



BUDGET SCRUTINY 2014-2015



A report of the Co-operative Scrutiny Board following the scrutiny of the Delivery of the Co-operative Vision within a Three Year Sustainable Balanced Budget.

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THE CO-OPERATIVE SCRUTINY BOARD



Councillor James



Councillor Mrs
Aspinall



Councillor Bowie



Councillor Mrs
Beer



Councillor Casey



Councillor Darcy



Councillor Philippa
Davey



Councillor Sam
Leaves



Councillor Murphy



Councillor Tuffin



Jacky Clift
Zebra Collective

I. Foreword

- I.1 The Co-operative Scrutiny Board (the Board) has responsibility for holding the Cabinet to account for its decisions. We are charged with the scrutiny of the Council's decisions with respect to finance and performance, as well as the Council's key strategies and those of its partners.
- I.2 The challenging economic climate, with reduced resources and rising demands for the Council's services, will inevitably have an impact on the residents of Plymouth. This was the first year that the Co-operative Scrutiny Board had been asked to scrutinise an indicative three year balanced budget 2014/15 to 2016/17. The Co-operative Scrutiny Board had a responsibility to comment on whether the actions to address the financial gaps in order to achieve a balanced budget were robust and fit for purpose. In order to carry out the Board's role effectively the work programme aimed to challenge the following -
- whether the Council's co-operative objectives were being effectively supported and resourced;
 - ensure there is a clear understanding of the impact of the proposals for resource reduction and resource allocation on the City's neighbourhoods taking into account the views of people of Plymouth;
 - ensure clarity around how changes in resources allocation in one service or partner area can impact on another service or partner area;
 - determine whether the balance between overhead costs and service delivery costs is the right one;
 - assess the impact of legislation on our ability to deliver services and whether we are fit for purpose for addressing this challenge;
 - assess whether the corporate plan and budget encourage a sense of togetherness and ownership of council supported services, amenities and assets;
 - to ensure the efficiency and effectiveness of public spending to show prudence in the use of public resources and to ensure value for money;
- I.3 The sessions were delivered in a different way from previous years with the timetable based around the Council's four Co-operative Objectives: Pioneering Plymouth, Growing Plymouth, Caring and Confident Plymouth rather than by departmental structures. Building on the success of the previous year, all three meetings were webcast to continue the Council's drive to make decision making more open and transparent.
- I.4 I would like to thank the Members of the Board for their commitment in conducting this scrutiny review. My thanks go to Jacky Clift from the Zebra Collective who sat on the Board as a co-opted representative and made an invaluable contribution. I would also like to thank the Leader, Chief Executive, Cabinet Members and the Strategic and Assistant Directors who took part in the review. I would also like to express my appreciation for the valuable contribution made by colleagues from partner organisations. My personal thanks to the Lead Officer, Giles Perritt, Helen Wright and Phil Morgan for producing the report and Katey Johns for the webcast.

Councillor James
Chair of the Co-operative Scrutiny Board

2. THE FORMAT OF THE EVENT

- 2.1 The scrutiny event took place over three days. The meetings were held in public and, to continue the Council's commitment to open government and greater access to and involvement in the decision making process, all three days were webcast.

An innovative approach was taken towards the structure of the three days. In previous years this had been based around the Council's departmental structures. However, it was considered with the launch of the new Corporate Plan for the Brilliant Co-operative Council in July 2013, the format of the three days should reflect the Council's four objectives -

- Pioneering Plymouth;
- Growing Plymouth;
- Caring Plymouth;
- Confident Plymouth;

- 2.2 During the three days, the Board heard from partner organisations, the Council Leader and Chief Executive, Cabinet Members, Directors and senior officers, to consider the delivery of the co-operative vision within a three year sustainable balanced budget. As part of their consideration, the Board received a number of documents which supported the scrutiny process, including -

- delivery of the co-operative vision within a three year sustainable balanced budget;
- partner responses to the budget consultation
- the results of consultation with the public
- Fairness Commission position statement;
- Fairness Commission summer of listening;
- Corporate Plan performance framework monitoring report;
- staff survey;
- workforce information.

3. SESSION I – THE PARTNERS

- 3.1 The first meeting was held on 8 January 2014, the first session of which saw members probe the City Council and its partners about their views on changes within the public sector, their plans and priorities, both internal and in partnership, and the impact that these plans would have on service provision across partner agencies.

The Chair of the Board expressed his disappointment that, as one of the City's partners, Plymouth University was not represented at this scrutiny session.

- 3.2 During the first session the Board heard responses from -

- the Leader of Plymouth City Council and the Chief Executive;
- Office of the Police and Crime Commissioner;
- Western Locality NEW Devon Clinical Commissioning Group;
- Plymouth Hospitals NHS Trust;

- Devon and Somerset Fire and Rescue Service;
- Plymouth Community Homes;

3.3 **The Leader of Plymouth City Council and Chief Executive.** The Leader underlined the importance of a partnership approach to delivering City wide priorities. He stated that the challenges included -

- the continuing impact of the economic downturn;
- the broader impact of a growing elderly population;
- the rising demand on the Council for adult social care services with a reducing income to provide these;
- the Government settlement for 2014/15 which resulted in a reduction in the Council's budget in real terms of £14.2m;

3.3.1 The Leader assured the Board that despite these challenging circumstances, the Council remained fully committed to achieving its objectives which were set out in the Corporate Plan. As a Co-operative Council it was committed to transform the way in which it operates and delivers its services;

3.3.2 Whilst other local authorities were reducing their spend on the arts and culture, the Council would invest in the City's cultural offer, despite the challenging economic climate;

3.3.3 As part of the growth and municipal enterprise programme, the Council had launched several initiatives including Plan for Jobs and Plan for Homes. A £20 million investment fund had been created to invest in Plymouth's economy and as a result of the setting up of the 1000 Club, 2000 opportunities had been created for young people. The Leader added that the Plan for Homes would provide 1000 homes per year over the next five years;

On a broader front the Leader stated that economic growth was a key factor in delivering local spending, strengthening local businesses and creating a better climate for investment. The growth in business rates together with the New Homes Bonus and additional Council Tax revenue all formed a fundamental part of the Council's strategy to address the funding gap;

3.3.4 Prioritisation of preventative work was necessary to not only reduce costs but to set standards of care for people whilst treating them with dignity and respect;

3.3.5 Finally, the Leader stated that it was important to recognise the role of the Council in 'place shaping'. The rebranding of the City as 'Britain's Ocean City' underpinned the Council's work to make this the best City in the country;

3.4 **Office of the Police and Crime Commissioner** Ian Ansell, the Criminal Justice, Partnerships and Commissioning Manager advised the Board of the significant budget challenge for 2014/15.

It had been announced in December 2013 that the Devon and Cornwall Police grant allocation would be reduced by 4.8 per cent which equated to a further reduction in central funding of £2.5m.

Through the Community Safety Partnership Fund, Plymouth would receive £426,071 in 2014/15 (which represented a reduction of 2.2 per cent from 2013/14); In addition, Plymouth had benefited from the Small Grants Fund with two successful bids and a further six which benefited both Plymouth and the surrounding areas (£40,000); finally, in terms of funding, there was a continued commitment to support Plymouth's sexual health referral centre (£650,000), Safeguarding for Children and Adults and the Youth Offending Team;

3.4.1 The Board was advised that the Police and Crime Plan was currently being reviewed to reflect the experience gained in the first year and to address emerging challenges. The revised Plan would provide a greater focus on priority actions and activities including the following -

- the continuing harm posed by alcohol relating to low level violence and anti-social behaviour and its correlation with domestic abuse;
- mental health care which had seen a significant pressure placed on resources (people suffering from mental health issues were being put in a custodial environment as a place of safety);
- the significant increase in reported domestic abuse incidents (a rise of 15.2 per cent);

3.4.2 The Police and Crime Commissioner had indicated his intention to prioritise work aimed at reducing the harm posed by alcohol given its significant individual, social and economic costs. Strong partnership working would be required to offer effective and timely solutions to the issue of mental health care;

3.4.3 The Local Criminal Justice Board had set up a working group to investigate mental health issues and, in particular, to ensure that young people detained under the Mental Health Act, were not placed in a custodial setting. The group would also look at improving services such as the street triage system, which offered direct support to operational staff through the engagement of mental health nurses, and access to medical records which would assist in making informed decisions in caring for the individual's needs;

3.5 **Western Locality NEW Devon Clinical Commissioning Group** Karen Kay, Head of Locality Commissioning for planned Primary Care advised that the Northern, Eastern and Western Devon Clinical Commissioning Group (NEW Devon CCG) covered a population of approximately 890,000 people and spent £1.1 billion to provide health care. Five key areas were covered in this presentation –

- mortality rates;
- the needs of the individual against available resources;
- people with long-term conditions
- early support
- community support;

- 3.5.1 GP surgeries had witnessed the rising burden of illness and the rise in the elderly population. Across the City there was marked differences in the mortality rates from one side to the other which was totally unacceptable and needed to be addressed;
- 3.5.2 One issue had arisen from the work to set the CCG's values was the commitment to meet the needs of the individual whilst balancing the resources required to meet the needs of the wider population;
- 3.5.3 There had been excellent partnership working, led initially by the Primary Care Trust relating to the needs of people with long term conditions;
- 3.5.4 'Up streaming' of resources had started to progress with partners in order to identify needs and provide services earlier rather than having to respond to crises later down the line;
- 3.5.5 As part of the national policy for transforming community services in 2009/10, some community services across Devon were not placed in a permanent position. Therefore some commissioning work still needs to be undertaken over the next few years. The Better Care Fund would offer an opportunity for partners to commit to work towards achieving integrated services;
- 3.6 **Plymouth Hospitals NHS Trust** Ann James the Hospital's Chief Executive, offered an unambiguous commitment to partnership working across all agencies in the City in pursuit not only of health objectives, but also a commitment to broader objectives. She also commended the Council for its inclusive partnership arrangements. Her concerns centred on whether the City's agencies were fully geared up for the "clarity, pace, scale and implications of wholesale change that would be necessary to address growing needs and ambitions at a time of reducing resources;
- 3.6.1 This had been a challenging year for the Trust and one which had seen it focus on improving the quality of services, addressing the major key national indicators for performance and establishing a three year clinical and financially sustainable three year plan. The year ahead would be equally as challenging with the transformation and major reshaping that was required to achieve the outcomes for the City;
- 3.6.2 The key challenges for the Hospital included –
- its role in dealing with the consequences of the inequalities in the health and wellbeing of the population. In this context the Chief Executive applauded joined up working, such as the Dementia Friendly City;
 - its ability to provide appropriate, timely, safe and effective health care within the resources available;

- dealing with its financial situation. A deficit budget was set in 2013/14 of £13m (overall budget of £410m) with planned internal savings of £24m. At this stage not all the internal savings have been achieved.

For 2014/15 a recurrent deficit budget of £18m had been set, with a year on year efficiency saving of 4 per cent (which equated to £16m);

- the NHS was not in a period of growth and as such the Hospital would need to work with its partners in identifying areas where it could increase its income. The Hospital would need to move away from the traditional models of care and redesign new models which would need to provide sustainable services;

3.7 Devon and Somerset Fire and Rescue Service Lee Howell, the Chief Fire Officer advised that, although its financial settlement remained challenging, there would be no new significant changes planned for Plymouth in 2014 on top of those agreed in 2013. The Government grant for the service had reduced in 2013 by 10.3 per cent and 7.3 per cent in 2014. The 2014/15 budget forecast savings of £3 million in order to achieve a balanced budget. These savings would be realised from the implementation of the changes agreed by the Fire Authority in 2013 and continued efficiencies from non-operational budgets;

3.7.1 Work continued with the Council to improve public safety. The approach of reducing demand through preventative actions had resulted in a reduction in demand of 50 per cent in the last five years; this had been achieved through a number of channels including legislative reforms and changing society trends;

3.7.2 It was acknowledged that the Devon and Somerset Fire and Rescue Service was not in the same position as most of its partners, as, although its funding was reducing, so was demand on its services;

3.7.3 The service was looking to work more closely with the Council to support and improve safety arrangements specifically associated with dementia and mental health. Work continued with Public Health to contribute to improving the safety and independence of people in their own homes by reducing slips, trips and falls;

3.8 Plymouth Community Homes Clive Turner, the Chief Executive advised that the main focus of Plymouth Community Homes, formed in November 2009 to receive the transfer and ownership of 16,000 homes from Plymouth City Council, was to deliver major improvements to homes via a Decent Homes programme and the regeneration of North Prospect;

3.8.1 Plymouth Communities Homes was aware that the Fairness Commission had highlighted that the main issue in the City, apart from housing supply, was the private rented sector which was having a major impact on the City's housing needs;

3.8.2 Work was being undertaken in partnership with British Gas and Plymouth City Council to dramatically improve the thermal insulation of houses, improving communities, reducing fuel poverty and creating hundreds of jobs;

3.8.3 The impact of welfare reform had resulted in Plymouth Community Homes and other housing associations having to commit large amounts of resources to minimise the effect of the spare bedroom tax.

In the organisation's view, it would become increasingly more difficult for partners to maintain the resilience of communities if welfare reform continued to be the main driver for central government savings;

3.8.4 There was a strong culture of partnership working in the City and the best way to strengthen this was to provide people with jobs which were reasonably paid and houses that were well insulated - two overriding priorities of the Council which Plymouth Community Homes was fully aligned to;

3.8.5 The Chief Executive stated that the key areas of concern for his organisation included the impact of any reductions in Council spending in such areas as mental health and alcohol services, youth services and schools, any reduction in the budgets for discretionary housing payments and grounds maintenance, the use of the Council's statutory Disabled Facilities Grant and the lack of funding available to support low income owner occupiers to improve their homes;

3.8.6 The Chief Executive also expressed concerns that capital receipts from the sale of socially rented homes that would be retained by the Council might be used for purposes other than for investment in the City's housing stock.

4. CHALLENGE OF PARTNERS

4.1 Following the presentations by partner organisations, Board members questioned the partners and raised the following concerns -

- the presentation provided by the representative of the Office of the Police and Crime Commissioner made little reference to Plymouth as the largest urban area, representing a third of overall police resourcing in the force area. The lack of awareness of the City's objectives and values as contained in the Corporate Plan led the Board to consider that this did not represent adequate engagement by the Office of the Police and Crime Commissioner;
- whether the City's agencies were fully prepared for the clarity, pace, scale and implications of the wholesale change, that would be necessary to address the growing needs and ambitions at a time of reducing resources;
- the lack of engagement of the voluntary and community sector on the informal guiding partnership group for One Plymouth. The Board heard from the Chief Executive that One Plymouth was an informal "guiding partnership" of City leaders which had met on three occasions to establish the contribution that they could make in ensuring that the City was able to meet its strategic objectives. There were currently no community and voluntary sector leaders engaged with the group.

Recommendations	To	Ref
That the Police and Crime Commissioner, in consultation with Chief Constable, reconsider how the force is represented at the Council's budget and Corporate Plan scrutiny sessions in the future	Police and Crime Commissioner	R1
That clear and specific priorities for health outcomes are agreed between partners and are the focus for delivery of all relevant agencies	Health and Wellbeing Board	R2
That the Leader and Chief Executive consider how the voice of the community and voluntary sector can be better heard by One Plymouth and by other Council Partners	Cabinet	R3

5. INDICATIVE BUDGET AND TRANSFORMATION PROGRAMME

5.1 During this session the Board heard from the Cabinet Member for Finance and the Cabinet Member for Children and Young People (with responsibility for the Transformation Programme);

5.2 **The Cabinet Member for Finance**, Councillor Lowry, presented the draft budget for 2014-15, and an indicative budget for the subsequent two years, accompanied by Councillor Williams, who presented the Council's transformation programme.

The Cabinet Member for Finance advised that the net revenue budget for 2013/14 was £212.5m with a forecast overspend of £981,000 and that measures were being put in place in order to achieve a balanced budget. The adverse variances in the budget were attributed to the overspend in adult social care, children's services and economic development;

5.3 It was forecast that the net budget in 2016/17 would reduce to £184.46m; this represented a 51 per cent reduction in the government formula grant (£37.64m). This meant that there would be more reliance on the City being able to generate local income rather than receiving it from Central Government (ie income generated around business rates and council tax);

5.4 In order to achieve savings for the 2014/15 to 2016/17 the following actions would be taken –

- re-design services (which included the most appropriate delivery of environmental services; the delivery of all remaining respite and day care and an alternative model for caretaking and cleaning services);
- co-operative partnerships (which included ICT Shared Services (DELT) and joint working with health to maximise external funding);
- reduced external spend (which included commissioning of a revised Strategic Materials Recycling Facility and targeted reduction in supplies and services in non-essential areas);
- raised income (which included the review of fees and charges);

- Corporate Health and Grants Maximisation (which included rescheduling of borrowing, changes to terms and conditions further rationalisation of management);
 - Transformation, which included challenging and transforming the way in which the Council operated which would result in a completely different approach to customer services and the shape of the organisation in three years' time;
- 5.5 As a result of these actions it was estimated that in excess of 300 full time equivalent posts would need to be shed in the next two years;
- 5.6 The proposed increase of 1.99 per cent in the Council Tax rate for 2014/15 would result in the Council's ability to achieve the following –
- a reduction of five per cent for the Council Tax Support from 25 per cent to 20 per cent;
 - extra support of approximately £50 for 16,000 claimants;
- 5.7 The Cabinet Member for Finance stated that, despite the proposed increase, the Council would retain the lowest average Council Tax levels in the South West;
- 5.8 Cabinet Members continued to challenge the affordability of the Council's four year Capital Forecast for the period 2013/14 to 2016/17. However there remained some volatility around future capital grant funding and income generation through capital receipts;
- 5.9 In 2013/14 a unique investment fund of £20m was created to specifically focus on supporting and growing the local economy and creating jobs. Schemes approved and under consideration included the History Centre, road infrastructure, City Deal, new schools and the Housing Loan scheme;
- 5.10 **The Cabinet Member for Children and Young People (with responsibility for Transformation)** Councillor Williams advised that the Council's blueprint for a brilliant co-operative council, which had been designed with elected members and staff, set out the future design for the way in which the Council would commission and deliver services. It also provided the Council with a way to assess the organisational capabilities that would be required in the future. Governance arrangements had been put in place around the transformation programme, and there was a commitment to engage with staff at every stage and level;
- 5.11 The blueprint would direct the Council's ambitious Transformation Portfolio of Programmes, aimed at achieving a balanced budget in years 2014/15 to 2016/17 through income growth and savings. The blueprint would fundamentally change the way that the Council conducted its business by improving efficiency and reducing costs, whilst still delivering benefits to customers. Significant savings would be focused in four key areas -
- economic growth initiatives;

- customer led service re-design;
- creating an integrated approach to health, wellbeing and social care commissioning;
- smarter, evidence based decision making for the Council;

5.12 It was anticipated that the net benefit of the Transformation Programme during the period 2014/15 to 2016/17 could be £35.3m. Work was being carried out to build the outline business cases, including detailed financial information, which would be available for scrutiny in March 2014.

6. CHALLENGE OF THE INDICATIVE BUDGET AND TRANSFORMATION PROGRAMME

6.1 Following the presentations, the Board Members questioned the Cabinet Members and senior officers on the information that had been provided. The key issues arising from the questioning session included –

- the lack of information relating to the challenges faced by the City Centre over the next three years;
- the lack of engagement with the voluntary and community sector in the Council's transformation programme;
- the lack of engagement of the City's partners relating to the Council's capital spending priorities;
- finally, the concerns raised by the Chief Executive of Plymouth Community Homes about the use of capital receipts from the sale of socially rented homes, were put to the Cabinet Member for Finance;

6.2 In response to these issues the Cabinet Member for Finance advised that he saw the City Centre as a key priority. He also accepted that partners in the statutory, business and community and voluntary sectors would have an interest in the Council's capital spending priorities;

6.3 The budget report considered by Cabinet on 10 December 2013 and presented to the Co-operative Scrutiny Board for consideration contained 'indicative transformation portfolio costs and benefits' which show an overall cost of the programme over a three year duration from 2014-15 to 2016-17 of £16.1m, with net cumulative savings of £33.8m. These figures came out of work undertaken during 2013 with Ernst and Young and were described as provisional. The budget report does not contain any further detail regarding the programme;

6.4 A further briefing provided to the Board regarding the Transformation Programme's impact on the 2014-15 budget indicated that net benefits of £1.2m were built into the budget, based on income and savings across the five Transformation Programmes of £7m and upfront investment in the Transformation Programme of £5.8m.

Details concerning the assumptions made in arriving at the income, savings and investment costs were not available, and questioning of the Cabinet Members and Directors responsible for each of the programmes demonstrated that the figures were still provisional, with business cases demonstrating the detail of the programmes and the basis of the figures, not yet available. The Board heard that an independent review will be commissioned to appraise the overall status of the transformation programme including an opinion as to the achievability of the benefits, but that this work had not yet been undertaken;

- 6.5 On the basis of the evidence presented with respect to the transformation programme, the Board could not reasonably reach a conclusion as to its deliverability.

Recommendations	To	Ref
Cabinet should consider the impact of ring-fencing capital receipts from Plymouth Community Homes 'Right to Buy' sales to investment in the City's housing infrastructure	Cabinet	R4
That the proposals for addressing the challenges faced in the City Centre over the next three years are published for discussion	Cabinet	R5
That the Cabinet Member for Finance considers consultation arrangements with the Council's partners over its capital spending priorities	Cabinet	R6
Further reassurance is needed concerning the robustness of the figures relating to transformation income, savings and investment prior to the presentation of the 2014-15 budget to Council	Cabinet	R7
Information relating to the deliverability of the 2014/15 transformation proposals, which is part of the statutory budget, are made available for scrutiny	Cabinet	R8
The assumptions on which the transformation figures for 2015/17 are based, and the risks associated with delivery, should be available for scrutiny	Cabinet	R9
The role of the Co-operative Scrutiny Board and its Panels in holding the executive to account for the delivery of the transformation programme in the coming year should be clarified, agreed and published	Co-operative Scrutiny Board	R10
The proposals for the engagement of the community and voluntary sector in the Council's transformation programme are prepared for discussion	Cabinet	R11

7. PIONEERING AND CONFIDENT PLYMOUTH

7.1 Session two held on 13 January 2014 saw the challenge of the Leader, Deputy Leader, Cabinet Member for Environment, Cabinet Member for Transport and the Cabinet Member for Children and Young People on their portfolios relevant to Pioneering, Confident and Growing Plymouth. The Leader and Cabinet Members were supported in this session by Strategic and Assistant Directors.

7.2 The Board was informed of the key issues relating to Pioneering and Confident Plymouth, which included –

- the opportunity to offer a fully transactional website providing customers with self-serve/assisted self-serve options (for those customers most in need assistance would be provided in the traditional way);
- the relocation of Customer Services to a new City Centre location which would provide an opportunity to offer services in a more joined up way;
- the restructure of the Library Service had enabled extended opening hours, delivery of some services locally and the provision of wi-fi;
- performance in Customer Services, included -
 - ▶ 96.4 per cent call answer rate (72 per cent answered within 30 seconds);
 - ▶ 98.5 per cent collection rate for the transaction centre;
 - ▶ 98 per cent satisfaction rate on calls;
- Environmental Services had a gross budget of £41.4m per annum and generated income of £14.3m which resulted in a net budget of £27.1m per annum which had been consistent over the last five years;
- achieving a balanced budget had been, and would continue to be, challenging; budget pressures included an estimated increase of £800,000 in landfill tax, although this figure would reduce when the Energy to Waste Plant was operational, along with a reduction in recycling commodity prices and increases in utility and fuel costs. There were opportunities to generate income through fees and charges and to achieve savings through efficiencies;
- achievements of the service over the last 12 months, included –
 - ▶ household glass kerbside collection pilot service;
 - ▶ new material recycling facility solution (£4m funding secured through the ‘Pickles’ Pot’);
 - ▶ £980,000 investment in new mini buses, £1.7m investment in new plant and equipment and investment in new technology;
 - ▶ five Green Flag awards for City parks;
- the formation of the new Street Scene Service brought the majority of the frontline services together, providing an opportunity to achieve further efficiency savings. The services included –
 - ▶ Fleet and Garage;

- ▶ Living Streets and Network Management;
 - ▶ Parking and Maritime;
 - ▶ Street Scene and Waste;
- Transport and Highways were 'on track' to achieving a balanced budget for 2013/14 despite continuing challenging financial pressures;
 - achievements of the service over the last 12 months, included –
 - ▶ the launch of a public and private partnership with Access Plymouth and City Bus to provide an improved 'ring and ride' based service;
 - ▶ following the review undertaken by scrutiny, negotiations to secure a five year contract for the subsidised bus services had been successful, resulting in a new cross City bus link (the number 14 service);
 - ▶ a multi-operator bus ticket, the 'skipper ticket', had been launched which allowed unlimited travel across the City and surrounding areas and across all providers;
 - ▶ South West Rail Peninsula Task Force had secured cross party agreement and would be launched in Westminster to highlight the need for rail connectivity for the region;
 - ▶ the highway maintenance investment fund of £2m over the next 10 years had resulted in the resurfacing of 42 roads (equivalent to 14 full size football pitches being resurfaced), major patching to 36 roads and micro asphalt treatment to a further 13 roads; 5750 permanent first time repairs had been completed out a total number of 8000 potholes;
 - ▶ a major challenge to investment in the City's roads was the recent announcement by central government that a new tool would be used to allocate funding (Highways Efficiency Maintenance Programme) which would require a detailed survey of the conditions of all the roads in the City.
 - Work undertaken by HR, included –
 - ▶ improving sickness absence (average number of days sick per full time equivalent was 7.7 days, the target was 8.49 days) and the implementation of the learning package aimed to support managers and staff during periods of absence;
 - ▶ a Learning Agreement had been signed with the Trade Unions which supports the Council's priorities to develop skills in the workplace and offers a wider range of options for learning and development of staff;
 - ▶ employee benefits were available to all staff through the IChoose scheme which provided national and local offers;
 - ▶ the implementation of the Living Wage across the Council;
 - ▶ the provision of health and wellbeing initiatives such as Stoptober and Beat the Bug;
 - ▶ the introduction of salary sacrifice schemes for staff parking at the Western Approach car parking and the Cycle to Work Scheme;
 - ▶ an assurance was given that support mechanisms would be put in place, such as job clubs for those members of staff compulsory redundancy.

8. CHALLENGE OF PIONEERING AND CONFIDENT PLYMOUTH

8.1 Following the presentations, the Board Members questioned the Cabinet Members and Senior Officers on the information that had been provided. The key issues arising from the questioning session included –

- the lack of information relating to the revenue projections for car parking and the investment programme;
- concerns relating to the implementation of the Living Wage across the Council's partners and contractors;
- concerns relating to the impact of the high cost of public transport on families on low income;
- concerns that the Council should not bear the costs of the recent flooding issues which had occurred as a direct result of problems with South West Water's infrastructure;
- the lack of detail and clarity relating to the proposed investment of £800,000 in developing skills as set out in the Transformation Programme;
- concerns relating to staff engagement and negotiations – specifically to the Transformation Programme given the number of staff that were not represented by Trade Unions;
- concerns regarding the welfare of staff during the transformation process and with the impending 300 job cuts.

Recommendations	To	Ref
Revenue projections from car parking and their use in the improvement of transport over the next three years are published	Cabinet	R12
The Council commits to ensuring that the Living Wage is adopted by third party contractors through its commissioning and procurement arrangements	Cabinet	R13
The Cabinet Member for Transport responds to the concerns raised by the Fairness Commission about the impact of high public transport costs on people with low incomes	Cabinet	R14
The Co-operative Scrutiny Board engages with the appropriate agencies to ensure that the City's flood protection infrastructure is fit for purpose	Co-operative Scrutiny Board	R15
That detail of the skills development programme identified for investment of £800k in each of the next three years is presented to the Co-operative Scrutiny Board as part of the arrangements for the scrutiny of the transformation programme	Cabinet	R16

That the Co-operative Scrutiny Board commissions a review of the arrangements for staff engagement and negotiation, given the nature of organisational change affecting the Council	Co-operative Scrutiny Board	R17
That work related stress issues are closely monitored and results brought to the Co-operative Scrutiny Board with reports on sickness levels	Cabinet	R18

9. GROWING PLYMOUTH

9.1 The Board was informed of the key issues relating to Growing Plymouth, which included –

- the work of Economic Development in 2013 –
 - ▶ the creation of 924 jobs and the safeguarding of 744 jobs with another 6,204 in the pipeline;
 - ▶ secured funding of £28.9m (with indirect secured funding of £86.8m)
 - ▶ 98 per cent occupancy and 126 lettings for estate management;
 - ▶ £216m investment in the pipeline for property deals;
- the level of delivery had made a significant impact on employment prospects –
 - ▶ a reduction in unemployment of 0.9 per cent and youth unemployment of two per cent;
 - ▶ gross value added had increased by 1.2 per cent (ahead of UK growth);
 - ▶ an increase in business birth rates;
 - ▶ an increase in visitor numbers of 14 per cent;
- the major priorities for 2014/15, included –
 - ▶ maximising the economic resources into Plymouth from the City Deal, Local Enterprise Partnership and European Union programmes;
 - ▶ shaping Plymouth's economy through the refresh of the Local Economic Strategy;
 - ▶ increasing the focus on employment and skills opportunities for young people and the long term unemployed;
 - ▶ prioritising City Centre working in partnership with the City Centre Company;
 - ▶ continuing to work in partnership with the Plymouth Culture Board, Plymouth Growth Board and Destination Plymouth;
- the work of the Education, Learning and Families, included -
 - ▶ working with partners to sustain and focus on opportunities for children and young people facing challenges in the job market, addressing the skills gaps and strengthening the advice, information and guidance provided to young people;
 - ▶ working with partners to ensure that inequalities for children based on disadvantage were reduced and this was reflected in their achievements;
 - ▶ ensuring that the correct support is in place for early years;

- ▶ improving the attainment levels of children with Special Education Needs (SEN) and reducing the number of young people Not in Education, Employment or Training (NEETs);
- the cultural offer for the City, included –
 - ▶ the transformation of the Royal William Yard as a major culture destination;
 - ▶ the bid for the UK City of Culture;
 - ▶ £12.5m Heritage Lottery Bid for the History Centre;
 - ▶ 16 major events in the City generating 356,000 visitors, £12.5m spend and 317 jobs;
 - ▶ the appointment of the first Chief Executive of Destination Plymouth;
 - ▶ the City's most successful marketing campaign reaching 120 million people and generating £2.2m in advertising including coverage of the National Fireworks Championships on the BBC's One Show;
- the work of Planning Services, included –
 - ▶ the eco deal with Plymouth Community Homes and British Gas worth £50m;
 - ▶ the launch of the Plan for Homes to deliver 5000 homes over the next five years;
 - ▶ the delivery of 700 dwellings and 266 affordable homes;
 - ▶ the successful negotiation of £11.3m Section 106 monies for the sole benefit of the community;
 - ▶ the completion of the Section 106 agreement to deliver 900 new homes and commercial floor space at Seaton Neighbourhood;
 - ▶ there were currently 37 major planning applications at pre application stage including development of land at Millbay and a 60 bed hotel at the Royal William Yard;
 - ▶ taking ownership of Devonport Market Hall with a £2.5m dowry to allow the development of a social enterprise for digital games business;
 - ▶ the main focus for the coming year would be the Plymouth Plan which would provide strategic direction to effectively deliver the City's growth vision;
- the strategic work for housing, included –
 - ▶ the Get Plymouth Building programme which had identified 10 sites across the City delivering 2,000 new homes. In addition to these sites a further 10 sites had been identified for release for housing development.

10. CHALLENGE OF GROWING PLYMOUTH

10.1 Following the presentations, the Board Members questioned the Cabinet Members and Senior Officers on the information that had been provided. The key issues arising from the questioning session included –

- concerns relating to the high levels of youth unemployment in the City despite the reduction in level over the past year and the involvement of partners in this process;

- concerns relating to the impact of public transport costs being a barrier to children and young people accessing education, employment and training;
- concerns regarding the rising costs of child care which were preventing people from seeking employment.

Recommendations	To	Ref
The Council demonstrates leadership in championing a co-ordinated multi-agency approach to youth unemployment, including those with different abilities and special needs to maximise the take-up of employment opportunities for all young people	Cabinet	R19
The evidence relating to public transport costs being a barrier to children and young people's access to education, employment and training is reviewed and appropriate action taken to address it	Cabinet	R20
A cross-party response is made from the Council to government raising concerns about the high costs of child care and the resulting impact on access to employment	Cabinet	R21

11. CARING PLYMOUTH

11.1 Session three held on 15 January 2014 saw the challenge of the Cabinet Member for Children and Young People, Cabinet Member for Public Health and Social Care and the Cabinet Member for Co-operatives and Community Development on their portfolios relevant to Caring Plymouth. The Cabinet Members were supported in this session by Strategic and Assistant Director. The Director for Public Health was also present at this session.

11.2 The Board was informed of the key issues relating to Caring Plymouth, which included –

- on average per year there were 4,100 child protection concerns raised and, this year, there had been a 17 per cent increase in referrals this year. There were currently 386 children in care and 395 children on the child protection register which represented a 30 per cent increase this year;
- the main focus on the services for children were -
 - ▶ early years and early help and intervention;
 - ▶ Safeguarding and child protection and the maintenance of high quality services for children in care;
 - ▶ Youth services targeted approach to youth work, youth justice and youth offending;
 - ▶ the education of children in care, children missing education and those for whom alternative provision was required;
- the Alternative Complementary Education services (ACE) had been visited by Ofsted and had received a 'good' report;

- the attainment of Children in Care was the responsibility of the Council's virtual school, with the Corporate Parenting Group monitoring progress so that were not disadvantaged in any way;
- Co-operative Commissioning and Adult Social Care provided care for 4000 people each year, with an anticipated increase of two per cent per year;
- a wide range of direct and commissioned services were provided for adults included safeguarding, improving the quality of care to enable people to remain in their own homes and residential settings, domiciliary care, residential care and a community equipment service;
- priorities of the service were to embed personalisation, to deliver efficiencies across all commissioning services and to embed integrated care co-ordination with health;
- there would be a reduction in the 2014/15 budget of £1m (to £69.5m) although there is a rise in demand with people living longer and having more complex health care needs;
- one of the biggest challenges within Adult Social Care was the current overspend for this year; plans were in place to deliver further savings, such as the review of the fairer charging policy, reducing the adult social care commissioning spend by five per cent and maximising grant funding;
- the vision for the service was to establish a collaborative, integrated and strategic approach on how the CCG and the Council could deliver services, reduce costs and improve serve user experience;
- the net budget for Homes and Communities in 2013/14 was £11m, £15m gross with the inclusion of grant funding and £2m grant for capital programme; over 300 members of staff and 100 volunteers;
- Homes and Communities worked across and with other departments, agencies and partners to build resilience in order to support citizens, the community and voluntary and community service partners.

12. CHALLENGE OF CARING PLYMOUTH

12.1 Following the presentations, the Board Members questioned the Cabinet Members and Senior Officers on the information that had been provided. The key issues arising from the questioning session included –

- although there were examples of best practice for sharing information across partner agencies, such as Encompass, there were concerns that this process needed to be more proactive in order to improve health and social care outcomes;

- concerns were raised relating to the continued funding provision for the Disabled Facilities Grant; in 2015/16 the funding would be given to the Clinical Commissioning Group which had the responsibility for the allocation of the funding, whilst the Council had the statutory responsibility for the delivery of the service;
- concerns were raised relating to the £400,000 underspend of the Exceptional Hardship Fund; it was acknowledged that the up-take of this fund may increase for the remainder of the financial year;
- concerns relating to lack of progress in addressing health inequalities in the City through the Public Health agenda.

Recommendations	To	Ref
The Co-operative Scrutiny Board commissions a review into best practice in information sharing across all appropriate partners	Co-operative Scrutiny Board	R22
The Council makes the case for continued funding for Disabled Facilities Grants from the Better Care Fund and other appropriate funding sources	Cabinet	R23
The Council urgently addresses the underspend in the Exceptional Hardship Fund to ensure that appropriate support is given to all those who qualify by reviewing its use and the eligibility criteria	Cabinet	R24
An action plan addressing a revised approach to health inequalities across the City is brought to the Caring Scrutiny Panel within six months by the incoming Director of Public Health	Director for Public Health	R25

13. RESPONSES TO EMERGING KEY ISSUES

13.1 At the end of the representations described above, the Board challenged the Leader and Chief Executive over the following issues:

- the resilience of partnerships;
- health inequalities in the City;
- mitigation of risks in the 2014/15 budget;
- the risks associated with the Transformation Programme;
- tackling mental health issues;
- utilising the voluntary and community sector;

14. RESPONSES FROM THE LEADER AND THE CHIEF EXECUTIVE TO THE EMERGING KEY ISSUES

14.1 The Leader and Chief Executive responded to the emerging key issues as follows –

- whilst the concerns of the Board relating to the risks associated with the Transformation Programme were fully recognised such issues at this early stage of the process, were ‘normal’;

the challenge of transforming the Council to look, work and interact with residents in a brilliant co-operative way could not be underestimated. Due to the nature of the financial savings required, it was inevitable that there were some over-arching risks associated with the delivery of a three year balanced budget;

- work was continuing to address the remaining revenue shortfall and firm up the transformation costs and benefits; the Council's Section 151 Officer would only sign off the 2014/15 budget once he considered to be robust;
- the Leader assured the Board that the Council and health commissioners/providers across the City were working to achieve improved mental health outcomes. The Council with its partners had set up and launched the Dementia Friendly City initiative;
- work continued both within the City and across the region to promote and strengthen partnership working including issues relating to Local Enterprise Partners and rail resilience;
- the community and voluntary sector had an important role to play in shaping and co-designing of services;
- a commitment was given to look at a submitting a cross-party letter to the Government relating to the impact of the high costs of child care on the people in the City.

15. RECOMMENDATIONS

	Recommendations	To
R1	That the Police and Crime Commissioner, in consultation with Chief Constable, reconsider how the force is represented at the Council's budget and Corporate Plan scrutiny sessions in the future	Police and Crime Commissioner
R2	That clear and specific priorities for health outcomes are agreed between partners and are the focus for delivery of all relevant agencies	Health and Wellbeing Board
R3	That the Leader and Chief Executive consider how the voice of the community and voluntary sector can be better heard by One Plymouth and by other Council Partners	Cabinet
R4	Cabinet should consider the impact of ring-fencing capital receipts from Plymouth Community Homes 'Right to Buy' sales to investment in the City's housing infrastructure	Cabinet
R5	That the proposals for addressing the challenges faced in the City Centre over the next three years are published for discussion	Cabinet
R6	That the Cabinet Member for Finance considers consultation arrangements with the Council's partners over its capital spending priorities	Cabinet
R7	Further reassurance is needed concerning the robustness of the figures relating to transformation income, savings and investment prior to the presentation of the 2014-15 budget to Council	Cabinet
R8	Information relating to the deliverability of the 2014/15 transformation proposals, which is part of the statutory budget, are made available for scrutiny	Cabinet
R9	The assumptions on which the transformation figures for 2015/17 are based, and the risks associated with delivery, should be available for scrutiny	Cabinet
R10	The role of the Co-operative Scrutiny Board and its Panels in holding the executive to account for the delivery of the transformation programme in the coming year should be clarified, agreed and published	Co-operative Scrutiny Board
R11	The proposals for the engagement of the community and voluntary sector in the Council's transformation programme are prepared for discussion	Cabinet
R12	Revenue projections from car parking and their use in the improvement of transport over the next three years are published	Cabinet

R13	The Council commits to ensuring that the Living Wage is adopted by third party contractors through its commissioning and procurement arrangements	Cabinet
R14	The Cabinet Member for Transport responds to the concerns raised by the Fairness Commission about the impact of high public transport costs on people with low incomes	Cabinet
R15	The Co-operative Scrutiny Board engages with the appropriate agencies to ensure that the City's flood protection infrastructure is fit for purpose.	Co-operative Scrutiny Board
R16	That detail of the skills development programme identified for investment of £800k in each of the next three years is presented to the Co-operative Scrutiny Board as part of the arrangements for the scrutiny of the transformation programme	Cabinet
R17	That the Co-operative Scrutiny Board commissions a review of the arrangements for staff engagement and negotiation, given the nature of organisational change affecting the Council	Co-operative Scrutiny Board
R18	That work related stress issues are closely monitored and results brought to the Co-operative Scrutiny Board with reports on sickness levels	Cabinet
R19	The Council demonstrates leadership in championing a co-ordinated multi-agency approach to youth unemployment, including those with different abilities and special needs to maximise the take-up of employment opportunities for all young people	Cabinet
R20	The evidence relating to public transport costs being a barrier to children and young people's access to education, employment and training is reviewed and appropriate action taken to address it	Cabinet
R21	A cross-party response is made from the Council to government raising concerns about the high costs of child care and the resulting impact on access to employment	Cabinet
R22	The Co-operative Scrutiny Board commissions a review into best practice in information sharing across all appropriate partners	Co-operative Scrutiny Board
R23	The Council makes the case for continued funding for Disabled Facilities Grants from the Better Care Fund and other appropriate funding sources	Cabinet
R24	The Council urgently addresses the underspend in the Exceptional Hardship Fund to ensure that appropriate support is given to all those who qualify by reviewing its use and the eligibility criteria	Cabinet

R25	An action plan addressing a revised approach to health inequalities across the City is brought to the Caring Scrutiny Panel within six months by the incoming Director of Public Health	Director of Public Health
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Appendix I – Thank You

Partners

- Criminal Justice, Partnerships and Commissioning Manager, Office of the Police and Crime Commissioner
- Head of Locality Commissioning for Planned Primary Care, Western Locality NEW Devon Clinical Commissioning Group
- Doctor Lenden, Western Locality NEW Devon Clinical Commissioning Group
- Chief Finance Officer, Western Locality NEW Devon Clinical Commissioning Group
- Chief Executive, Plymouth Hospitals NHS Trust
- Director for Finance, Plymouth Hospitals NHS Trust
- Chief Fire Officer, Devon and Somerset Fire and Rescue Service
- Chief Executive, Plymouth Community Homes

Plymouth City Council

- The Council Leader
- Chief Executive
- Deputy Leader
- Cabinet Member for Finance
- Cabinet Member for Children and Young People
- Cabinet Member for Environment
- Cabinet Member for Transport
- Cabinet Member for Public Health and Adult Social Care
- Cabinet Member for Co-operatives and Community Development

- Strategic Director for People
- Strategic Director for Place
- Interim Director for Corporate Services
- Director for Public Health
- Assistant Director for Homes and Communities
- Assistant Director for Joint Commissioning and Adult Social Care
- Assistant Director for Education, Learning and Families
- Assistant Director for Children's Services
- Assistant Director for Strategic Planning and Infrastructure
- Assistant Director for Economic Development
- Interim Assistant Director for Street Services
- Interim Assistant Director for HR and OD
- Assistant Director for Finance
- Interim Assistant Director for Customer Services

- Head of Joint Strategic Commissioning
- Head of HR Corporate Functions
- Head of Organisational Development
- Head of Health, Safety and Wellbeing

Support for the Co-operative Scrutiny Board

- Giles Perritt, Head of Policy, Performance and Partnerships
- Helen Wright, Democratic Support Officer
- David Northey, Head of Finance