (as approved through Cabinet and Full Council). It is also subject to any necessary changes as a result of the final settlement for Plymouth City Council that is expected to be announced early December 2011.

## **21 Scrutiny**

- 21.1 In order to scrutinise the budget an agreed set of evidence is to be heard by the Overview & Scrutiny Management Board on 11 January 2012 (with Partners); 16 and 18 January 2012 (public meetings).
- 21.2 The Overview & Scrutiny Management Board will consider this as part of the scrutiny process and form a set of recommendations. These recommendations will be submitted to:
- Plymouth City Council Cabinet 7 February 2012
  - Full Council 27 February 2012
  - PCT Cluster Board dates to be scheduled
  - Clinical Commissioning Executive Group dates to be scheduled
  - Police Authority 2 or 17 February 2012
- 21.3 Evidence was pulled together following a series of budget challenge sessions held by CMT in November 2011, which included a session with key Public Sector Partners.

## **22 Adjustments**

- 22.1 The overall revenue and capital budget allocations stated in this report are accurate based on the information known to us at the time of writing. However, there will be a number of adjustments that will be required within the overall revenue total.
- 22.2 This Indicative Budget, for comparative purposes and also due to the timing of final consultation around departmental structures, has been prepared under the existing reporting model of five Directorates.
- 22.3 The Corporate Items budget and individual departmental budgets will need to be updated and adjusted to account for:
- a) Virements undertaken during the period October to 31 December 2011;
  - b) Final allocations re Revenue Settlement;
  - c) Final consideration and allocations for a pay award and fees and charges
- 22.4 Details of all such corporate adjustments will be incorporated within the papers for the January 2012 scrutiny of the budget and corporate plan. Corporate adjustments will not materially affect the departmental revenue reduction targets or corresponding budget delivery plans as detailed within this report.

## **23 Summary**

- 23.1 2011/12 was the first full year of significant public sector funding reductions under the 2010 Comprehensive Spending Review.
- 23.2 This budget has been set under very challenging conditions, building on the unprecedented income reductions. The Government continues to initiate significant policy changes with the full impact on the Council still needing to be understood.
- 23.3 We are already planning for reductions in future funding, and are continually receiving details of new initiatives from Central Government. Officers are compiling appropriate responses to consultation documents for areas such as National Non Domestic Rates (NNDR) reform; Council tax benefit reform.
- 23.4 Despite this operating environment, we are continuing our aims of transforming, modernising and increasing efficiency across the whole council. This has been demonstrated by the revised Senior Management structure to ensure we have a fit for purpose leadership team in place to delivery our objectives.
- 23.5 This budget continues to protect frontline services whilst rationalising and reducing the back office running costs.
- 23.6 As the Council undertakes transformation, there will be a need to reduce staff numbers, but this will continue to be managed in such a way as to reduce the need for redundancies.



- 23.7 The Council remains very ambitious with an extensive Capital Programme. The Plymouth Life Centre will open early 2012, marking a major investment in the future of our city. We have confirmed funding for two new Academies, plus a successful bid for a University Technical College (UTC).
- 23.8 This is a draft budget report for consultation. Cabinet will consider all consultation responses, along with the output from the January 2012 budget scrutiny and any material changes from the CSR settlement in early February 2012 prior to recommending a final budget for adoption by Full Council on 27 February 2012.