

PLYMOUTH CITY COUNCIL

Subject: Budget Scrutiny Recommendations & Cabinet Response
Committee: Cabinet
Date: 12 February 2019
Cabinet Member: Councillor Tudor Evans OBE (Leader)
CMT Member: Tracey Lee, Chief Executive
Author: Ross Jago, Senior Governance Advisor
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Ref:
Key Decision: N/A
Part: I

Purpose of the report:

This report sets out the draft response to recommendations made by the Budget Scrutiny Select Committee following its consideration of the indicative budget report.

Corporate Plan:

The Select Committee considered the themes within the Corporate Plan to ensure that proposals within the budget and business delivered against the council vision.

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

Financial and resource implications relating to the responses to individual recommendations will be explored in detail as any related proposals are brought forward.

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

Implications with respect to the above areas relating to the response to individual recommendations will be explored in detail as any related proposals are brought forward.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

That the responses to the recommendations itemised in this report are agreed.

Reason: Cabinet is obliged by the Constitution to take account of recommendations made by the Budget Scrutiny Select Committee.

Alternative options considered and rejected:

Cabinet is obliged by the Constitution to take account of recommendations made by the Budget Scrutiny Select Committee.

Published work / information:

[Budget Scrutiny Papers](#)

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

Fin	akh. 18.1 9.20 3	Leg	ALT/ 3050 8/05	Mon Off		HR		Assets		IT		Strat Proc	
Originating SMT Member – Tracey Lee, Chief Executive													
Has the Cabinet Member(s) agreed the content of the report? Yes (05/02/19)													

1. Context

1.1. On the 30 and 31 January 2019 a Budget Select Committee was convened to consider the draft budget.

1.2. The Committee considered the draft budget report, which was supported by a number of background papers. These included the Corporate Plan, strategic risk register, departmental business plans and associated documents.

FINDINGS

2. Pressure of Increasing Demands and Reduction in Funding

2.1. A major part of local government expenditure is driven by duties and targets imposed by Government. Burdens placed upon Local Government are further exacerbated by the failure of Central Government to determine financial settlements more than a few months before the start of the financial year. The current settlement process provides no security for Local Government over the medium term and hinders the Council's ability to obtain best value and provide market stability in critical sectors as contract negotiations are so often based on annual settlements which are provided toward the end of the financial year.

2.2. In particular the Committee continues to be concerned about underfunding against need in Children's Services. Whilst recognising that exceptional cases have driven up costs and the sound planning undertaken by all service areas is addressing demand, grave concerns remain that estimated future costs due to demographic pressure and increases in demand will not be met by national funding.

2.3. The Committee heard that high needs funding, which supports provision for children and young people with special educational needs and disabilities (SEND), is not meeting the demand from young people and families. The Government must provide new funding to deal with increasing demand and enable local authorities to provide the right support to families who need it most.

2.4. In addition to concerns in respect of Children's Services above, the Committee was distressed to hear that the vital daily care and support provided by the city's Maintained Nursery Schools is at risk if supplementary Government funding ceases after 2019/20.

2.5. The Committee also heard of the devastating impact of cuts to public health grants. The public health funding shortfall in Plymouth is £11 per head below the Government's own needs based target allocation threshold and the grant has seen year on year reductions of £0.405m. This failure to properly fund public health services undermines the early intervention and prevention agenda and leads to additional costs in the all areas of the public service system in the city.

2.6. The Committee expressed its disappointment that, despite operating successfully as a pilot authority in 2018/19 for 100% business rates retention, Plymouth was not selected as a pilot in 2019/20. The Committee agreed that business rates represent a critical element of the funding which assisted in balancing the already stretched Local Government purse.

2.7. The Committee heard of the achievements and ambitious plans for growth in the city but also of the inequity of funding where Plymouth receives £13.20 per head of New Homes Bonus funding, lower than 156 other Local Authorities and half of that available to London Boroughs.

2.8. The select Committee review agreed to recommend to Cabinet -

- a. to continue to demand Central Government provide clarity on a long term, sustainable funding mechanism as we come to the end of the current multi-year deal;
- b. to continue to lobby Government on a cross party basis to highlight severe pressures on local budgets in relation to Children's Services due to unprecedented demand and the escalating costs of placements, Adult Social Care due to the increase in the number of older people with ever increasing complex needs and Public Health due to the ongoing reduction in the grant allocated to Plymouth.
- c. that the council should support the Local Government Association (LGA) view to extend the supplementary funding for Maintained Nursey Schools into 2020/21 to ensure that local authorities are able to maintain service provision. Scrutiny will undertake to work with the Cabinet Member for Education, Skills and Transformation in the new municipal year to provide evidence for submission to the Government when planning the long term future for maintained nursery provision.
- d. that Cabinet work with the Special Interest Group of Municipal Authorities and the LGA and lobby to ensure measures of deprivation are given sufficient weighting within the new consultation on Fair Funding proposals (other than solely population) when establishing the Foundation Formula Allocation for allocation of resources to Plymouth in future Local Government finance settlements.
- e. to urge Government not to change but to improve, the allocation of New Homes Bonus to avoid a detrimental impact to the growth agenda within the city.
- f. that Cabinet regularly monitor the Integrated Fund (Health and Social Care) and the risks related to the delivery of this critical area of spending.

3. Britain's Exit from the European Union

3.1. The Committee heard that despite the deadlock currently being experienced in Parliament, Brexit already has and will continue to impose additional costs on Plymouth City Council.

3.2. As a Port Health Authority the Council is exposed to additional costs that will not be experienced by other Local Authorities. Plymouth is the main port for the South West and is an entry/exit port for 2500 trucks carrying fresh produce, 161,000 tonnes of animal feed which transit through the port annually.

3.3. The Committee heard that announcement of additional funding for Local Government to make Brexit preparations was welcome, however it fell well short of covering our current and anticipated expenditure and the Leader of the Council informed the Committee that the Council was already subject to current and future costs in the region of £700k.

- g. The Committee agreed to recommend to cabinet to demand an increased allocation from the Central Government funding to support preparations for Brexit, highlighting the importance of Plymouth both as a continental port and as one of the top three English fishing ports for both volume and value. The Cabinet is also requested to publish significant actions that will be required from the council for both a deal / no deal scenario.

4. Additional Recommendations

4.1. Infrastructure and connectivity are critical to not only the Plymouth economy but those of neighbouring local authorities in the far south west. Five years after the mainline railway was cut off at Dawlish the select committee agreed –

- h. to recommend that the Leader and Cabinet continue to work with partners to pressure the Government and Network Rail to publish a sustainable solution to the

Dawlish stretch of line, making good on the Prime Minister’s view that this improvement to the South-West’s transport infrastructure is a national priority.

4.2. The Government announced the publication of a Social Care Green Paper in 2017, it was suggested that the Green Paper would ensure that the care and support system is sustainable in the long term. Following two years of delay the Select Committee agreed to recommend –

- i. that Cabinet to join with upper tier local authorities and the LGA to pressure the government into publishing the green paper before the system of social care implodes due to increased demand and the lack of a sustainable funding settlement.

4.3. Plymouth City Council has a legal duty under the Public Health (Control of Diseases) Act 1984 to provide a funeral to anyone who has died within the Plymouth City boundary, including non-residents, where no funeral plan is in place and the next of kin cannot be located or are unwilling to pay. The committee understood that it may be the case that families on low incomes may be forced to decline responsibility over the internment of a loved one because of lack of available funds. The committee agreed –

- j. to request that the Cabinet Member for Customer Focus and Community Safety investigate ways in which those on low incomes can be supported by the Council to provide internments for family members and report back to the relevant scrutiny committee at a future meeting.

The committee also agreed -

- k. To recommend to Cabinet that a significant amount of negative demand through councillor casework enquires and the contact centre could be avoided if repairs and maintenance schedules for street services and highways could be published in a prominent area of the City Council’s website and shared on social media platforms.

5. Cabinet Response to Recommendations

a.	to continue to demand Central Government provide clarity on a long term, sustainable funding mechanism as we come to the end of the current multi-year deal;	Agreed
b.	to continue to lobby Government on a cross party basis to highlight severe pressures on local budgets in relation to Children’s Services due to unprecedented demand and the escalating costs of placements; Adult Social Care due to the increase in the number of older people with ever increasing complex needs; and Public Health due to the ongoing reduction in the grant allocated to Plymouth.	Agreed
c.	that the council should support the Local Government Association (LGA) view to extend the supplementary funding for Maintained Nursey Schools into 2020/21 to ensure that local authorities are able to maintain service provision. Scrutiny will undertake to work with the Cabinet Member for Education, Skills and Transformation in the new municipal year to provide evidence for submission to the Government when planning the long term future for maintained nursery provision.	Agreed

d.	that Cabinet work with the Special Interest Group of Municipal Authorities and the LGA and lobby to ensure measures of deprivation are given sufficient weighting within the new consultation on Fair Funding proposals (other than solely population) when establishing the Foundation Formula Allocation for allocation of resources to Plymouth in future Local Government finance settlements.	Agreed
e.	to urge Government not to change but to improve, the allocation of New Homes Bonus to avoid a detrimental impact to the growth agenda within the city.	Agreed
f.	that Cabinet regularly monitor the Integrated Fund (Health and Social Care) and the risks related to the delivery of this critical area of spending.	Agreed
g.	to recommend to cabinet to demand an increased allocation from the Central Government funding to support preparations for Brexit, highlighting the importance of Plymouth both as a continental port and as one of the top three English fishing ports for both volume and value. The Cabinet is also requested to publish significant actions that will be required from the council for both a deal / no deal scenario.	Agreed
h.	to recommend that the Leader and Cabinet continue to work with partners to pressure the Government and Network Rail to publish a sustainable solution to the Dawlish stretch of line, making good on the Prime Minister's view that this improvement to the South-West's transport infrastructure is a national priority.	Agreed
i.	that Cabinet to join with upper tier local authorities and the LGA to pressure the government into publishing the green paper before the system of social care implodes due to increased demand and the lack of a sustainable funding settlement.	Agreed
j.	to request that the Cabinet Member for Customer Focus and Community Safety investigate ways in which those on low incomes can be supported by the Council to provide internments for family members and report back to the relevant scrutiny committee at a future meeting.	Agreed , subject to further investigation, and will be reported back to a future meeting of the relevant Scrutiny Committee.
k.	to recommend to Cabinet that a significant amount of negative demand through councillor casework enquires and the contact centre could be avoided if repairs and maintenance schedules for street services and highways could be published in a prominent area of the City Council's website and shared on social media platforms.	Agreed , subject to further investigation, and will be reported back to a future meeting of the relevant Scrutiny Committee.