

## CITY OF PLYMOUTH

**Subject:** Growth & Assets Full Business Case  
**Committee:** Working Plymouth Scrutiny Panel

**Date:** 10<sup>th</sup> June 2014  
**Cabinet Member:** Cllr M Lowry  
**CMT Member:** Anthony Payne, Director for Development & Regeneration  
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**Ref:**  
**Part:** I

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### Executive Summary:

The Growth & Assets project proposes that by accelerating commercial and housing developments, an increase of income can be achieved which will benefit the City Council in turn protecting Council revenue budgets across its full range of functions. The aim of project is to maximise government funding through the incentives of New Homes Bonus, associated increase in Council Tax and retention of National Non Domestic Rates.

The Project by working co-operatively with partners, developers, stakeholders and citizens will identify a pipeline consisting of potential future housing and commercial developments. By following the proposals outlined in this business case for accelerating growth and increasing resources in key departments within the Council, more of these pipeline sites and bringing empty homes back into use could be brought completed within the next three years, helping to deliver our Growth Assets and Municipal Enterprise (GAME) financial targets. More importantly it will increase the desire, offer and availability of housing and more employment opportunities across the city for the benefits of residents, whilst at the same time alleviating benefit dependency.

The Growth & Assets Project is expected to deliver a minimum of **£6.7million** of gross additional benefit per annum at the end of the three year programme at an investment cost of **£720k**. The project therefore produces a net benefit of **£6 million**.

The purpose of this report is to seek cabinet approval for the Growth & Assets full business case.

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### The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The GAME programme as part of Transformation programme, supporting the delivery of the Corporate Plan had its outline business case approved at cabinet on the 23<sup>rd</sup> March 2014.

When the Council adopted its Corporate Plan in July 2013, the role of the Council's transformational change programme was recognised in addressing the financial challenges that the Council will face over the coming years. In September 2013, the Council supported the implementation of a Council wide transformation programme to substantially reduce its operating costs and ensure the maximum possible investment in achieving its objectives. The Council was informed that advice had been sought from Ernst and Young concerning the robustness of its financial estimates for future years and the nature and scale of changes that it would have to make to its structure and delivery arrangements to meet its financial challenges and deliver the Corporate Plan. At the same time, the Council adopted a

longer term approach to addressing the reduction in funding available to the Council, planning for a balanced indicative budget in each of the coming three years. This approach was considered and endorsed by the Co-operative Scrutiny Board at its meetings of 4 September and 16 October 2013.

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

The acceleration of building new homes, bringing empty ones back into use and growing the City commercially will bring in an additional uplift of income per annum of £6.7million gross by 2016/17.

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

**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

The provision of additional adequate housing and new jobs, as well as the associated green spaces for recreation are a key measure to address social issues such as child poverty and community cohesion. The Growth & Asset business plan through acceleration in new homes, many of which will be affordable, and in the social rented housing sector are complementary to addressing social issues. The business plan by creating jobs will reduce dependency on benefits and support health and well-being.

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**Recommendations & Reasons for recommended action:**

This report, and business case are going forward to Cabinet with the following recommendation:

1. Approve the Growth & Asset full business case.

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**Alternative options considered and reasons for recommended action:**

**Do nothing** - this approach would be contrary to the vision for Plymouth set out in the adopted Core Strategy and the spatial and economic strategy for additional homes and employment set out in various adopted Area Action plans and related strategies. Such an approach would also be likely to be inconsistent with the emerging evidence base which is informing the current production of the Plymouth Plan.

**Take a reactive approach to accelerating development** – whilst several city departments have an input into delivering housing and commercial developments through a positive approach to discharging their various statutory functions, this would not provide the necessary impetus to delivering ambitious accelerated housing and commercial targets,

**Taking a proactive approach to accelerating growth** – through a step change transformational approach to accelerating housing and commercial developments the GA business plan preferred approach will achieve financial targets consistent with the City Council Cooperative Corporate Plan and the 3 year budget.

**Background papers:** Growth & Assets Business Case

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**Sign off:**

Fin	<b>28/5/14</b>	Leg	<b>28/5/14</b>	Monitoring officer	<b>28/5/14</b>	SRO	<b>29/5/14</b>				
Originating SMT Member: <b>29/5/14</b>											