

Cabinet

Tuesday 11 February 2014

PRESENT:

Councillor Evans, in the Chair.

Councillors Coker, Lowry, McDonald, Penberthy and Vincent.

Also in attendance: Councillors James (Chair of the Co-operative Scrutiny Board) and Murphy (Chair of the Working Plymouth Scrutiny Panel), Tracey Lee (Chief Executive), Carole Burgoyne (Strategic Director for People), Malcolm Coe (Assistant Director for Finance), Anthony Payne (Strategic Director for Place), Dr Stephen Horsley (Interim Director of Public Health), Paul Barnard (Assistant Director for Strategic Planning and Infrastructure), Simon Dale (Interim Assistant Director for Street Services), Chris Grace (Head of Economy, Enterprise and Employment), Richard Grant (Local Planning Team Leader), David List (General Manager, Tamar Bridge and Torpoint Ferry), Giles Perritt (Head of Policy, Performance and Partnerships), Philip Heseltine (Head of Integrated Transport), Andy Hickman (Economic Strategy and Partnership Officer), Gill Peele (Business Manager) and Andy Sharp (Public Transport Manager).

Apologies for absence: Councillors Peter Smith (Vice Chair) and Williams.

The meeting started at 2.00 pm and finished at 4.00 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.

96. **DECLARATIONS OF INTEREST**

There were no declarations of interest made by councillors in accordance with the code of conduct in relation to items under consideration at this meeting.

97. **MINUTES**

Agreed the minutes of the meeting held on 14 January 2014, subject to the amendment of minute 91 to swap the figures so that it reads 'reducing from 25 per cent to 20 per cent'.

98. **QUESTIONS FROM THE PUBLIC**

There were no questions from the public for this meeting.

99. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

(See however minute 110 below).

100. **OFFICE OF THE DIRECTOR OF PUBLIC HEALTH ANNUAL REPORT FOR PLYMOUTH 2013/14**

Dr Stephen Horsley (Interim Director of Public Health) submitted a report appending the Annual Report of the Office of the Director for Public Health for Plymouth 2013/14 and Councillor McDonald (Cabinet Member for Public Health and Adult Social Care) introduced the item.

Dr Horsley gave a presentation to Cabinet Members and circulated copies of the slides -

- (a) on the Plymouth Health profile for 2013;
- (b) identifying how local government could play a part in improving the health of the public in Plymouth;
- (c) on the key priorities to be taken forward in the coming year as a first step towards improving opportunities for health and wellbeing equally for all, across Plymouth's neighbourhoods.

Tracey Lee (Chief Executive) referred to the recent motion approved by the City Council (Council minute 91 referred) and reported that the Leader and Councillor Bowyer had signed a letter to the Secretary of State for Health and that she had spoken with Duncan Selbie, Chief Executive of Public Health England.

Mr Selbie had indicated that the Council's inadequate public health funding needed to be addressed and that he would have further conversations with the Department of Health with regard to funding for 2014/15. Officers would continue to work with him to progress the issue.

Cabinet Members were advised that following the challenge to the Council on ways that staff could contribute to the health challenge, health ambassadors would be appointed across the Council, in each service, and that she and Carole Burgoyne (Strategic Director for People) invited women in the Council and across partner organisations to join them in the Race for Life in June 2014.

Councillor Evans (Council Leader) advised that discussions with the government and Public Health England were on the basis of a Health Deal, similar to the City Deal, with the Council committing to health improvements in return for future increased funding (over and above the current recompense for underfunding in 2013/14 and 2014/15).

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) the key priorities identified in the report are supported as follows –

- (a) building on the 'LoveLIFE campaign, with the launch of a 'Healthy Plymouth' campaign to address the poor health outcomes experienced by many of the city's residents;
 - (b) taking further action across the life course to reduce rates of smoking, alcohol consumption and obesity in the city;
 - (c) raising awareness of and providing a coordinated approach to the promotion of mental health and wellbeing, helping to build resilience in our local people and communities and to tackle the stigma that surrounds mental health;
- (2) Dr Stephen Horsley is thanked for his work during his interim appointment and also for his support and challenge to the Council.

101. **PARK AND RIDE BUS SERVICES REVIEW SCRUTINY REPORT**

Councillor Murphy (Chair of the Working Plymouth Co-operative Review Scrutiny Group) attended the meeting and presented the recommendations in the scrutiny report on the Park and Ride Bus Services Review. She also referred to the work of the group on concessionary bus passes and reported that a recommendation had not been made to amend the current scheme following legal advice.

Philip Heseltine (Head of Integrated Transport), Gill Peele (Business Manager) and Andy Sharp (Public Transport Manager) also attended the meeting for this item.

Anthony Payne (Strategic Director for Place) submitted a report on the recommendations which came from the review and Councillor Coker (Cabinet Member for Transport) proposed Cabinet's response together with the reasons for his recommendations.

Councillor Evans (Chair) joined with Councillor Coker to thank Councillor Murphy for her work, together with the scrutiny group members and all those who supported the review. He also indicated that work had already started to provide improved journey planning and timetable information at each of the park and ride sites and that the work should be complete by the end of March 2014.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) Scrutiny Recommendation (1) to investigate the feasibility of charging for parking at all three Park and Ride sites, with the intention of covering the operating costs of the site, is rejected for the following reasons –

- (a) the consequences of charging to park could put off current users of the service and lead them to seek alternatives which may be harmful to the city. These alternatives may include driving into the City Centre which would increase congestion and carbon emissions, or visitors to Plymouth could decide to travel elsewhere which would impact negatively on the local economy;
 - (b) to give a clear message to current and potential users of the park and ride services that the Council is committed to encouraging people to use them through keeping it as straightforward as possible;
- (2) Scrutiny Recommendation (2) is accepted as amended and the park and ride departure charges, charges made to the bus operator, will be renegotiated with the intention of possible increases. The Council's ambition is that any increase will not be passed onto passengers;
 - (3) Scrutiny Recommendation (3) is accepted as amended and officers will investigate the feasibility for a new park and ride bus service to be introduced between Milehouse and Derriford Hospital;
 - (4) Scrutiny Recommendation (4) is accepted as amended and the potential for increased operating hours will be explored on all park and ride bus services in order to accommodate the users of the service who take advantage of the late night shopping in the City Centre or for those who use the park and ride to visit patients at Derriford Hospital, bearing in mind that visiting hours are up to 8pm. If a subsidy is required for an enhancement to the PR3, the service for Derriford Hospital, the Council will approach the NHS Trust to require a financial contribution;
 - (5) Scrutiny Recommendation (5) is accepted and improved journey planning and timetable information will be provided at each of the park and ride sites.

102. **SCRUTINY REPORT ON DELIVERING THE CO-OPERATIVE VISION WITH A THREE YEAR SUSTAINABLE BALANCED BUDGET**

Councillor James (Chair of the Co-operative Scrutiny Board) attended the meeting and presented the recommendations in the scrutiny report, Budget Scrutiny 2014 -15, following the scrutiny of the delivery of the co-operative vision within a three year sustainable balanced budget. In particular he highlighted areas of concern by the Board which formed the basis of the recommendations in the report. He also thanked Cabinet Members for their presentations and responses to the challenge from the Board during the scrutiny sessions, which were held over three days.

Giles Perritt (Head of Policy, Performance and Partnerships) also attended the meeting for this item.

Councillor Evans (Council Leader) proposed the response to the recommendations as detailed in the report of Tracey Lee (Chief Executive) and thanked Councillor James for his chairmanship of the Board meetings and the conduct of the scrutiny sessions.

With regard to comments in relation to transformation, he indicated that assurances could not be given at this stage on precise costs and benefits but that the alternative of cutting front line services was not acceptable to the current administration. If councillors were unwilling to support the transformation programme at the City Council meeting on 24 February 2014, he would want to see alternative proposals presented for a three year balanced budget.

Councillor James responded that scrutiny were willing to support Cabinet and wanted to support the transformation programme however it was the role of the Board to monitor the delivery of the work programme.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed -

- (1) the responses, as submitted, to the recommendations of the Co-operative Scrutiny Board;
- (2) that the thanks of Cabinet are extended to Councillor James, the Co-operative Scrutiny Board and officers for their considerable amount of work on the review.

103. **CORPORATE PLAN PERFORMANCE FRAMEWORK MONITORING**

Giles Perritt (Head of Policy, Performance and Partnerships) submitted a report tracking progress of the outcomes in the Corporate Plan, highlighting both cause for celebration as well as delays and issues requiring corrective action. The report provided details for the third quarter, to 31 December 2013, and would also be discussed at the Co-operative Scrutiny Board on 19 February 2014.

Peter Honeywell (Transformation Programmes Manager) introduced the report.

Cabinet Members asked officers to review the report and include more detailed information on the delivery of outcomes.

Cabinet noted the report and Agreed that the next quarterly performance report, showing the position at year end, will demonstrate (with numbers) how Cabinet Members are tracking towards the outcomes in the Corporate Plan.

104. **CORPORATE MONITORING REPORT AS AT 31.12.13 (INCLUDING CAPITAL SCHEMES AND PROGRAMME APPROVALS)**

The Corporate Management Team submitted a report outlining the finance monitoring position of the Council as at the end of December 2013 and provided details on how the Council was delivering against its financial measures using its capital and revenue resources and to approve relevant budget variations, virements and new capital schemes.

The report also provided details on Human Resources and Organisation Development data including workforce and sickness statistics.

Councillor Lowry (Cabinet Member for Finance) introduced the proposals and reported that

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- (a) the recent inclement weather and clear up had cost £350k to date and that the costs were likely to increase significantly. It was unlikely that any costs under the government's threshold of £650k would be recovered and an adjustment from the reserves may need to be made;
- (b) the average number of sick days taken by staff had reduced from over 10 days last year to 7.7 days this year.

Cabinet Members were advised that the Leader and the officers were lobbying government for funding to assist with the costs of the clear up following the storms but that the Bellwin scheme had been set up to deal with major disasters.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed –

- (1) that the revenue monitoring position and actions being taken are noted;
- (2) the revenue budget virements as set out on page 9 of the report (page 142 of the agenda papers referred);
- (3) that the decrease in the medium term capital programme forecast to £158.956m, is noted following confirmation of the funding announcement in the December Settlement;
- (4) the new capital schemes indicated in table A totaling £1.976m and the capital budget virements in relation to the investment fund of £2.170m; (The virement of resources in relation to Schools Basic Need of £2.775m was reported to Cabinet on 10 December 2013).
- (5) the Human Resources and Organisational Development data is noted;
- (6) the Council continues to lobby the government for funding to assist with the costs of the clear up following the storms from the Bellwin scheme and that the Leader updates members as appropriate.

105. **TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE: INCOME STRATEGY AND REVENUE AND CAPITAL BUDGET 2014/15-2017/18.**

Anthony Payne (Strategic Director for Place) submitted a report on the recommendations of the Tamar Bridge and Torpoint Ferry Joint Committee on the proposed revenue and capital budgets to deliver its Business Plan, to be funded from income, subject to the introduction of a TamarTag account fee.

The report indicated that –

- (a) it was estimated that the proposed TamarTag account fee would raise an additional estimated £506k, which would otherwise need to be provided from a toll increase;
- (b) the 2014/15 budget would enable the operation, maintenance and improvement of the two crossings in accordance with the Business Plan;
- (c) approval of the capital programme would allow projects to progress to extend the life of the assets, and secure the long term delivery of the service;
- (d) the longer term forecast covered income and expenditure to 2017/18, illustrated the requirement for additional income and also highlighted the forecast level of reserves, which was anticipated to be close to the minimum agreed level throughout that forecast period.

Cabinet was asked to endorse the proposals of the Tamar Bridge and Torpoint Ferry Joint Committee and to recommend the income strategy and proposed budgets to Full Council.

Councillor Coker (Cabinet Member for Transport) introduced the item and David List (General Manager, Tamar Bridge and Torpoint Ferry) reported on the proposals.

Cabinet Members noted that the joint committee had made an assumption that traffic levels on the bridge would remain steady and were informed that traffic had been reducing over the last three years but had now stabilised.

Alternative options considered and reasons for the decision –

As set out in the report.

The City Council is Recommended –

- (1) to agree that a monthly account fee of 80p per month is applied to all TamarTag accounts with effect from 1 April 2014;
- (2) to approve the proposed Tamar Bridge and Torpoint Ferry revenue budget for 2014/15 as set out in Appendix 2 to the report;
- (3) to approve the proposed Tamar Bridge and Torpoint Ferry capital programme as set out in Appendix 2 to the report;
- (4) to note the longer term revenue forecast to 2017/18 as set out in Appendix 2 to the report.

DELIVERING THE CO-OPERATIVE VISION WITHIN A THREE YEAR SUSTAINABLE BALANCED BUDGET

Further to the indicative report “Delivering the Co-operative Vision within a three year sustainable balanced budget” which was agreed by Cabinet on 10 December 2013 for consultation, Tracey Lee (Chief Executive) submitted a report on proposals for the 2014/15 budget.

The update report detailed -

- (a) the impact of the settlement for Plymouth compared with our resource assumptions;
- (b) how the £1.1m revenue gap for 2014/15 had been closed;
- (c) a breakdown of costs to be incurred by, and benefits attributable to, the Council’s Transformation Programme in 2014/15;
- (d) a risk register detailing the high level risks associated with the revenue and capital budgets 2014/15 to 2016/17;
- (e) that at the time of writing the report the precepts had not been agreed for the Police and Crime Commissioner and the Devon and Somerset Fire Authority.

In addition to complying with the statutory requirements for budget setting, a three year Co-operative Council Financial Plan would be published to provide clarity as to how the Council was managing and investing finances through these challenging economic times.

Councillor Lowry (Cabinet Member for Finance) introduced the proposals and indicated that -

- (f) the financial challenges were increasing year on year with year on year reductions in funding from government;
- (g) transformation would deliver net benefits of £1.2m in 2014/15 with greater financial savings being generated in future years;
- (h) the Council had the lowest average Council tax in the region and that the action taken to support the building of more homes would increase the tax base;
- (i) a one point nine nine per cent (1.99%) increase in Council tax was proposed;
- (j) the Council had an ambitious capital programme of £207m, with funding for roads, two new schools, a housing loan scheme and a bid submitted for the history centre/ curiosity shop;
- (k) whilst the budget was being cut, the Council was protecting front line services, although it would be necessary to reduce staff by 300.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that a final version of the Revenue and Capital Budget for 2014/15 is presented for sign off to Full Council on 24 February 2014 and that the City Council is Recommended -

- (1) to agree that an additional allocation of £0.5m is added to the staff pay contingency for 2014/15;
- (2) to agree that the revenue contingency of £1.3m in the 2013/14 base budget is reduced to £1m for 2014/15;
- (3) to agree that additional resources as determined through the December 2013 Settlement are deployed to the 2014/15 revenue budget as required (and detailed in this report);
- (4) to approve an increase of one point nine nine per cent (1.99%) in Council Tax for 2014/15;
- (5) to approve the proposed net revenue budget requirement for 2014/15 of £204.680m;
- (6) to approve the total capital budget of £207.670m for 2013 to 2017. Any changes to the overall capital funding available to be sanctioned by the Council's Section 151 Officer;
- (7) to give delegated authority to the Leader, in consultation with the Cabinet Member for Finance and relevant portfolio holder, to commit to capital schemes and to take key decisions, within the overall affordability envelope, based on sound business cases;
- (8) to agree that all newly approved capital schemes are incorporated within regular public finance reporting;
- (9) using the Council Tax base for 2014/15 as x [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; to agree that the **Council Tax requirement** for the Council's own purposes for 2014/15 is £x;
- (10) that the following amounts are calculated for the year 2014/15 in accordance with Sections 31 to 36 of the Act:
 - (a) £x being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act (**Gross Expenditure and Transfers to Reserves**);
 - (b) £x being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act (**Gross Income and Transfers from Reserves**);

- (c) £x being the amount by which the aggregate at 10(a) above exceeds the aggregate at 10(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its **Council Tax requirement** for the year. (Item R in the formula in section 31B of the Act);
- (d) £x being the amount at 10(c) above (Item R), all divided by Item T (7 above), calculated by the Council, in accordance with Section 31B of the Act, as the **basic amount of its Council Tax** for the year;
- (11) to note that the Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire and Rescue Authority have not at present issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area. Once confirmed these will be included in the tables below;
- (12) in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, to set the indicative aggregate amounts shown in the tables below as the amounts of Council Tax for 2014/15 for each part of its area and for each of the categories of dwellings -

Plymouth City Council

A	B	C	D
£x	£x	£x	£x
E	F	G	H
£x	£x	£x	£x

Devon and Cornwall Police and Crime Commissioner

A	B	C	D
£x	£x	£x	£x
E	F	G	H
£x	£x	£x	£x

Devon and Somerset Fire Authority

A	B	C	D
£x	£x	£x	£x
E	F	G	H
£x	£x	£x	£x

Aggregate of Council Tax Requirements

A	B	C	D
£x	£x	£x	£x
E	F	G	H
£x	£x	£x	£x

107. **TREASURY MANAGEMENT STRATEGY AND ANNUAL INVESTMENT STRATEGY**

Malcolm Coe (Assistant Director for Finance) submitted a report setting out the Treasury Management Strategy and Prudential Indicators, including the Annual Investment Strategy as required by the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services which had been considered and recommended by the Audit Committee (Audit Committee minute 50 of 23 January 2014 referred).

Councillor Lowry (Cabinet Member for Finance) introduced the proposals.

The City Council is Recommended to agree the annual Treasury Management Strategy and Annual Investment Strategy 2014/15 (incorporating the authorised limits, operational boundaries and prudential indicators) as submitted.

108. **DERRIFORD AND SEATON AREA ACTION PLAN: EXAMINATION INSPECTOR'S REPORT**

Anthony Payne (Strategic Director for Place) submitted a report on the implications of the Inspector's report on the Derriford and Seaton Area Action Plan and to determine what course of action should be taken by the City Council, including deciding whether or not the area action plan should be withdrawn.

The Public Examination (PE) into the Derriford and Seaton Area Action Plan (AAP) took place in March 2013. The Planning Inspector's final report into the PE was received in August 2013. Although the Inspector did not dissent with the thrust of the evidence which supported the need to create a new heart for northern Plymouth and found there to be robust and commendable elements within the AAP, his overall final conclusion, having regard to the tests of soundness set out in the National Planning Policy Framework, was that the plan was not sound.

The Inspector identified five primary reasons for this judgment. Namely, he felt that the AAP -

- failed to have adequate regard to the close proximity of the currently disused Plymouth Airport and the effects that the potential use of this significant site could have upon the form and location of development within Derriford and Seaton;
- was not supported by up to date and adequate economic evidence which justified the location of the district centre upon the Plymouth International Medical Technology Park;
- was not supported by adequate evidence that demonstrated the timely deliverability of key sites across the plan period;
- was not supported by evidence to indicate that the timely modal shift necessary to ensure transport infrastructure would be able to accommodate the development proposed within the area could be secured;

- was not supported by evidence that the transport infrastructure shown within the plan was deliverable in a timely fashion.

As a result, the Inspector had recommended non-adoption of the AAP.

Paul Barnard (Assistant Director for Strategic Planning and Infrastructure) and Richard Grant (Local Planning Team Leader) attended the meeting for this item.

Councillor Vincent (Cabinet Member for Environment) introduced the proposals and congratulated Paul Barnard and his team for their work on achieving this outcome.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) the Inspector's recommendation of non-adoption of the Derriford and Seaton Area Action Plan 2006-2021 is accepted;
- (2) the Derriford and Seaton Area Action Plan 2006-2021 (Submitted Version) is not withdrawn, and instead is considered as a background document to support the preparation of the Plymouth Plan;
- (3) officers seek a meeting with the Planning Inspectorate in order to seek a fuller understanding of how it interprets provisions of the National Planning Policy Framework, particularly in relation to evidence of the deliverability of development and infrastructure projects over an entire plan period.

109. **STRATEGIC ECONOMIC PLAN - HEART OF THE SOUTH WEST LOCAL ENTERPRISE PARTNERSHIP**

Anthony Payne (Strategic Director for Place) submitted a report on the first draft of the Strategic Economic Plan (SEP) 2014 – 2030 which had been produced by the Heart of the South West Local Enterprise Partnership, and described the suggested investment priorities and high level projects for the south west and the priorities for Plymouth. The final SEP was required to be submitted to government by the end of March 2014.

Chris Grace (Head of Economy, Enterprise and Employment) and Adam Hickman (Economic Strategy and Partnership Officer) attended the meeting for this item.

Councillor Evans (Council Leader) introduced the proposals and Cabinet Members were advised that the SEP, EU Structural and Investment Fund Strategy and City Deal would all relate to each other and would enable the city to secure the Plymouth Growth Deal. The importance of working across boundaries with Cornwall Council and partners was also stressed.

In addition to addressing the needs of the long term unemployed, the focus on the employment needs of older people was welcomed.

Alternative options considered and reasons for the decision –

As set out in the report.

Agreed that –

- (1) the first draft Strategic Economic Plan (SEP) is noted in its current form as a key document for the Heart of the South West Local Enterprise Partnership and the Plymouth growth agenda;
- (2) the first draft SEP is supported as a sound basis for a final SEP, but Cabinet acknowledges that there are some strategic issues, predominantly around connectivity and transport, that are currently being addressed through on-going dialogue with the Local Enterprise Partnership;
- (3) the Leader is delegated authority to approve the key decision to agree the final version of the SEP ahead of its submission to government in March 2014;
- (4) Chris Grace and Adam Hickman are thanked for their work on the plan.

110. **RECENT STORMS**

The Leader and Cabinet Members paid tribute to all the staff who had played a role in the tremendous effort following the recent storms. In addition to thanking the Council's staff who had worked above and beyond the call of duty, he also thanked the staff of Amey, partners and emergency services.

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