

## PLYMOUTH CITY COUNCIL

**Subject:** Growth and Assets Full Business Case  
**Committee:** Cabinet  
**Date:** 17 June 2014  
**Cabinet Member:** Councillor Lowry  
**CMT Member:** Anthony Payne (Strategic Director for Place)  
**Author:** Nigel Gooding, Programme Manager, Growth, Assets & Municipal Enterprise  
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**Ref:** NJG  
**Key Decision:** Yes  
**Part:** I

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### **Purpose of the report:**

The Growth and 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 this extra income will help protect Council revenue budgets across its full range of functions. The aim of the project is to maximise government funding currently available through the incentives of New Homes Bonus, associated increase in Council Tax and retention of National Non Domestic Rates.

By working co-operatively and proactively with partners, developers, stakeholders and citizens the Project 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, including bringing empty homes back into use and delivering affordable homes, could be completed within the next three years, helping to deliver our Growth Assets and Municipal Enterprise (GAME) financial targets. In addition the Project 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 helping to alleviate long-term benefit dependency.

The Growth & Assets Project is expected to deliver a minimum of **£6.7million** of gross additional benefits by the end of the three year programme at an investment cost of **£720,000**. The project therefore produces a net benefit of approximately **£6 million over 3 years**.

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, delivering affordable homes, and growing the commercial floor space of Plymouth, 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. 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 are complementary to addressing the city's wider housing needs. The business plan, by creating jobs, will reduce dependency on benefits and support health and well-being.

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**Equality and Diversity**

Has an Equality Impact Assessment been undertaken?

The housing and commercial growth proposed within this programme reflects the city's overall strategic ambition to grow the city as set out in agreed frameworks (most notably the adopted Plymouth Plan) which have been subject to an EIA. Furthermore, individual projects/proposals that will come forward for delivery under this programme will be subject to individual EIAs as is currently the case.

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**Recommendations and Reasons for recommended action:**

It is recommended that Cabinet approves the Growth and Asset full business case.

**Reason:** To secure the growth and assets project benefits which form part of the Growth, Assets and Municipal Enterprise transformation programme.

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## **Alternative options considered and rejected:**

**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.

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## **Published work / information:**

**Corporate Plan 2013/2014 – 2016/2017**, Report to City Council, 22<sup>nd</sup> July 2013 (Minute 28) .

<http://www.plymouth.gov.uk/mgInternet/documents/s48110/Corporate%20Plan%20Full%20Council%2022.07.13.pdf>

**The Brilliant Cooperative Council Three Year Plan**, Report to Cooperative Scrutiny Board, 4<sup>th</sup> September 2013 (Minute 61).

<http://www.plymouth.gov.uk/mgInternet/documents/s48991/The%20Brilliant%20Cooperative%20Council%20Sustainable%20Three%20Year%20Plan%20Final.pdf>

**The Brilliant Cooperative Council Three Year Plan**, Report to City Council, 16<sup>th</sup> September 2013 (Minute 48).

<http://www.plymouth.gov.uk/mgInternet/documents/s48110/Corporate%20Plan%20Full%20Council%2022.07.13.pdf>

**The Brilliant Cooperative Council Three Year Plan**, Report to Cooperative Scrutiny Board, 16<sup>th</sup> October 2013 (Minute 71).

<http://www.plymouth.gov.uk/modgov?modgovlink=http%3A%2F%2Fwww.plymouth.gov.uk%2FmgInternet%2FieListDocuments.aspx%3FCId%3D1071%26amp%3BMid%3D5544%26amp%3BVer%3D4>

**Scrutiny of The Cooperative Vision with a Three Year Sustainable Balanced Budget**, Report to Cooperative scrutiny Panel, 8<sup>th</sup> January 2014 (Minute 115).

<http://www.plymouth.gov.uk/modgov?modgovlink=http%3A%2F%2Fwww.plymouth.gov.uk%2FmgInternet%2FieListDocuments.aspx%3FCId%3D1071%26amp%3BMid%3D5552%26amp%3BVer%3D4>

**Draft response to the Co-operative Scrutiny Board Recommendations on Delivering the Co-operative Vision within a Three Year Sustainable Balanced Budget**, Report to Cabinet, 11<sup>th</sup> February 2014 (Minute 102).

<http://www.plymouth.gov.uk/mgInternet/documents/s52727/Draft%20response%20to%20the%20Co-operative%20Scrutiny%20Board%20Recommendations%20on%20delivering%20the%20co-operative%20vis.pdf>

**Transformation Programme**, Report to Cabinet 25<sup>th</sup> March 2014 (Minute 126) including GAME Outline Business Case.

<http://www.plymouth.gov.uk/mgInternet/documents/s53610/transformation%20cabinet%20march%202014%20final%20MCv1%202.pdf>

<http://www.plymouth.gov.uk/mgInternet/documents/s53610/transformation%20cabinet%20march%202014%20final%20MCv1%202.pdf>

<http://www.plymouth.gov.uk/mgInternet/documents/s53603/Transformation%20Cabinet%20Report%20Appendix%20VI%200.pdf>

**Transformation Programme - Growth, Asset and Municipal Enterprise (GAME) (Outline Business Case)**, Report to Ambitious Plymouth Scrutiny Panel, 14<sup>th</sup> April 2014 (Minute 63).

<http://www.plymouth.gov.uk/mgInternet/documents/s53979/Transformation%20for%20Ambitious%20Plymouth.pdf>

**Background papers:**

None

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**Sign off:**

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Originating SMT Member Paul Barnard, Assistant Director for Strategic Planning and Infrastructure David Draffan, Assistant Director for Economic Development													
Has the Cabinet Member(s) agreed the contents of the report? Yes													