

Cabinet

Tuesday 7 February 2012

PRESENT:

Councillor Mrs Pengelly, in the Chair.

Councillor Fry, Vice Chair.

Councillors Ball, Bowyer, Jordan, Michael Leaves, Sam Leaves, Monahan and Wigans.

Also in attendance: Councillor James (Chair of the Overview and Scrutiny Management Board), Barry Keel (Chief Executive), Adam Broome (Director for Corporate Services), Carole Burgoyne (Director for People), Anthony Payne (Director for Place), David Northey (Head of Finance), Giles Perritt (Head of Performance, Policy and Partnerships) and Nicola Kirby (Senior Democratic Support Officer (Cabinet)).

Apology for absence: Councillor Ricketts.

The meeting started at 2 pm and finished at 2.40 pm.

Note: At a future meeting, the Cabinet will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

111. **DECLARATIONS OF INTEREST**

The following declaration of interest was made in accordance with the code of conduct in relation to items under consideration at this meeting -

Councillor	Minute	Reason	Interest
Councillor Michael Leaves	Minute 120 - Adult Social Care Personal Budgets Policy	Owner of a residential home	Personal and prejudicial

112. **MINUTES**

Agreed that the minutes of the meeting held on 17 January 2012 are confirmed as a correct record.

113. **QUESTIONS FROM THE PUBLIC**

There were no questions from the public for this meeting.

114. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

115. **BUDGET AND CORPORATE PLAN SCRUTINY REPORT 2012/13**

The report of the Overview and Scrutiny Management Board on the Budget and Corporate Plan Scrutiny 2012/13 was submitted together with minute 84 of the Overview and Scrutiny Management Board.

Councillor James (Chair of the Overview and Scrutiny Management Board) presented the report and advised Cabinet Members that -

- (a) the Overview and Scrutiny Management Board had scrutinised the Council's partners for the first time, in addition to the Cabinet Members;
- (b) the Management Board had been assisted by advisers this year;
- (c) the scrutiny exercise had been undertaken over three days, 11, 16 and 18 January 2012;
- (d) his thanks were extended to Cabinet Members, directors and assistant directors for their assistance;
- (e) his thanks were also were extended to Katey Johns and Ross Jago (Democratic Support Officers) and Giles Perritt (Head of Performance, Policy and Partnerships) for their immense contributions and support;
- (f) the recommendations of the Management Board were submitted for consideration.

In response to questions from Cabinet Members, Councillor James advised that the scrutiny process could be improved and indicated that he was in favour of replacing the scrutiny panels with task and finish groups.

The Chair responded and expressed a reservation about the role of advisers. She thanked Councillor James, the Management Board and advisers for their considerable amount of work and felt that the sessions had been genuinely challenging. The inclusion of the Council's partners had added to the quality of the sessions and the exercise demonstrated that scrutiny could add value to the Council's decision making process.

On behalf of Cabinet, she broadly welcomed the recommendations and Cabinet's response to the Budget and Corporate Plan 2012/13 scrutiny recommendations was submitted.

Agreed the responses, as submitted and appended to these minutes, as the Cabinet's formal response to the recommendations of the Overview and Scrutiny Management Board.

116. **CORPORATE PLAN 2012 - 2015**

The Chief Executive submitted the draft Corporate Plan 2012 – 2015 which set out the Council's strategic direction for 2012-15 and beyond.

It focused on the vision for the city and the Council and the four shared priorities with partners, together with a range of supporting outcome measures. Whilst in incredibly challenging times financially, a number of major items were highlighted to be delivered during the period of the plan, for example –

- adult social care transformation;
- health integration;
- early intervention and prevention, including trouble families;
- tackling worklessness and unemployment;
- delivering some key elements of the growth agenda, particularly around rail and broadband connectivity;
- working with other organisations to reduce costs and improve services;
- transforming working practices and improving customer contacts.

It also summarised the Council's financial position, the public budget consultation, partnership input and the overview and scrutiny focus.

Agreed that the Corporate Plan 2012 -2015 is commended to the City Council for adoption subject to agreement on any minor amendments and editorial design changes being delegated to the Leader and Chief Executive.

117. **PERFORMANCE AND FINANCE REPORT (INCLUDING CAPITAL PROGRAMME UPDATE)**

The Corporate Management Team submitted a written report on the third monitoring report for 2011/12 which outlined the performance and finance monitoring position of the Council as at the end of December 2011.

The report indicated -

- (a) how the Council was delivering against its key indicators in terms of performance, and its financial measures using its capital and revenue resources;
- (b) that with effect from 1 January 2012, the Council restructured its directorates to move from five to three, with a corresponding reduction in directors. However, for comparison purposes, the report continued to monitor against the "old" five directorate model. Monitoring of the three new directorates would commence on 1 April 2012;
- (c) the Council's newly designed scorecards;
- (d) that the overall performance position continued to have no highly critical issues, with 88 per cent of the performance indicators there or there about on target;

- (e) that areas requiring close scrutiny were –
- domestic burglary;
 - processing of new housing and Council tax benefit claims;
 - those not in education, employment or training (NEETs);
 - self-directed support;
- (f) that the Council was forecasting a revenue over spend at year end of £0.454m against a net revenue budget of £208.237m, which was a variance of 0.2 per cent. The main adverse variations related to Community Services in relation to the adult social care service, the learning disability service and environmental services;
- (g) that good progress had again been made against the £15.197m revenue delivery plans set for 2011/12, with just under 95 per cent rated either green or amber. RAG (red, amber, green) rated delivery plans were detailed in the report;
- (h) that following approval of new schemes, re-profiling and variations at the City Council on 5 December 2011, the capital programme for 2011/12 was £87.005m however the latest forecast at 20 January 2012, was now £78.661m.

Agreed –

- (l) the variations to capital spend and re-profiling as follows -

2011/12	2012/13	2013/14	2014/15	Re-Profiling / Other Variations
£000	£000	£000	£000	
(2,041)	2,041	-	-	Corporate Accommodation Strategy - Re-profiling to take into account changes to work plans
(535)	535	-	-	Autistic Spectrum Disorder – Re-profiling of expenditure on project following delays in planning and feasibility.
(1,093)	1,093	-	-	Mercury Abatement – Re-profiling to reflect more realistic delivery dates.
(1,087)	1,087	-	-	SAP Replacement – Updated cashflow information from project officer.
-	(3,800)	3,800	-	Materials Recycling Facility – Re-profiling with updated information from project officer.
662	(657)	(5)	-	Plymouth Life Centre - Re-profiling of budget from 12/13

				to 11/12 for risk items that will be expended in this financial year.
(4,350)	4,176	327	191	Other Re-profiling – Details in Appendix B of the report.
44	1,097	3,928	4,853	Variations and virements – Details in Appendix B of the report.
(8,400)	5,572	8,050	5,044	Total Re-Profiling / Other Variations

(2) the budget virements as follows -

Virements over £100k Directorate	000's		
	Delivery Plan Management	Other	Total Virements
Chief Executive	(5)	0	(5)
Children and Young People Services	(37)	0	(37)
Corporate Items	(0)	(721)	(721)
Community Services	(914)	87	(826)
Corporate Support	1,019	58	1,077
Development and Regeneration	(63)	575	512
TOTAL	0	0	0

- (3) the potential draw down on the waste reserve for 2011/12, subject to the 2011/12 outturn position;
- (4) the potential draw down on the pension reserve for 2011/12, subject to the 2011/12 outturn position;
- (5) the funding of the Council's element of the carbon reduction commitment levy for 2011/12.

(See also minute 117a below).

117a **New Capital Schemes for Investment - Recommendations to the City Council**

Further to minute 117 above,

the City Council is Recommended to approve the new capital schemes for investment as follows amounting to £0.056m in 2011/12 and £2.026m for future years –

£000	£000	£000	£000	Scheme to be approved at February Council
11/12	12/13	13/14	14/15	
-	80	320	500	Plymouth Natural Networks – Increased green space in the city to match the additional housing as per the Growth Agenda
-	790	-		Gypsy and Travellers Site – Site at Broadley Park
-	51	285	-	Southway Community Football Hub
56	-	-	-	Mount Edgumbe – Purchase of Marquee
56	921	605	500	Total of new Schemes for approval February 2012

118. **TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2012/13**

The Director for Corporate Services submitted a written report setting out the Council's Treasury Management Strategy for borrowing and Annual Investment Strategy.

The report indicated -

- (a) that the borrowing and investment strategy sought to balance financial returns from the Council's cash balances whilst at the same time minimising financial risk to the Council;
- (b) how the treasury management function contributed to the Council's overall policy objectives;
- (c) the risks inherent within the treasury management function and how officers would seek to minimise those risks;
- (d) that any amendments to the Treasury Management Strategy would require the approval of Cabinet with the exception of changes to the prudential indicators which required approval by the City Council;
- (e) that the strategy over the medium term would be to align borrowing with the capital financing requirement and investments with available balances and reserves;
- (f) that the Council would continue to regard risk, security and liquidity as the key factors in all its investments with the interest rate only considered after these prime objectives;

- (g) that following discussions with the Council's treasury management advisers, Arlingclose, it is proposed that investments were limited to a maximum of one year with organisations meeting the appropriate credit quality, with consideration to longer-term investments in pooled funds and government/corporate bonds;
- (h) the Council's prudential indicators for the next three years together with the minimum revenue provision for debt redemption policy for 2012/13;
- (i) that the CIPFA code of practice on treasury management required a formal mid year report and an end of year report to be presented to the City Council.

Agreed that the Director for Corporate Services, acting under delegated authority in accordance with the constitution, keeps the lending list under review and updates the list during the year as dictated by market circumstances.

(See also minute 118a below)

118a Treasury Management Strategy Statement and Annual Investment Strategy 2012/13 - Recommendations to the City Council

Further to minute 118 above,
the City Council is Recommended to approve -

- (1) the Treasury Management Policy Statement as submitted in Appendix A to the written report;
- (2) the Treasury Management Strategy Statement for 2012/13;
- (3) the Investment Strategy for 2012/13 as set out in Sections 8 and 9 of the written report including the use of specified and non-specified investments;
- (4) the lending organisations and counterparty limits as set out in Appendix D to the written report;
- (5) the prudential indicators as set out in the written report covering the revised indicators/limits for 2011/12 and the forecasts/limits for 2012/13 to 2014/15;
- (6) the authorised borrowing limits of £309m, £284m and £274m for the period 2012/13 to 2014/15;
- (7) the operational boundary of £279m, £268m and £259m for 2012/13 to 2014/15;
- (8) the minimum revenue provision for debt redemption policy for 2012/13.

119. **2012/13 UPDATED DRAFT BUDGET (REVENUE AND CAPITAL)
ALLOCATED TO CORPORATE PRIORITIES**

Further to minute 96 which gave approval to the 2012/13 Indicative Revenue and Capital Budget Report, the Director for Corporate Services submitted a written report on the 2012/13 updated draft budget (revenue and capital), allocated to corporate priorities. The report took into account the recommendations from the consultation process, including budget scrutiny (referred to in minute 115 above).

The draft budget would be presented to the City Council on 27 February 2012 and for comparative purposes, would be structured around the existing directorates, although a summary would be provided on how the new budget would look under the revised three directorate model.

The settlement was in line with officers' predictions and no major adjustments were necessary to the original budget assumptions and allocations. However, the settlement figures quoted in the written report were still subject to final approval by the government and the decision was expected in early February 2012.

The report identified areas of the budget where there were either perceived timing issues in relation to the implementation of budget delivery plans, or forecasted pressures which required greater clarity on funding. Officers and Cabinet would work through these areas in conjunction with the original budget allocations to ensure the correct alignment of resources to priorities and to enable a balanced budget to be presented to the City Council on 27 February 2012.

Following final analysis of all grants, a funding shortfall remained of circa £0.800m and final plans were being developed to address this.

The report needed to be read in conjunction with the third quarter Performance and Finance Report (including capital programme update) (referred to in minutes 117 and 117a above) and the Treasury Management Strategy Statement and Annual Investment Strategy 2012/13 (referred to in minutes 118 and 118a above).

Agreed that –

- (1) Cabinet notes -
 - (a) the impact of the funding requirements as shown in the written report of £203.7m available resources to meet an indicative spend of £204.5m and the progress to date to close the gap of £0.8m;
 - (b) the proposed capital expenditure of £173.061m;
 - (c) that the report had taken into account the recommendations from the consultation process, including budget scrutiny referred to in minute 115 above;

- (2) officers identify further savings in advance of the City Council meeting on 27 February 2012 to arrive at the budget requirement;
- (3) the City Council is Recommended to consider a final version of the 2012/13 draft budget (revenue and capital) in order to achieve the proposed target budget requirement of £204.5m for 2012/13.

120. **PERSONAL BUDGET POLICY**

The Director for People submitted a written report on the proposed Personal Budget Policy for adult social care.

Minute 87 of the Overview and Scrutiny Management Board (held on 1 February 2012) was submitted asking Cabinet to delay the decision on this matter to allow for pre-decision scrutiny by the Health and Adult Social Care Overview and Scrutiny Panel.

The Chair thanked members of the adult social care team for their work on drafting the proposed policy.

Agreed that the report is referred to the Health and Adult Care Overview and Scrutiny Panel and the panel's recommendations together with the draft policy are submitted to a future meeting of Cabinet.

(Councillor Michael Leaves having declared an interest, withdrew from the meeting during consideration of this item).

121. **EVENTS ON THE PUBLIC HIGHWAY POLICY**

The Director for Place submitted a written report -

- (a) indicating that the Growth and Prosperity Overview and Scrutiny Panel had established a Task and Finish Group to review the department's charges and procedures for community events and road closures;
- (b) setting out the proposed responses to the five recommendations proposed by the scrutiny panel;
- (c) proposing a new draft Events on the Public Highway policy which related to all internally (council led) and externally organised events and provided –
 - the framework for new guidance on events giving officers and events organisers a clear understanding of their responsibilities and charges;

- that events requiring temporary road closures were categorised as 1, 2 or 3 events, each category reflecting network importance and used to determine the charges levied for the production of Temporary Traffic Regulation Orders (TTRO). The charges did not relate to other costs associated with organising an event on the highway, i.e. traffic management, insurance, permits etc. which would still be borne by the event organiser;
- that Category 3 dealt generally with closures of quiet residential type roads for small events such as street parties and fetes and it was proposed that no charge would be levied in respect of such events. Categories 1 and 2 related to events on more important routes and a scale of charges were proposed for these;
- that the cost to undertake a TTRO would be reduced from the current flat rate fee of £1000, to £500, £250 and £0 for Category 1, 2 and 3 events respectively;
- that £5m public liability insurance would be mandatory for Category 1 and 2 events;
- that £1m public liability would be advisable for organisers of Category 3 events;
- that advertising of TTRO's in the local press would be discontinued; however proposed road closures would still be advertised on the Council's PlymGo website and through the placing of on-street notices to ensure local residents and businesses were aware of forthcoming road closures;
- that all existing events currently supported by the City Council would continue to be supported in the current format, but a further review would take place during 2012/13.

Agreed –

- (1) to note the recommendations of the Growth and Prosperity Overview and Scrutiny Panel and provide responses as follows -
 - (a) making representations to central government in relation to the medium used to advertise TTRO's are no longer necessary following changes to government guidance;
 - (b) further work is needed to establish how best to manage an approved list of events once the new policy on reduced charging has been introduced and after the events and economic development teams have merged under the new Place Directorate;

- (c) further work is needed on budget decisions once the new policy has been introduced and after the events and economic development teams have merged under the new Place Directorate;
 - (d) the advertising of TTRO's for events will cease following the withdrawal of government guidance which effectively removes the need to do so;
 - (e) the authority will introduce a new, reduced charging regime for event road closures, with charges differentiated based upon the category of road to be closed;
- (2) the Events on the Public Highway Policy, as submitted.