



Democratic and Member Support

Chief Executive's Department
Plymouth City Council
Ballard House
Plymouth PL1 3BJ

Please ask for Democratic Advisor
T 01752 304001
E democraticsupport@plymouth.gov.uk
www.plymouth.gov.uk/democracy
Published 11/01/21

SELECT COMMITTEE REVIEW – BUDGET SUPPLEMENT PACK

Monday 18 and 19 January 2021
9.00 am
Virtual Meeting

Members:

Councillors Mrs Aspinall, Mrs Beer, Corvid, Drean, James, Jordan, Murphy, Vincent and Winter.

Members are invited to attend the above meeting to consider the items of business overleaf.

For further information on webcasting, attending Council meetings and how to engage in the democratic process please follow this link <http://www.plymouth.gov.uk/accesstomeetings>

Tracey Lee

Chief Executive

Select Committee Review

- 6. Draft Budget 2021/22 and Background reading (reports for reference) (Pages 1 - 354)**

Select Committee Review

Budget Scrutiny



Date of meeting:	18 and 19 January 2021
Title of Report:	Background Information Papers
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	Andrew Loton (Head of Governance, Performance and Risk)
Contact Email:	Andrew.loton@Plymouth.gov.uk
Your Reference:	ALBS110122
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The purpose of this report is to provide a number of background information papers to inform discussions at Budget Scrutiny. Most of the reports have been considered previously by other Council Committees such as Cabinet or Audit and Governance Committee. The reports included are:

- **Draft Budget 2021/22**
This report sets out the latest information available in respect of the 2021/22 budget. The budget complements the overarching vision, values and priorities set out in the Council's Corporate Plan.
- **Draft Budget 2021/22 Equalities Impact Assessment**
This draft equality impact assessment and associated briefing has been drafted to help ensure that we the organisation is giving due regard to equality considerations through the setting of our budget
- **Council Tax Base Setting and Council Tax Support Scheme**
Provides the 2021/22 Council Tax base and Council Tax Support Scheme details in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.
- **Revenue Monitoring Position November 2020**
The revenue finance monitoring position of the Council November 2020
- **Treasury Management Strategy**
This report sets out the Treasury Management Strategy for 2021/22 and includes the Annual Investment Strategy, the Non-Treasury Management Investment Strategy and the Minimum Revenue Provision Statement.
- **Capital Programme Summary**
This report sets out the Capital Financing Strategy for 2021/22 and is a requirement of The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services.
- **Revenue and Capital Budget Monitoring Report 2020/21 Q2**
Outlines the capital and revenue finance monitoring position of the Council as at the end of September 2020. Sets out the capital budget 2020-25, taking into account changes to the capital programme and adjustments to income assumptions as a result of the pandemic.
- **Budget Scrutiny 2019/20 Recs**
Provides the Budget Scrutiny recommendations from the 19/20 budget scrutiny process and gives an overview of actions taken.
- **Corporate plan**
The Corporate Plan outlines the strategic direction of the council for the next four years (2018-2022).

- **Performance reports**

This is the Corporate Plan Performance report that details how the Council is performing against its priority performance indicators that were agreed at the inception of the Corporate Plan.

- **Strategic Risk Register**

Provides the Strategic Risks showing the current status of each risk and the movement in risk score, together with four new risks identified as a result of Covid-19.

- **Operational risks (red)**

This report now outlines the continuing progress being made across Services in delivering Operational Risk and Opportunity Registers in line with the Council's shared vision and priorities.

- **Workforce Report**

Provides analysis of workforce and sickness levels to ensure oversight on spend, trends and forecasting future spend to inform business needs.

- **Brexit papers (November Cabinet and December BILCO papers)**

To outline the work completed by the BILCO Committee in identifying the economic impact of Brexit and to ensure that research is undertaken and made available to the public as set out in the Council's Pledge 11. To highlight the current preparedness of the City's business sector for the end of the Brexit transition period.

- **Climate Emergency Action Plan**

The report introduces the Climate Emergency Action Plan for 2021 and the planned specific actions to address climate change issues during 2021.

- **Corporate Carbon Reduction Plan**

Corporate Carbon Reduction Plan contains 24 actions, to be delivered within existing budgets and through existing staff resources by December 2021

Recommendations and Reasons

The Committee is invited to consider and discuss any relevant aspects of the reports included to inform discussion, debate and constructive challenge during the Budget scrutiny sessions.

Alternative options considered and rejected

Not applicable – briefing report

Relevance to the Corporate Plan and/or the Plymouth Plan

Budget Scrutiny, and therefore the supporting documentation to the Select Committee, supports setting of the Council budget which is required to undertake all aspects of the Corporate Plan.

Implications for the Medium Term Financial Plan and Resource Implications:

None directly arising – briefing report.

Carbon Footprint (Environmental) Implications:

None directly arising.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

None.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
1.	Draft Budget 2021/22							
2.	Budget 2021/22 Draft EIA							
3.	Council Tax Base Setting 2021/22							
4.	Council Tax Support Scheme 2021/22							
5.	Revenue Position November 2020							
6.	Treasury Management Strategy							
7.	Capital Financing Strategy							
8.	Capital & Revenue Report 20/21 – Quarter 2							
9.	Budget Scrutiny 2019/20 Recommendation							
10.	Corporate plan							
11.	Performance reports							
12.	Strategic Risk Register							
13.	Operational risks (red)							
14.	Workforce Report							
15.	Brexit Reports from Scrutiny and Cabinet							
16.	Climate Emergency Action Plan							
17.	Corporate Carbon Reduction Plan							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)
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		If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
		1	2	3	4	5	6	7

Sign off:

Fin	djn.2 0.21. 190	Leg	lt/622 25/16 1220	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 16/12/2020											
Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance)											
Date approved: 16/12/2020											

Cabinet



Date of meeting: 12 January 2021
Title of Report: **Budget 2021/22 – Draft Budget**
Lead Member: Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director: Brendan Arnold (Service Director for Finance & S151 Officer)
Author: David Northey (Head of Integrated Finance)
Contact Email: David.northey@plymouth.gov.uk
Your Reference: PL/Bud/2021/2022
Key Decision: No
Confidentiality: Part I - Official

Purpose of Report

To provide an update on progress on the development of the 2021/22 budget.

Under the Council's Constitution, Cabinet is required to recommend the 2021/22 Budget to Council. This report sets out the latest information available for the 9 February 2021 Cabinet to enable Cabinet to consider what recommendations to make to Council in respect of the 2021/22 budget. The budget complements the overarching vision, values and priorities set out in the Council's Corporate Plan.

The draft budget has been prepared during a period of national uncertainty arising from the COVID-19 pandemic, and before the country moved into the current national lockdown. The Council was quick in its initial response to the pandemic and learned how agile it could be in adapting quickly to changing circumstances with strong political and managerial leadership and established patterns of partnership working.

The Cabinet endorsed the reset framework at Appendix 6 in May 2020, which set out six priority areas of focus for renewal and recovery, and which best summarise the areas of focus for our strategic narrative.

This budget builds on those priorities

Recommendations and Reasons

Cabinet are recommended to:

1. Note this report is based on the Provisional Settlement and subject to change in line with any Final Settlement adjustments
2. Recommend the savings options as set out in Appendix 3 to Budget Scrutiny for review;
3. Recommend the use of limited local resources including a limited use of reserves;
4. Consider the level of council tax and adult social care precept to be applied for 2021/22.

Alternative options considered and rejected

The approval of Council's budget is a statutory requirement so there are no alternative options.

Relevance to the Corporate Plan and/or the Plymouth Plan

The development and approval of the annual budget and the Medium Term Financial Plan (MTFP) is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

The resource implications are set out in the body of the report.

Carbon Footprint (Environmental) Implications:

The budget proposals are cognisant of the key implications and issues as set out within the Corporate Carbon Reduction Plan and the Climate Emergency Declaration as approved by Council on 16 December 2019. Budget provision has been made as part of the proposals for 2021/22 and future years.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. The ability to deliver spending plans is paramount to ensuring the Council can achieve its objectives to be a Pioneering, Growing, Caring and Confident City.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
1	Additional Expenditure							
2	COVID Costs							
3	Savings Proposals							
4	Draft 2021/22 Plymouth City Council General Fund Budget							
5	Plymouth's COVID-19 recovery and renewal framework priorities							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

Fin	ba.20. 21.21 3	Leg	It/35 926/ 0401 20	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 08/01/2021											
Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance) approved by email.											
Date approved: 11/01/2021											

Introduction

- 1.1 The preparation of the budget and the Medium Term Financial Plan will always present challenges for local authorities. In recent years the background of political uncertainty and the ongoing Brexit negotiations have impacted upon local government. Delays to the comprehensive three year funding settlement and the Fair Funding Review have resulted in a period of limited direction from central government and the inability for local government to plan in detail at this stage beyond a one year planning horizon.
- 1.2 The impact of the COVID-19 Pandemic has created a further layer of complexity for local government and uncertainty with regard to funding. Local authorities have risen to the challenge to ensure vital services have been maintained, grants allocated to local businesses and financial support provided to the most vulnerable members of our society.
- 1.3 The Council was quick in its initial response to the pandemic and learned how agile it could be in adapting quickly to changing circumstances with strong political and managerial leadership and established patterns of partnership working. The Cabinet endorsed the Reset framework in May 2020, which set out six priority areas of focus for renewal and recovery. These are set out in Appendix 5 and summarise the areas of focus for our strategic planning and delivery.

- 1.4 It is inevitable that recent events have had an impact of the council's resources and expenditure and this will continue for some time yet. One of the key challenges will be understanding and monitoring the financial impact, in particular the impact upon the resources Plymouth will receive from its main sources of income i.e. Council Tax and Business Rates.
- 1.5 The Government published its Spending Review on 17 December 2020 and this set out some headlines for local government. It also confirmed that, once again, local government would only receive a one year funding settlement for 2021/22.
- 1.6 This report sets out the main financial information from the Provisional Settlement, announced on 17 December 2020. Due to the lateness of the announcement the Provisional Settlement will continue to be reviewed and any further updates will be provided to Cabinet at its meeting on 9 February 2021.
- 1.7 This report will form part of the key budget papers that will be made available to the Scrutiny Select Committee which is meeting on 18 and 19 January 2021. These include:
 - The draft 2021/22 Budget by service;
 - A list of savings proposals;
 - Treasury Management Strategy as approved by Audit Committee on 30 November 2020;
 - Capital Strategy as approved by Audit Committee on 30 November 2020.

2. Provisional Local Government Finance Settlement

- 2.1 The late timing of the announcement has not been helpful with regard to preparing the Council's budget. At the time of writing this report the Provisional Settlement confirmed the key announcements made as part of the Spending Review in September 2020.
- 2.2 The details from the Provisional Settlement (where received) have been incorporated within the planning assumptions below, however further analysis is being undertaken to ensure that the final budget proposals can be delivered with no detriment to the Council's overall financial position. At the time of writing this report the council was still awaiting formal notification of some grants; these will be reported as soon as confirmed by government.

A summary of the key headlines from the Provisional Settlement are outlined below:

- The Government's announcement states core spending on local services has the potential to increase by £2.2 billion in 2020/21 which is an increase of 4.5%. This includes the assumption that where relevant, all local authorities will increase their Council Tax by the maximum 1.99%; the Adult Social Care precept will be maximised at the 3% cap for 2021/22. Given that for Plymouth over 90% of our core resources of council tax and business rates are locally generated, this headline 4.5% includes the assumed additional burden on Plymouth residents and businesses.
- Additional resources have been allocated to meet COVID-19 costs; new funding for adult and children's social care and for councils with responsibility for services such as homelessness, planning, recycling and refuse collection will help meet cost and demand pressures next year.
- The Provisional Settlement did not include details of the Public Health Grant which is essential as local government continues to be at the forefront in responding to the Pandemic. This is expected later in 2021.

- Changes have been made to New Homes Bonus resulting in lower allocations. The Government intends to consult on a new scheme for 2022/23. The Council's allocation is reduced by £1.802m from the 2020/21 allocation.
- The Government has once again delayed major reforms to the system of local government finance i.e. Fair Funding and Business Rates reform.
- As part of a package of support to local authorities in England for COVID-19 pressures in 2021/22, the Government confirmed allocations of the £1.55 billion of unringfenced funding. This was previously announced as part of the Spending Review. For planning purposes at this stage it is reasonable to assume that there will be no further allocations. Plymouth City Council's allocation is confirmed as £7.854m
- The Government outlined the scope of a scheme to compensate for 75% of irrecoverable 2020/21 business rates and council tax losses.
- The Government confirmed the Income Compensation Scheme will continue up until the end of June 2021.
- The Government is consulting on how it intends to distribute £670 million to support households least able to afford council tax payments in 2021/22 based on the proportion of working-age local council tax support caseload.
- As expected the Better Care Fund will continue but disappointingly has been frozen.
- The Government announced a new £111 million 'lower tier services' grant. Included in this report is Plymouth's allocation of £0.398m.
- The Government announced a £254m grant for homelessness and rough sleeping. Plymouth's total allocation is £1.004m.
- There will be a new domestic abuse grant, to support implementation of the Domestic Abuse Act 2020. Specific allocations have not been announced.

3 Budget Planning Assumptions – Income

Council tax

- 3.1 The council tax base for 2021/22 has been set at 73,115 properties, a decrease of 1,488 on 2020/21 which is due to lower growth in new homes and an increase in council tax support claimants resulting from the COVID-19 pandemic. The council tax base for 2021/22 is included within this Cabinet agenda and will be presented to Council on 25 January 2021 for approval. The average band D council tax base is set out in the table below.

Council Tax Base (Band D Properties)	
2020/21	74,603
New Homes Growth	250
Council Tax Support Claimants	(1,209)
Collection Rate Reduction	(372)
Lower 2020/21 forecast	(157)
2021/22	73,115

- 3.2 The fall in the council tax base for 2021/22 primarily reflects the impact of an increased number of local residents who are claiming council tax support due to the current economic climate which has arisen from COVID-19. This has resulted in a £1.9m reduction in council tax income. The collection rate is also assumed to fall next year due to the Pandemic and subsequent economic downturn. This results in a £0.6m reduction.
- 3.3 As set out above, the Provisional Settlement set the council tax referendum limit at 1.99% and an adult social care precept of 3.0%. As part of developing the 2021/22 budget, Cabinet are recommended to consider adopting a 1.99% increase for Council Tax and a 3.00% level of ASC precept in order to present a balanced budget. These increases would provide an additional £2.291m in council tax and £3.454m adult social care precept; a total of £5.745m. The Government have assumed we will maximise this when referencing Council's Core Spending Power.

Business Rates

- 3.4 The impact of COVID-19 has had a significant impact upon the business rates income that Plymouth will receive. This is a national picture and reflects the impact across the retail and hospitality sector due to COVID-19. Business Rates income is forecast to fall by £2.3m in 2021/22 from the current £65.403m to a revised £63.095m. This is due to a reduction in the number of properties eligible for paying Business Rates, particularly in retail and commerce.

Revenue Support Grant (RSG)

- 3.5 As part of the Spending Review, it was confirmed that there would only be a one year funding Settlement and the Fair Funding review and move to 75% Business Rates Retention will not take place in time for the 2021/22 budget. This reflects past and ongoing uncertainty as to when these initiatives will be taken forward by Government. Therefore the 2020/21 RSG settlement has been rolled forward and uplifted for inflation. This was confirmed in the provisional settlement. The amount of RSG for Plymouth will be £9.742m in 2021/22, a £0.054m increase on 2020/21.

New Homes Bonus

- 3.6 The allocation for new homes bonus payment in 2021/22 is £1.621m. This is £1.802m less than the grant paid in 2020/21 and is due to a lower numbers of new homes and a removal of the prior years' payment.

Public Health Grant

- 3.7 The Public Health grant is another key source of income and is used to improve the health of the population, and in particular to tackle large differences in health outcomes that we see between local areas. At the time of writing this report the 2021/22 grant has yet to be advised. However, this has no impact on the bottom line as the expenditure matches the funding available.

4. Resources Summary

- 4.1 In addition to the resources referred to above the council receives a range of other "one off" specific grants. These include Better Care Fund grant and social care grant, and others which from part of the local government finance settlement announcement.

- 4.2 The maximum amount of key resources that could be available to the council are summarised below. The council tax income reflects the possible maximum 1.99% increase in council tax and 3% increase in the Adult Social Care precept. However, at this stage it should be noted that no increase in council tax has been assumed. The total Unringfenced resources available with and without the increases are set out below with a comparison to the current year.

Unringfenced Resources	2020/21	Without increases	With increases
	£m	2021/22 £m	2021/22 £m
Council Tax	118.586	115.704	121.449
Business Rates	65.403	63.010	63.010
RSG	9.688	9.742	9.742
Total	193.677	188.456	194.201

5 Spending Assumptions

- 5.1 Spending departments will absorb all increased costs arising from inflation.
- 5.2 The additional costs within the budget plans for 2021/22 are detailed in Appendix 1. These include significant cost and volume increases for Adults' and Children's services. The impact of COVID-19 related costs has been separately identified in Appendix 2.
- 5.3 The Council is committed to the National Living Wage and ensuring our care providers receive the necessary funding. This, together with additional demand and complexity within our adult social care services see a year- on year increase in the cost of providing care for the most vulnerable. Meeting the costs of care requires ongoing and increasing investment.
- 5.4 The City has an ambitious capital investment programme which supports the local economy and the revenue implications of this investment are included within the budget plans, with an additional £1.485m added in 2021/22.
- 5.5 The Government has announced a pay freeze for public sector workers outside of the NHS. There is separate negotiating machinery for local government workers nationally and it is presently assumed that the usual negotiations on pay will continue through these channels in respect of 2021.
- 5.6 A significant proportion of our revenue budget (over 70%) is spent on two main areas; adult social care services and children's social care provision. Nationally and locally the costs of providing health and wellbeing services are rising as demand and complexity increases. We have an ageing population and higher levels of young children requiring our services.
- 5.7 Following the Spending Review, we have been able to adjust our adult social care cost forecast by £2.0m against the original estimates.

- 5.8 Nationally there has been significant pressures within Children's Services. A combination of increased numbers and increasingly complex cases has meant costs have been rising beyond the existing budget provision.
- 5.9 A summary of the net additional cost pressures identified totalling £10.313m is shown in Appendix I.

6. COVID

- 6.1 Cost pressures arising from the COVID-19 pandemic of £9.604m have been included in this budget. These have been funded from a mixture of Government grants and management actions. These are made up of those that have been confirmed as part of the settlement announcement and those that are estimates. The details are included in appendix 2.

7. Settlement impact and Savings Plans

- 7.1 Prior to receipt of the provisional settlement and spending review announcement our modelling had shown a budget gap of £14.063m. The table below shows the movements which are shown in detail throughout the report to the current gap of £7.112m. This includes reversing the working assumption on council tax and precept in order to present the true funding gap.

	2021/22 £m
	FORECAST
Estimated gap before Provisional Settlement	14.063
Council Tax assumed at 1.99% & 2.00%	4.594
RSG Settlement	0.032
Business Rates Top Up adjustment	0.298
Provision for pay award moved to set-aside provision	(1.230)
New Homes Bonus reduction	0.721
Lower Tier Grant	(0.398)
Social Care Grant	(2.076)
Spending Review impact on Adult Social Care forecast	(2.000)
New Savings Plans	(6.792)
Fees and Charges	(0.100)
Current Reported Gap	7.112

- 7.2 As in previous years, the additional resources available to fund the budget for 2021/22 are insufficient to cover the base budget plus the additional costs. Therefore a range of savings is required. An analysis of savings plans by directorate and individual plans and income plans are set out below. Individual savings templates are being developed as supporting information for each saving and will be available as part of the Scrutiny meetings later this month.
- 7.3 Cabinet Members and Officers have worked to identify these savings proposals to offset these increased budget pressures which are an inevitable consequence of the ongoing reduction to funding and increased costs for Plymouth.

Savings, Income Generation and Grant Income

- 7.4 We have identified savings, income generation and grants of £1.630m which includes savings previously identified plus the impact of the Provisional Settlement.

Net Savings, Income Generation, Grant Income	2021/22 £m
Previously Identified – PFI adjustment	(0.750)
Asset Investment Fund	(0.100)
Fees and Charges	(0.108)
New Homes Bonus (drop in income)	1.802
Additional Social Care Grant 2021/22	(2.076)
New Lower Tier Grant 2021/22	(0.398)
Total Net Savings, Income Generation, Grant Income	(1.630)

- 7.5 In addition, we have identified a further £6.792m of proposed savings, which require approval by Cabinet Full details of these new savings are shown in Appendix 3.

Proposed Savings	2021/22 £m
Adults	(1.675)
Children	(1.540)
Corporate (including Finance and Chief Executive Office)	(2.422)
Place	(0.890)
Corporate items	(0.265)
Total Proposed Savings for Cabinet approval	(6.792)

8. Summary Budget Position

- 8.1 A summary of the overall budget position before any Council Tax increase is made is shown below taking into account the estimated resources available to the council, increased costs pressures and identified savings to address the funding gap.

	Draft Budget 2021/22 £m
REVENUE RESOURCES AVAILABLE	188.456
Baseline spend requirement (2020/21 net budget)	193.677
Plus identified additional costs	10.313
Overall spend requirement	203.990
Less: Net Savings, Income Generation, Grant Income	(1.630)
Less: New proposed savings for Cabinet approval	(6.792)
REVISED SPENDING FOR YEAR	195.568
Budget Gap	7.112

9. Conclusion

- 9.1 Due largely to the late distribution of the local government finance settlement the work to finalise the budget for 2021/22 is ongoing. Officers are continuing to work on the outcome of the Provisional Settlement. A full report including final options to balance the budget will be considered by Cabinet on 9 February 2021.
- 9.2 This report sets out a budget gap of £7.112m. However, this is after a number of assumptions and recommendations which need to be considered by Cabinet.
- 9.4 To get to the current position, officers have:
- Incorporated the impact of the Provisional Settlement where known;
 - Reflected the impact of the Spending Review announcements for 2021/22 costs;
 - Acknowledged the Government's commitment to a pay freeze for public sector employees. Any increase approved by the Local Government Association will be funded from a set-aside reserve;
 - Included a mix of departmental savings and income increases together with grant maximisation schemes of £1.630m.
 - Proposed additional savings requiring Cabinet approval £6.792m.
- 9.5 Officers have not made an assumption for the level of council tax increase or adult social care precept for 2021/22. This is a member decision and subject to Cabinet recommendation to Full Council.

10. Recommendations

Cabinet are asked to:

1. Note this report is based on the Provisional Settlement and subject to change in line with any Final Settlement adjustments
2. Recommend the savings options as set out in Appendix 3 to Budget Scrutiny for review;
3. Recommend the use of limited local resources including a limited use of reserves;
4. Consider the level of council tax and adult social care precept to be applied for 2021/22.

If these recommendations are adopted the draft budget can be balanced pending arrival of the final settlement in late January when the budget proposals can be finalised and submitted to Cabinet on the 9th February 2021.

Appendix I**Additional Expenditure**

Net Additional Costs	2021/22 £m
Adult Social Care – Additional Costs	3.037
Children, Young Persons and Families (CYP&F) – Additional costs	2.101
Oceansgate & Mayflower projects – reversal of one-off for 2020/21	(0.968)
Street Services department review	0.668
City Business Park – loss of rent	0.300
Reset underlying savings targets	3.110
Transformation Resource – reduction in base budget	(0.400)
Housing Benefit	1.000
Reduction in Registration Income	0.080
Financing the Approved Capital Programme	1.485
Reserves Adjustment - reversal of one-off for 2020/21	(0.100)
Net Additional Costs Total	10.313

Appendix 2

COVID-19 COSTS

COVID	2021/22 £m
Costs	
ODPH Directorate - Test & Trace	0.250
Homelessness	0.600
CYP&F additional social workers	0.385
CYP&F Covid related	2.919
Leisure	0.750
Loss of car park income	1.500
Loss of commercial rent income	3.000
Housing Benefit	0.200
Total Costs	9.604
Grant Income	
Additional COVID Grant	(7.854)
Additional COVID Grant (to be confirmed)	(0.510)
Homelessness Grant	(0.270)
Lost Income - Income Compensation Scheme (Estimate)	(0.720)
Funded from Carry forward grant income	(0.250)
Total Grant Income	(9.604)
Net COVID Costs	0.000

Savings Proposals

New Savings	2021/22 Budget Saving
Customer & Corporate Services, Finance & Chief Executive	
Discretionary spending and management actions	(0.872)
Maximise benefits from Plymouth family of companies	(1.000)
Facilities Management Review	(0.550)
	(2.422)
People	
Care Package Reviews	(0.775)
Direct Payments Reviews	(0.250)
Increase Charging Income	(0.100)
Commissioning Contracts	(0.250)
Maximise Grant Income and Management actions	(0.300)
	(1.675)
Children	
Step Up Education Participation and Skills Redesign	(0.370)
In House Fostering	(0.670)
Step Up Adolescent Support	(0.500)
	(1.540)
Place	
Asset Investment Fund	(0.400)
Fees & charges and management actions	(0.157)
Waste & Street Services Commercialisation	(0.333)
	(0.890)
Corporate	
Schools PFI contract	(0.265)
	(0.265)
Total Savings Proposals	(6.792)

Draft 2021/22 Plymouth City Council General Fund Budget

Appendix 4

2021/22 Plymouth City Council General Fund Budget

Directorate	Department	Budget 2020/21			Budget 2021/22					
		Expenditure	Income	Net budget 2020/21	Cost Increases	Total Expenditure	Proposed Savings	Additional Income and Grants	Total Income	Net budget 2021/22
Executive Office	Chief Executives Office	1.422	(0.135)	1.287	0.000	1.422	(0.100)	0.000	(0.235)	1.187
	Business Support	0.428	(0.010)	0.419	0.000	0.428	0.000	0.000	(0.010)	0.419
	Electoral Function	0.779	(0.019)	0.759	0.000	0.779	0.000	0.000	(0.019)	0.759
	Members	1.402	0.000	1.402	0.000	1.402	0.000	0.000	0.000	1.402
	Legal	1.770	(0.326)	1.444	0.189	1.959	0.000	0.000	(0.326)	1.633
	Executive Office Total	5.801	(0.490)	5.311	0.189	5.990	(0.100)	0.000	(0.590)	5.400
People	Children, Young People, Families	47.193	(4.863)	42.329	2.801	49.994	(1.540)	0.000	(6.403)	43.590
	Jt Comm & Adult Social Care	119.104	(33.412)	85.691	3.037	122.141	(1.575)	0.000	(34.987)	87.153
	Education Participation Skills	101.073	(91.804)	9.269	0.000	101.073	0.000	0.000	(91.804)	9.269
	Community Connections	5.048	(2.298)	2.750	0.000	5.048	(0.100)	0.000	(2.398)	2.650
	Management and Support People	0.212	0.000	0.212	0.000	0.212	0.000	0.000	0.000	0.212
	People Total	272.630	(132.377)	140.252	5.838	278.468	(3.215)	0.000	(135.592)	142.875
Public Health	Public Health	15.540	(15.540)	0.000	0.000	15.540	0.000	0.000	(15.540)	0.000
	Operational and Development	0.091	(0.008)	0.083	0.000	0.091	0.000	0.000	(0.008)	0.083
	Trading Standards	0.433	(0.026)	0.407	0.000	0.433	0.000	0.000	(0.026)	0.407
	Environ Health (Food & Safety)	0.424	(0.044)	0.380	0.000	0.424	0.000	0.000	(0.044)	0.380
	Bereavement Services	1.498	(3.294)	(1.796)	0.000	1.498	0.000	0.000	(3.294)	(1.796)
	Licensing	0.323	(0.399)	(0.076)	0.000	0.323	0.000	0.000	(0.399)	(0.076)
	Environmental Protection	0.676	(0.351)	0.325	0.000	0.676	0.000	(0.008)	(0.359)	0.317
	Civil Protection Unit	0.202	(0.034)	0.168	0.000	0.202	0.000	0.000	(0.034)	0.168
	Public Health Total	19.188	(19.697)	(0.509)	0.000	19.188	0.000	(0.008)	(19.705)	(0.517)
Place	Economic Development	21.351	(21.819)	(0.468)	0.000	21.351	(0.400)	(0.100)	(22.319)	(0.968)
	Strategic Planning	15.917	(6.290)	9.627	0.026	15.943	(0.080)	0.000	(6.370)	9.573
	Street Services	45.894	(28.394)	17.501	0.788	46.682	(0.410)	0.000	(28.804)	17.879
	Management and Support	0.327	(3.498)	(3.171)	0.000	0.327	0.000	1.802	(1.696)	(1.369)
	Place Total	83.489	(60.001)	23.488	0.814	84.303	(0.890)	1.702	(59.189)	25.114
Finance	Finance	18.243	(3.132)	15.111	1.485	19.728	(0.066)	(0.750)	(3.948)	15.780
Customer and Corporate Service	Customer Services	64.351	(64.158)	0.193	1.080	65.431	(0.090)	0.000	(64.248)	1.183
	Human Resources & OD	14.835	(2.803)	12.032	0.000	14.835	(0.500)	0.000	(3.303)	11.532
	ICT	9.807	(0.392)	9.415	0.000	9.807	(0.874)	0.000	(1.266)	8.541
	Departmental Management	(0.253)	0.000	(0.253)	0.000	(0.253)	(0.792)	0.000	(0.792)	(1.045)
	Transformation	9.193	(0.078)	9.115	(0.400)	8.793	0.000	0.000	(0.078)	8.715
	Customer and Corporate Service Total	116.175	(70.563)	45.613	2.165	118.340	(2.322)	(0.750)	(73.635)	44.706
Corporate Items	Corporate Items	6.350	(26.827)	(20.477)	1.307	7.657	(0.265)	(2.574)	(29.666)	(22.009)
Grand Total		503.632	(309.955)	193.677	10.313	513.945	(6.792)			
									Total Resources Available	(188.456)
									Budget Gap	7.112

Appendix 5**Plymouth's COVID-19 recovery and renewal framework priorities**

Priority Area	Key elements
Restating the Council's vision and values	<p>Carry a special urgency given the impact of the pandemic:</p> <ul style="list-style-type: none"> • A City to be proud of • One of Europe's most vibrant cities where an outstanding quality of life is enjoyed by everyone • Making Plymouth a fairer city where everyone does their bit • Democratic, responsible, fair and co-operative • A growing city and a caring council • How we will deliver
Managing the Council's finances	<p>Unprecedented impacts on income, demand for services and the local and national economy – a sound financial footing is a prerequisite for delivering the rest of our programmes and messaging about making and sticking to tough decisions and existing plans, delivering efficiencies and understanding each other's challenges across directorates is important. The importance of financial management and planning need to underpin all of the priority areas</p>
Resurgam: supporting the economy	<p>How the city responds to the recession will impact us for years to come – it's important that everyone understands the importance of delivering key infrastructure and cultural projects, sector based recovery priorities, buying local and plans for jobs and homes</p>
<p>Minimising inequalities and supporting individuals and communities:</p> <ul style="list-style-type: none"> • Caring for Plymouth • Supporting children • Building community resilience 	<p>Acknowledgement of the impacts of the pandemic on existing inequalities in the city: for children, vulnerable adults, those in care homes, educational attainment, and broader health outcomes. Retaining and developing what we have learned about working with communities and the VCS, and remembering 'the wedge' – that services and support for communities spans general support and joint working with individuals, prevention and resilience all the way through to acute focussed support</p>
<p>The Way We Work:</p> <ul style="list-style-type: none"> • People Strategy • Business Support • Accommodation • Digital approaches to organisational and service delivery • Customer engagement 	<p>Adopted in March 2020 and focussed around attracting and keeping the right people (employer of choice), being well led, supporting inclusivity and diversity, promoting wellbeing, and aspiring to be the best</p> <p>Joining up and aligning services, sharing resources, setting consistent standards and developing skills</p> <p>Rationalising our estate and recognising changes in working practices, financial and environmental drivers for change</p> <p>Embrace and promote new digital approaches, lead by example in using new systems</p> <p>More than the digital agenda – includes getting the basics right, understanding customer needs, aligning services, rationalising 'front doors' and having a coherent and visible approach to engagement and community resilience</p>
Responding to the climate emergency	<ul style="list-style-type: none"> • Engagement and behaviour change • Waste minimisation and recycling • Buildings: reducing emissions • Travel and transport • Renewable energy

BUDGET 2021/22 DRAFT EIA

Policy and Intelligence Team

**INTRODUCTION**

- This draft equality impact assessment and associated briefing has been drafted to help ensure that the organisation is giving due regard to equality considerations through the setting of our budget.
- Between September and November 2020 the organisation undertook a review of our organisational practices relating to equality and diversity. In December 2020 a paper provided Cabinet with a summary of the findings from the equality review.
- Our equality review found that the organisation is committed to equality and diversity but that further work is required to fully mainstream equality and diversity across the organisation. Specifically, the Equality Review found that further work is required to ensure the timely and appropriate completion of equality impact assessments (EIA).
- As an organisation we are keen to embed the learning from our equality review and ensure that we provide timely EIAs and that 'due regard' is given to budget decisions.

BACKGROUND

- The Equality Act 2010 harmonised and replaced pre-existing equality legislation and extended statutory protection across nine 'protected characteristics'. It recognised forms of discrimination that were previously beyond the scope of legislation and introduced the concept of the Public Sector Equality Duty (PSED).
- The protected characteristics include; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- The PSED placed specific responsibilities on public sector organisations to consider equality in their decision making. It consists of a general equality duty, supported by specific duties which are imposed by secondary legislation. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct.
 - Advance equality of opportunity between people who share a protected characteristic, and those who do not.
 - Promote good relations between people who share a protected characteristic and those who do not.

METHODOLOGY

- The draft budget EIA was developed through identifying several budget proposals within the CMT budget savings paper which have potential equality impacts.
- Individual budget decisions will be individually equality impact assessed in accordance with usual policy and practice – this is key to ensuring that 'due regard' is given to equality considerations.

- Several budget proposals (grouped by directorate) have been identified as having potential equality impacts (see EIA template below).
- The development of this EIA template was planned to include consultation with the newly formed Corporate Equality Group, however due to COVID pressures this was not possible.
- Having identified some potential equalities impacts our next steps will be to work with departments to identify appropriate mitigations. This will involve looking at evidence and considering the effect of proposals on the whole community.

Draft

STAGE 1: WHAT IS BEING ASSESSED AND BY WHOM?

What is being assessed - including a brief description of aims and objectives?

OVERVIEW

In February the Council's annual budget for 2021/22 is being presented to Cabinet for approval and then to Full Council. The budget sets out the plans to deliver a balanced budget.

The budget presents these changes through a number of proposals. Equality Impact Assessments will be completed for all individual policy changes as they are developed in accordance with our normal criteria.

The following budget proposals have been identified as having potential equality impacts:

PEOPLE

- Care Package Review Programme
- Stretch target for Direct Payment clawbacks
- Review Fairer Charging Policy
- Savings on Commissioned Contracts
- Homelessness Prevention Plan

CUSTOMER AND CORPORATE SERVICES

- Departmental Management – Stationery
- Departmental Management – HROD – FM
- Cross cutting establishment savings
- HR & OD – Training

CHILDRENS

- Adolescent Support Team
- Fostering Service
- School Transport
- Education, Participation and Skills
- Review of SEND

	<p>STREET SERVICES</p> <ul style="list-style-type: none"> Street Services - Bulky Waste Collection Service <p>CROSS DEPARTMENT</p> <ul style="list-style-type: none"> Fees and charges <p>Council Tax</p> <p>Analysis of the current council tax support caseload was undertaken to assess whether there may be an indirect impact on one or more groups with protected characteristics as a result of any possible council tax rises. This data is included where it is available in the evidence for each protected characteristic below <i>(to be further developed)</i>.</p> <p>Redundancies</p> <p>Plymouth City Council has clear policies and procedures in place to ensure that staff sharing protected characteristics are not unfairly discriminated against. Where any changes to structures or service delivery arrangements lead to redundancies, we will ensure that staff are not unfairly selected for redundancy e.g. on bases of them having a particular protected characteristic under the Equality Act 2010.</p>
Author	Laura Hill, Policy and Intelligence Advisor
Department and service	Policy and Intelligence Team
Date of assessment	04/01/2021

STAGE 2: EVIDENCE AND IMPACT

Protected characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact See guidance on how to make judgement	Actions	Timescale and who is responsible
Age	The average age in Plymouth (39.0 years) is about the same as the rest of England (39.3	Education, Participation and Skills - potential impact on children and those with disabilities.		Education, Participation and Skills

	<p>years), but less than the South West (41.6 years).</p> <p>Council Tax records show the following ratios of customers by age group:</p> <p>18-24 = 770 = 3.37%</p> <p>25-34 = 3325 = 14.56%</p> <p>35-44 = 3589 = 15.72%</p> <p>45-54 = 3387 = 14.83%</p> <p>55-64 = 3579 = 15.67%</p> <p>65-74 = 3828 = 16.76%</p> <p>75+ = 4162 = 18.22%</p> <p>Compared to the overall population, children are more likely to be in low income households.</p> <p>Working-age adults in working families are much less likely to be in relative low income than those in families where no-one is in work.</p> <p>There are 241 Care Leavers of which 140 live within Plymouth.</p>	Care Package Review Programme – potential impact on older people.		Adult Social Care
Disability	<p>A total of 31,164 people (from 28.5 per cent of households) declared themselves as having a long-term health problem or disability (national figure 25.7 per cent of households), compared with the total number of people with disabilities in UK (11.6m (2011 Census)).</p>	<p>School Transport – potential impact on children with disabilities.</p> <p>Review of SEND – potential impact on children with disabilities.</p>		<p>Children's Services</p> <p>Education, Participation and Skills</p>

	<p>10 per cent of our population have their day-to-day activities limited a lot by a long-term health problem or disability (2011 Census).</p> <p>In January 2019, Schools identified 18.2% of Plymouth's school cohort (Year R to Y11) as requiring additional support for an identified Special Education Need and/or disability.</p> <p>33% of Council Tax Support (CTS) claimants are disabled.</p> <p>After housing costs, the proportion of working age disabled people living in poverty (26%) is higher than the proportion of working age non-disabled people (20%) (Scope, 2020).</p> <p><i>[Covid -19 impacts to be added]</i></p>	<p>Street Services - Bulky Waste Collection Service – potential impacts for people with disabilities if fees were to increase.</p> <p>Review Fairer Charging Policy – possible impact on people with disabilities.</p> <p>Care Package Review Programme – possible impact on people with disabilities.</p>	<p>Street Services</p> <p>Adult Social Care</p>
Faith/religion or belief	<p>Christianity is the biggest faith in the city with more than 58 per cent of the population (148,917 people).</p> <p>32.9 per cent (84,326) of the Plymouth population stated they had no religion.</p> <p>Those with a Hindu, Buddhist, Jewish or Sikh religion combined totalled less than 1 per cent.</p>		

Sex - including marriage, pregnancy and maternity	<p>50.2 per cent of our population are women and 49.8 per cent are men.</p> <p>Of those customers in receipt CTS, 29% have children in the household.</p> <p>There are approximately 4,390 single parent families in receipt of council tax support. This equates to 19% of CTS households.</p> <p>93% of single parent CTS households are headed by a female.</p> <p>Women lose more than men from reforms at every income level. Overall, women lose around £940 per year on average, more than double the losses of around £460 for men.</p> <p>EHRC - Lone parents lose around 15% of their net income on average – almost £1 in every £6. By contrast, the losses for all other family groups are much smaller, from nothing to 8%, especially for those that are relatively well-off (EHRC, 2017).</p> <p><i>[Covid-19 impacts to be added]</i></p>	<p>Cross cutting establishment savings (Agency)</p> <p>Possible gender impact due to workforce (data analysis on the demographics of who is employed via agency and the nature of the role would be needed to test this assumption).</p> <p>Whilst this may not have a direct impact on our workforce as agency workers are not our employees this may have an impact at a community level.</p>		<p>Human Resources and Organisational Development</p>
Gender reassignment	<p>There are no official estimates for gender reassignment at either national or local level. However, in a study funded by</p>			

	<p>the Home Office, the Gender Identity Research and Education Society (GIRES) estimate that between 300,000 and 500,000 people aged 16 or over in the UK are experiencing some degree of gender variance.</p>			
Race	<p>92.9 per cent of Plymouth's population identify themselves as White British.</p> <p>7.1 per cent identify themselves as Black, Asian or Minority Ethnic (BAME) with White Other (2.7 per cent), Chinese (0.5 per cent) and Other Asian (0.5 per cent) the most common ethnic groups.</p> <p>Our recorded BAME population rose from 3 per cent in 2001 to 6.7 per cent in 2011, and therefore has more than doubled since the 2001 census.</p> <p>Recent census data suggests we have at least 43 main languages spoken in the city, showing Polish, Chinese and Kurdish as the top three. Based on full year data for 2012-13, our Translate Plymouth services recorded that the most requested languages are Polish, British Sign Language (BSL) and</p>			

	Chinese Mandarin. Overcrowded housing tends to disproportionately affect BME communities. <i>[Covid -19 impacts to be added]</i>			
Sexual orientation - including civil partnership	There are no official estimates for sexual orientation at a local level.			

STAGE 3: ARE THERE ANY IMPLICATIONS FOR THE FOLLOWING? IF SO, PLEASE RECORD ACTIONS TO BE TAKEN

Local priorities	Implications	Timescale and who is responsible
Pay equality for women, and staff with disabilities in our workforce.	Plymouth City Council is committed to equal opportunities and the fair treatment of its workforce. As an employer we have a clear policy of paying employees equally for the same or equivalent work regardless of gender or disability. The council operates a comprehensive job evaluation scheme to ensure that rates of pay are fair and are based wholly on the role being undertaken.	Human Resources and Organisational Development
Supporting our workforce through the implementation of Our People Strategy 2020 – 2024 Plymouth is a city where people from different backgrounds get along well.	HR & OD – Training – possible impact on equality and diversity training and thus workforce understanding of equality and diversity if this budget is reduced. Any impacts on the training budget will be limited to ensure that staff are able to undertake their duties in a safe and compliant manner.	Human Resources and Organisational Development
Supporting victims of hate crime so they feel confident to report incidents, and working with, and through our partner organisations to achieve positive outcomes.		
Plymouth is a city where people from different backgrounds get along well.	There is a strong correlation between community cohesion and economic deprivation, cohesion rates are generally lower in wards with lower scores in the Index for Multiple Deprivation.	N/A

Human Rights Please Refer To Guidance	<p>Adolescent Support Team – Young People; there is a potential human rights implication since it could be read that the decision about whether or not a child can be reunited with their birth family is being made on the basis of a need to make financial savings.</p> <p>The United Nations Convention on the Rights of the Child sets out how decisions effecting a child should be made in the best interests of the child. It also sets out how Governments must protect children from violence, abuse and neglect and states when placed somewhere away from home for their health or protection that the child’s situation must be checked regularly (UNICEF, 2020).</p>	Children’s Service’s
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STAGE 4: PUBLICATION

This document will be signed off once it is finalised.

Date

Cabinet



Date of meeting: 12 January 2021

Title of Report: **Council Tax Base Setting 2021/22 and Council Tax Support Scheme 2021/22**

Lead Member: Councillor Mark Lowry (Cabinet Member for Finance)

Lead Strategic Director: Brendan Arnold (Service Director for Finance and Section 151 Officer)

Author: Emma Rose (Strategic Development Manager)
Wendy Eldridge (Principal Technical Accountant)

Contact Email: Emma.rose@plymouth.gov.uk
wendy.eldridge@plymouth.gov.uk

Your Reference: WE/20/21

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

To recommend the 2021/22 Council Tax base to Council in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

Recommendations and Reasons

Cabinet recommends Council approve -

1. the Council Tax Base for 2021/22 of 73,115 equivalent Band D dwellings as set out in the report.
2. the continuation of the current Council Tax Support Scheme for 2021/22 with the following updates:

Recommendation 1 - To allow the Council to increase the levels of incomes within each Band to allow for any changes made by Government to other benefits

Recommendation 2 – To allow the Council to suspend the use of the Minimum Income Floor for the Self Employed in exceptional circumstances

Recommendation 3 - To align the current non-dependant deductions with the lowest non-dependant deductions in the pension age scheme

Recommendation 4 - To amend the scheme to allow for Shared Parental Leave, Parental Bereavement Leave and the Grenfell Tower Residents' Discretionary Fund

Reason for recommendations: to meet the legal requirements to set the Council tax base

Alternative options considered and rejected

Not applicable. It is a statutory requirement for Council to approve the Council Tax Base for the forthcoming financial year and review their local CTS schemes.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Council Tax Base and associated 2021/22 budget papers will set out the resources available to deliver the Corporate Plan priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

A collection rate of 97.5% has been used in calculating the Council Tax Base. Appendix A details the Tax Base calculations. The tax base is 73,115 band D equivalent properties.

Carbon Footprint (Environmental) Implications:

No impact will directly arise from this report.

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

No impact will directly arise from this report.

Appendices

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Council Tax Base Calculation							
B	Council Tax Base Calculation Table 2021/22							
C	Council Tax Base Previous Years							

Background papers:

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	<i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
None							

Sign off:

Fin	pl.20.21. 161.	Leg	lt/35865 /111220	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 07/01/2021											
Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance) Date approved: 01/12/2020											

A. Council Tax Base Calculation

1. INTRODUCTION

- 1.1 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 make arrangements for the setting of the Council Tax. The arrangements include the determination of the Council Tax Base. A Council resolution is necessary. The decision must be notified to the major precepting authorities.
- 1.2 For the year commencing 1 April 2021, the major precepting authorities will be Devon and Cornwall Police and Crime Commissioner and Devon and Somerset Fire and Rescue Authority.
- 1.3 The Council must determine its Council Tax Base for 2021/22 during the period 1 December 2020 to 31 January 2021. The Council Tax Base is the measure of the taxable capacity of an area, for the purpose of calculating an authority's Council Tax. It represents the estimated number of Band D equivalent chargeable dwellings for the year. It also takes into account the authority's estimated Council Tax collection rate. The level of Council Tax subsequently set must be determined using the Council Tax Base figure. The Council Tax Base calculation is attached in Appendix B.
- 1.4 The calculation of the Council Tax Base allows for discounts under the Council Tax Support Scheme.

2. PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to propose to Council the Council Tax Base of 73,115. The Council Tax Base for 2019/20 was 74,603.
- 2.2 The Tax Base calculation includes the impact of the Council Tax Support Scheme. Tax base calculations include assumptions for a further financial impact from COVID-19 through demand of the Local Council tax support scheme increasing .

3. TAX BASE CALCULATIONS

- 3.1 Council Tax base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band multiplied by the estimated "collection rate" for the year.
- 3.2 Relevant amounts are:
 - (a) The number of chargeable dwellings in that band shown in the valuation list as at 14 September 2020 (Ministry of Housing, Communities & Local Government (MHCLG) return – Council Tax Base (CTB));
 - (b) The number of discounts, disabled reductions and exemptions which apply to those dwellings;
 - (c) Estimated changes in the number of chargeable properties between 14 September 2020 and 31 March 2022;
 - (d) Impact of the Council Tax Support scheme;
 - (e) The number of Band D equivalents within each different band.
- 3.3 The collection rate is the billing authority's estimate of the total amounts of 2020/21 Council Tax which will ultimately be paid or transferred into the Collection Fund.

3.4 This report assumes a collection rate for Council Tax of 97.5%. This rate reflects recent arrears collection performance, the pattern of write offs and the impact of Universal Credit. Analysis of collection rates across the age profile of debts suggests that an eventual collection rate of 97.5% is realistic and prudent in the current economic climate.

3.5 Appendix C shows the tax base used for the previous three years for comparison.

4. EMPTY HOMES PREMIUM

4.1 Change was legislated under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 which amends Section 11B of Local Government Finance Act 1992 (higher amount for long-term empty dwellings: England), as follows:

From 1 April 2021 an additional premium can be charged of up to:

- 100% for any dwelling empty between 2 and 5 years.
- 200% for any dwelling empty between 5 and 10 years.
- 300% for any dwelling empty for 10 years or more.

Plymouth City Council introduced charging a maximum premium from 1 April 2019 as part of a strategy to encourage empty properties back into use. Approval was given to charge the additional premium changes from 1 April 2021 as part of 2020/21 Council Tax Base Setting approved at Council on 27 January 2020.

4.2 The Housing Delivery Team recommends an increase to the council tax premium attached to empty homes to the fullest extent possible as the legislation allows. This will provide a further disincentive for keeping properties empty. We envisage that returning empty homes to use will:

- Help to alleviate pressures on the housing waiting list through increased availability of rental properties
- Improve the visual appearance of empty properties that may blight neighbourhoods;
- Address problems that may be associated with living next door to an empty home for example damp ingress, vermin, anti-social behaviour and loss of property value;
- Generate New Homes Bonus funding for the city (subject to changes to the NHB scheme).

4.3 The legislation relating to the new premium can be found at the following link;

<http://www.legislation.gov.uk/ukpga/2018/25/contents/enacted>

5. COUNCIL TAX SUPPORT

5.1 In April 2013 the National Council Tax Benefit scheme was abolished and replaced by local assistance schemes, developed and administered by local Councils. Plymouth City Council introduced two schemes from 1 April 2013; Council Tax Support and a discretionary Exceptional Hardship Scheme. The main Council Tax Support (CTS) scheme requires all working age claimants to make a minimum 20% contribution towards their Council Tax bill.

5.2 The qualifying criterion for the CTS scheme follows the basic calculation for Housing Benefit. This is based on a 'means test' with those on a basic qualifying benefit, known as a passported benefit, receiving a maximum 80% payment towards their Council Tax with a sliding qualification scale applied to all other claimants in order determine entitlement.

5.3 All Councils are required to annually review their local CTS schemes. Significant changes were agreed to the Plymouth CTS to implement a banded scheme in 2020/21 to support Universal Credit

(UC) customers from the frequent changes to their awards. As part of the review for the 2021/22 CTS scheme a number of factors were considered:

- A small number of administrative issues have arisen from the new banded scheme that should be addressed
- The Council's ability to collect council tax from individuals previously awarded council tax support
- Future increases in council tax that may affect the cost of the scheme.
- The increased CTS caseload resulting from COVID19
- The continuing roll-out of Universal Credit

5.4 Current caseload figures confirms that the number of residents claiming Council Tax Support increased by 12.7% in the last 12 months (October 2019 vs October 2020) and the associated expenditure increased by 11.94%. This was an impact of COVID-19 and the resulting loss of income for many households in the city. It is expected that the caseload and scheme cost within 2021/22 can be funded within the available financial envelope.

5.5 Taking the factors in the above paragraphs into account, it is recommended that the following changes are made to the CTS scheme for implementation in 2021/22:

Recommendation 1 - To allow the Council to increase the levels of incomes within each Band to allow for any changes made by Government to other benefits

Under the current scheme, the Council is only able to increase the income levels within each discount band annually by inflation. This change would allow the Council increase the income levels within each band to counter any increase in welfare benefits. The change would only be made where Government takes emergency action, such as in the current COVID-19 crisis. The change would only increase income levels within each discount band not decrease the levels. The change would not vary the percentage of discount in each band.

Benefits:

- It would more flexibility within the scheme; and
- It would prevent applicants having a reduction in support when Government increases any welfare benefits.

Drawbacks:

- There may be a slight increase in cost of the scheme should the change be made.

Recommendation 2 – To allow the Council to suspend the use of the Minimum Income Floor for the Self Employed in exceptional circumstances

The Minimum Income Floor is a provision within both Universal Credit and Council Tax Support which assumes a level of income for self-employed applicants after they have been in business for one year or more. Due to the COVID-19 crisis, the Department for Work and Pensions (DWP) suspended the use of the Minimum Income Floor in Universal Credit, but the Council was unable to change the Council Tax Support scheme in the same way. This option would allow the Council flexibility to 'suspend' the Minimum Income Floor in exceptional circumstances, such as the COVID-19 crisis. The Council feels that this would be fairer to applicants who are self-employed and unable to trade normally due to the crisis.

Benefits:

- It would allow the Council more flexibility in dealing with self-employed applicants in exceptional circumstances such as the COVID-19 crisis; and
- The change would allow the Council to make the change automatically for all cases affected.

Drawbacks:

- Where the Minimum Income Floor is suspended, there may be a small additional cost to the scheme

Recommendation 3 - To align the current non-dependant deductions with the lowest non-dependant deductions in the pension age scheme

The current scheme has a standard non-dependant deduction of £4 per week. This is slightly lower than the equivalent (or lowest) non dependant deduction in the pension age scheme (currently £4.05). This option would allow the Council to align the non-dependant deduction for working age applicants with the lowest non-dependant deductions for pension age applicants.

Benefits:

- It would make the scheme fairer ; and
- It would assist in the administration of the scheme.

Drawbacks:

- There may be a slight adjustment to the entitlement of applicants with non-dependants.

Recommendation 4 - To amend the scheme to allow for Shared Parental Leave, Parental Bereavement Leave and the Grenfell Tower Residents' Discretionary Fund

Government has introduced a number of changes into the scheme for pension age applicants to cater for the new Shared Parental Leave, Parental Bereavement Leave and the Grenfell Tower Residents' Discretionary Fund. Shared Parental Leave, Parental Bereavement Leave payments would be treated as earned income, and could allow for child care disregards to be given. The Grenfell Tower Residents' Discretionary Fund payments would be totally disregarded for Council Tax Support purposes. These changes would align the working age scheme with the pension age scheme.

Benefits:

- All of the changes made would treat all working age applicants the same way as pensioner applicants; and
- The change would make the scheme simpler to administer.

Drawbacks

- There are no drawbacks to this change

5.6 These factors have been taken into account in establishing the proposed Council Tax Base and the impact will be closely monitored throughout the year.

B. Council Tax Base Calculation Table 2021/22

	BAND A with disabled relief	BAND A	BAND B	BAND C	BAND D	BAND E	BAND F	BAND G	BAND H	Total
Number of dwellings in valuation list as at 14th September 2020	-	47,670	33,048	23,318	10,066	5,136	1,805	606	57	121,706
Number of exempt dwellings (including demolished)	-	3,210	1,445	977	671	187	33	35	18	6,576
Reductions to lower band due to disabled relief	-	147	172	156	119	66	27	27	13	727
Additions to band due to disabled relief	147	172	156	119	66	27	27	13	-	727
CHARGEABLE DWELLINGS FOR BAND	147	44,485	31,587	22,304	9,342	4,910	1,772	557	26	115,130
Total discounts at 25%	63	22,962	11,106	6,089	2,271	948	273	83	1	43,796
Total discounts at 50%	1	60	58	32	22	15	30	27	14	259
Total discounts at 100%	-	83	51	21	8	2	-	-	-	165
TOTAL DISCOUNTS - shown as whole dwelling equivalent	16	5,854	2,857	1,559	587	247	83	34	7	11,244
Long Term Empty Premium 2 - 5 years at 100%	-	82	18	11	5	5	2	2	-	125
Long Term Empty Premium 5 - 10 years at 200%	-	30	7	6	1	-	-	-	-	44
Long Term Empty Premium +10 years at 300%	-	7	2	1	-	-	-	-	-	10
LONG TERM EMPTY PREMIUM - impact of premium	-	163	38	26	7	5	2	2	-	243
Estimated number of dwellings not listed but which will be listed in the band for the whole or any part of the financial year	-	77.0	78.0	68.0	25.0	22.0	9.0	2.0	-	281
Estimated number of reductions to lower band due to successful appeals	-	-	9	2	1	4	3	1	-	20
Estimated number of additions to lower band due to successful appeals	-	9	2	1	4	3	1	-	-	20
TOTAL ADJUSTMENTS	-	68	85	69	22	23	11	3	-	281
LOCAL COUNCIL TAX SUPPORT SCHEME REDUCTIONS	41	9,367	3,218	1,038	242	64	19	4	-	13,993
Estimated impact Local Council Tax Support demand		534	183	59	14	4	1			795
Family annexes discount at 50%	-	19	12	17	13	6	12	1	-	78
FAMILY ANNEXES	0	9	6	8	7	3	6	1	-	39
TOTAL DWELLINGS	90	28,952	25,447	19,735	8,522	4,620	1,676	523	19	89,583
RATIO TO BAND D	5	6	7	8	9	11	13	15	18	
	9	9	9	9	9	9	9	9	9	
RELEVANT AMOUNTS FOR 2020/21	50	19,302	19,792	17,542	8,522	5,647	2,421	872	38	74,185
COLLECTION RATE										97.50%
ADJUSTED RELEVANT AMOUNT	49	18,819	19,297	17,103	8,308	5,506	2,361	850	37	72,330
MOD CONTRIBUTION										785
TAX BASE										73,115

C. Council Tax Base - Previous Years

	2018/19			2019/20			2020/21		
	Number of	Estimated	Adjusted	Number of	Estimated	Adjusted	Number of	Estimated	Adjusted
Band	properties	Collection Rate	Band D Equivalent	properties	Collection Rate	Band D Equivalent	properties	Collection Rate	Band D Equivalent
A	47,211	98.5%	18,573	47,750	98.0%	19,359	47,747	98.0%	19,785
B	32,347	98.5%	18,972	32,674	98.0%	19,307	32,932	98.0%	19,729
C	22,709	98.5%	16,890	22,947	98.0%	17,006	23,207	98.0%	17,270
D	9,622	98.5%	8,130	9,752	98.0%	8,155	9,939	98.0%	8,312
E	4,913	98.5%	5,340	4,950	98.0%	5,332	5,057	98.0%	5,470
F	1,738	98.5%	2,308	1,755	98.0%	2,308	1,786	98.0%	2,352
G	596	98.5%	835	601	98.0%	834	603	98.0%	846
H	58	98.5%	36	58	98.0%	36	56	98.0%	36
Total	119,194		71,084	120,487		72,336	121,327		73,800
MOD			848			836			803
Tax Base			71,932			73,172			74,603

Table 1: Revenue Monitoring Position November 2020

Directorate	Gross Expenditure	Gross Income	2020/21 Latest Approved Budget	Forecast Outturn – Prior to use of Covid Grants	Forecast Year End Variation - Prior to use of Covid Grants
	£m	£m	£m	£m	£m
Executive Office	6.136	(0.490)	5.646	5.718	0.072
Finance	18.367	(3.132)	15.235	14.745	(0.490)
Customer and Corporate	97.284	(67.398)	29.886	32.752	2.866
Children's Directorate	150.317	(97.590)	52.727	57.390	4.663
People Directorate	125.981	(36.766)	89.215	91.543	2.546
Office of the Director of Public Health	19.281	(19.710)	(0.430)	(0.182)	0.248
Place Directorate	84.578	(60.174)	24.404	35.615	11.211
Corporate Items	3.820	(26.827)	(23.007)	(18.768)	4.239
TOTAL – Prior to use of Covid Grants	505.764	(312.087)	193.677	219.031	25.355
Less balance of COVID 19 grants – Tranche 1-3					(17.707)
Less Income Compensation					(3.087)
Less Tranche 4 Covid Grant					(4.843)
SUB TOTAL					(0.282)

Audit and Governance Committee



Date of meeting:	30 November 2020
Title of Report:	Treasury Management Strategy 2021/22
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Andrew Hardingham (Service Director for Finance)
Author:	Chris Flower (Finance Business Partner for Capital and Treasury Management)
Contact Email:	Chris.flower@plymouth.gov.uk
Your Reference:	Finance/CF
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report sets out the Treasury Management Strategy for 2021/22 and includes the Annual Investment Strategy, the Non-Treasury Management Investment Strategy and the Minimum Revenue Provision Statement.

These reports are required by The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services.

Recommendations and Reasons

- I. The Audit Committee recommends the Treasury Management Strategy 2021/22 (incorporating the authorised limits, operational boundaries and prudential indicators) to the Council for approval.

This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.

Alternative options considered and rejected

It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

Relevance to the Corporate Plan and/or the Plymouth Plan

Effective financial management is fundamental to the delivery of corporate improvement priorities. Treasury Management activity has a significant impact on the Council's activity both in revenue budget terms and capital investment and is a key factor in facilitating the delivery against a number of corporate priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

Treasury Management affects the Council's budget in terms of borrowing costs and investment returns. The Treasury Management Strategy sets the authorised limits and operational boundaries within which investment and borrowing decisions are taken and risks managed. Effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

Carbon Footprint (Environmental) Implications:

No direct implications

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

A robust Treasury Management Strategy is key to ensuring a successful delivery of our Medium Term Financial Strategy and ensuring the Council can achieve its objectives to be a Pioneering, Growing Caring and Confident City.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A								
B								

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

Fin	PL.20. 21.15 5	Leg	3567 3/AC/ 19/11 /20	Mon Off	3567 3/AC/ 19/11 /20	HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Andrew Hardingham (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 09/11/2020											
Cabinet Member approval: Cllr Mark Lowry approved by email											
Date approved: 17/11/2020											

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TREASURY MANAGEMENT STRATEGY 2021/22



How Plymouth will invest to grow and meet future Infrastructure needs

Foreword



Councillor Mark Lowry **Cabinet Member for Finance**

“This Strategy demonstrates the network of controls that are in place to ensure our investments are secure.

It also demonstrates our commitment to sound management and control of the Council’s cash and investments.

It also shows how the Council’s ambitious capital programme will be funded and offers much greater openness and transparency to residents and stakeholders”



Andrew Hardingham **Service Director for Finance**

“This Strategy is designed to underpin the Council’s ambition to invest in the future of Plymouth. It offers a series of opportunities to manage the Council’s finances to maximise returns, reduce risk, diversify investments and minimise the cost of borrowing.

The strategy will keep us within our prescribed limits under the Prudential Code. The Council is seeking at all times to deliver good investment returns that are secure and affordable.”

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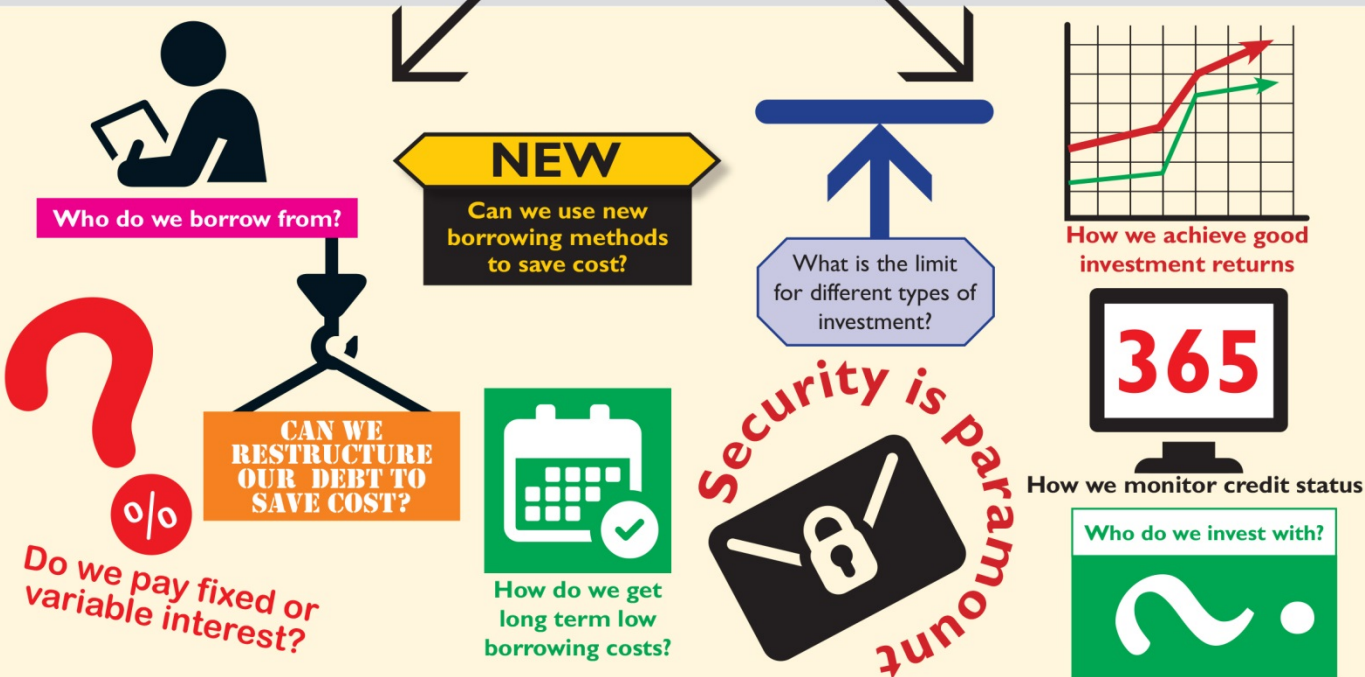
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How the Treasury Management System works



Infrastructure and capital investment needs to deliver the Plymouth Plan



This section explains how we invest and borrow

Introduction

Treasury Management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the effects of changing interest rates.

The Treasury Management Strategy sets out how Plymouth will invest to grow and meet future Infrastructure needs. It is a companion document to the Medium Term Financial Plan which sets out Plymouth's ambitions and priorities from the Plymouth Plan.

This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the Chartered Institute of Public Finance and Accountancy (CIPFA) Code.

INVESTMENTS – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

- To achieve the best secure investment returns
- To minimise the cost of borrowing
- To achieve a balanced spread of maturities and commitments
- To achieve the right mix of borrowing vehicles

Market Intelligence

- Bank of England reports
- Market Outlook by the Council's advisers Arlingclose

Statutory and Performance Framework <i>Rules that guide us</i>	Investments <ul style="list-style-type: none"> • Sterling only • Can use UK Government, Local Authority or a body of high credit quality • The Council defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher and domiciled in UK
	Counterparties and Limits (see table on page 20)
	Investment Limits – subject to Counterparty table on page 20 <ul style="list-style-type: none"> • Unlimited UK Government • Unlimited Money Market Fund • £25m any single local authority or government entity • £25m secured investment • £12m per Bank (unsecured) • £20m unrated corporates • £60m Strategic Pooled Funds • £10m Real estate investment
	Key Council Budget Assumption for 2021/22 <ul style="list-style-type: none"> • Investments make an average rate of return of 1.5%
Approach <i>Choices made within the framework</i>	Objective - Security first, Yield second and then Liquidity Strategy - to maximise returns, reduce risk and diversify investments Risk Assessment and credit ratio - Our advisors monitor credit ratings daily so any new investments will be made using the latest credit information Other information on security of Investments - Market intelligence from our advisors may give warnings before credit warning changes e.g. credit default swaps information

BORROWING – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

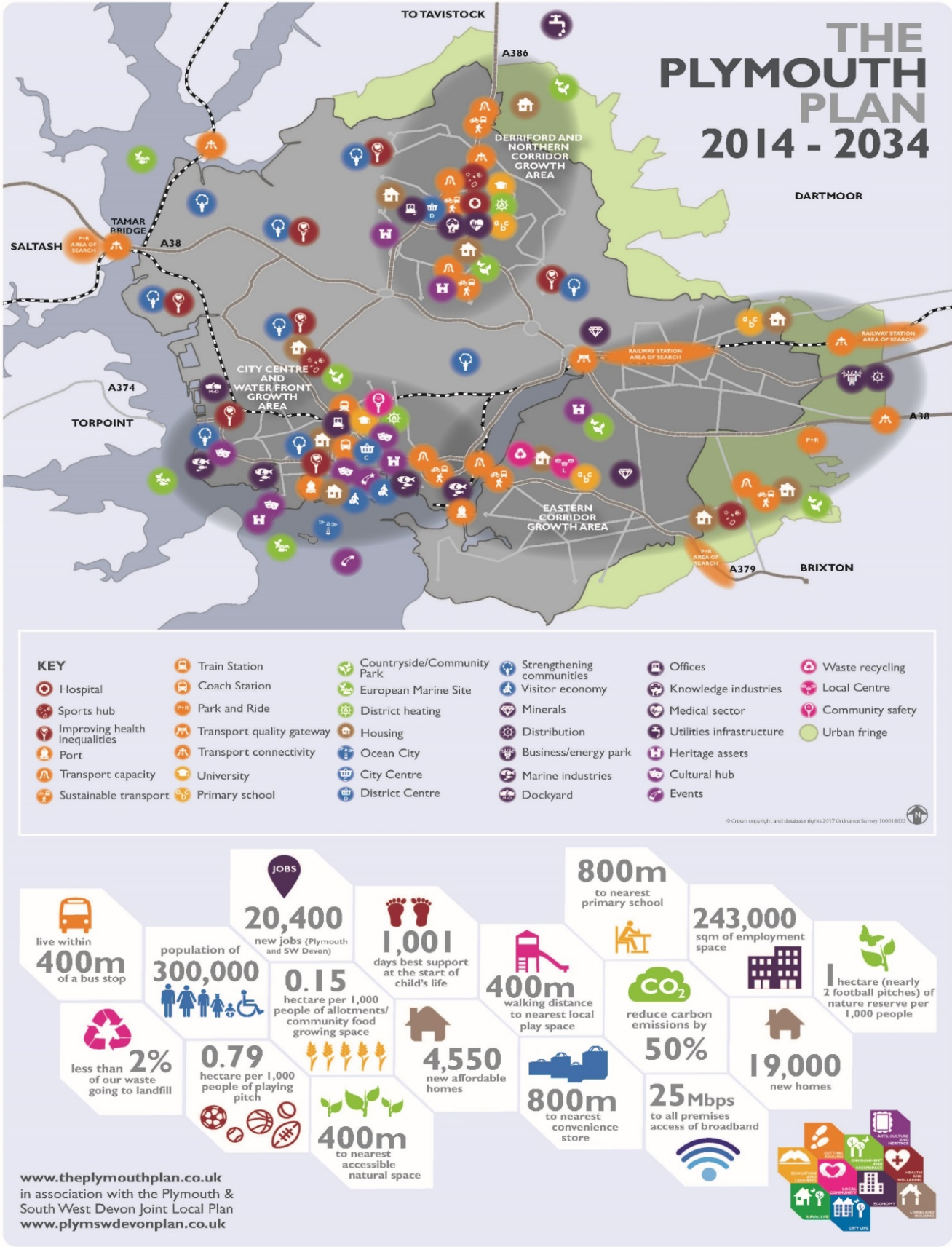
- To achieve the best secure investment returns
- To minimise the cost of borrowing
- To achieve a balanced spread of maturities and commitments
- To achieve the right mix of borrowing vehicles

Market Intelligence

- Bank of England reports
- Market Outlook by the Council's advisers Arlingclose

Statutory and Performance Framework <i>Rules that guide us</i>	Borrowing <ul style="list-style-type: none"> • £220m Total Capital Expenditure • £1053m Capital Finance Requirement (need to borrow) • £1061m Total Debt (loans and private finance initiative) • £1065m Operational Boundary (practical ceiling on borrowing) • £1115m The Authorised Limit (absolute maximum debt approved)
	Prudential Indicators <ul style="list-style-type: none"> • 11.1% Ratio of finance costs to net revenue stream (borrowing costs as a proportion of net revenue budget) • £12.90 Hypothetical increase in Council Tax affordability. (this is technical measure; the Council has made no future years tax decisions)
	Treasury Management Indicators <ul style="list-style-type: none"> • 100% Limit on Fixed Interest Exposure • 95% Limit on Variable Interest Rate • 0% to 90% Maturity Structure of Borrowing, exposure in any duration
	Minimum Revenue Provision Policy (MRP) <ul style="list-style-type: none"> • Annuity Method • 50 year repayment for capitalisation directives • PFI/Leases charged on an annuity method over the life of the asset • No MRP on capital loans or investments • Option for capital receipts to be used towards repaying debt
	Key Council Budget Assumption for 2021/22 <ul style="list-style-type: none"> • New long-term loans will cost an average rate of 2.7%
Approach <i>Choices made within the framework</i>	<p>Objective - Balance low interest rates with long term certainty</p> <p>Strategy – to borrow short term now and lock in long term when appropriate</p> <p>Sources of Finance - Banks or Building Society, Public Works Loan Board, Pension Funds, Capital Market Bonds, Municipal Bonds Agency, anyone with whom we would invest. Also, Leasing, PFI, Sale & Lease back</p> <p>LOBOs will be repaid if there is a NPV saving and if there is agreement with the lenders</p> <p>Municipal Bonds Agency Council will use where appropriate</p> <p>Debt Restructuring A present value calculation based on current rates for the same period of loan may result in a discount or premium.</p> <ul style="list-style-type: none"> • Council will re-schedule if it reduces cost or risk

Delivering the Plymouth plans explains why we are borrowing and investing



Our Corporate Plan includes themes of infrastructure and investment

Corporate Plan

The Corporate Plan sets out our vision to be ‘one of Europe’s most vibrant cities’ and our priorities are to be ‘A Growing City’ and ‘A Caring Council’.

OUR PLAN
A CITY TO BE PROUD OF



CITY VISION
Britain’s Ocean City

One of Europe’s most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone.

OUR MISSION Making Plymouth a fairer city, where everyone does their bit.

OUR VALUES

WE ARE DEMOCRATIC

We will provide strong community leadership and work together to deliver our common ambition.

WE ARE RESPONSIBLE

We take responsibility for our actions, care about our impact on others and expect others will do the same.

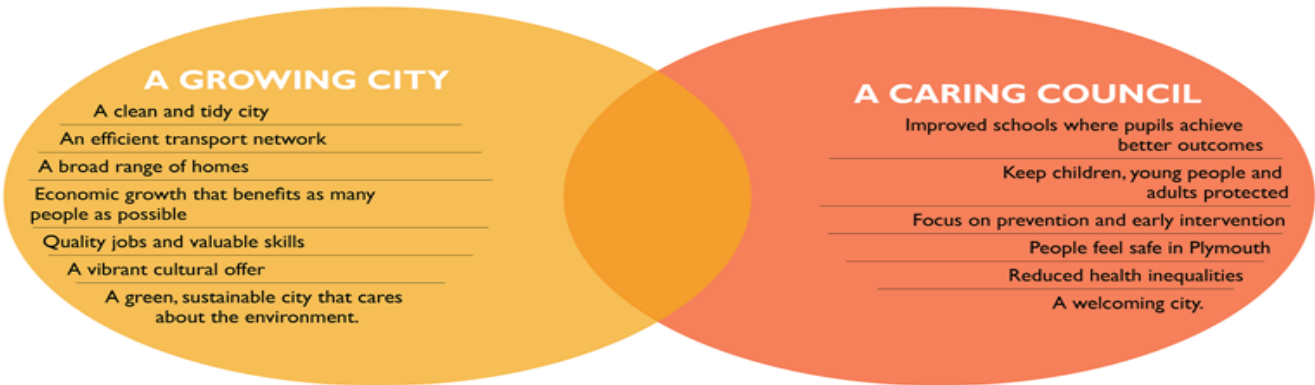
WE ARE FAIR

We are honest and open in how we act, treat everyone with respect, champion fairness and create opportunities.

WE ARE CO-OPERATIVE

We will work together with partners to serve the best interests of our city and its communities.

OUR PRIORITIES



HOW WE WILL DELIVER

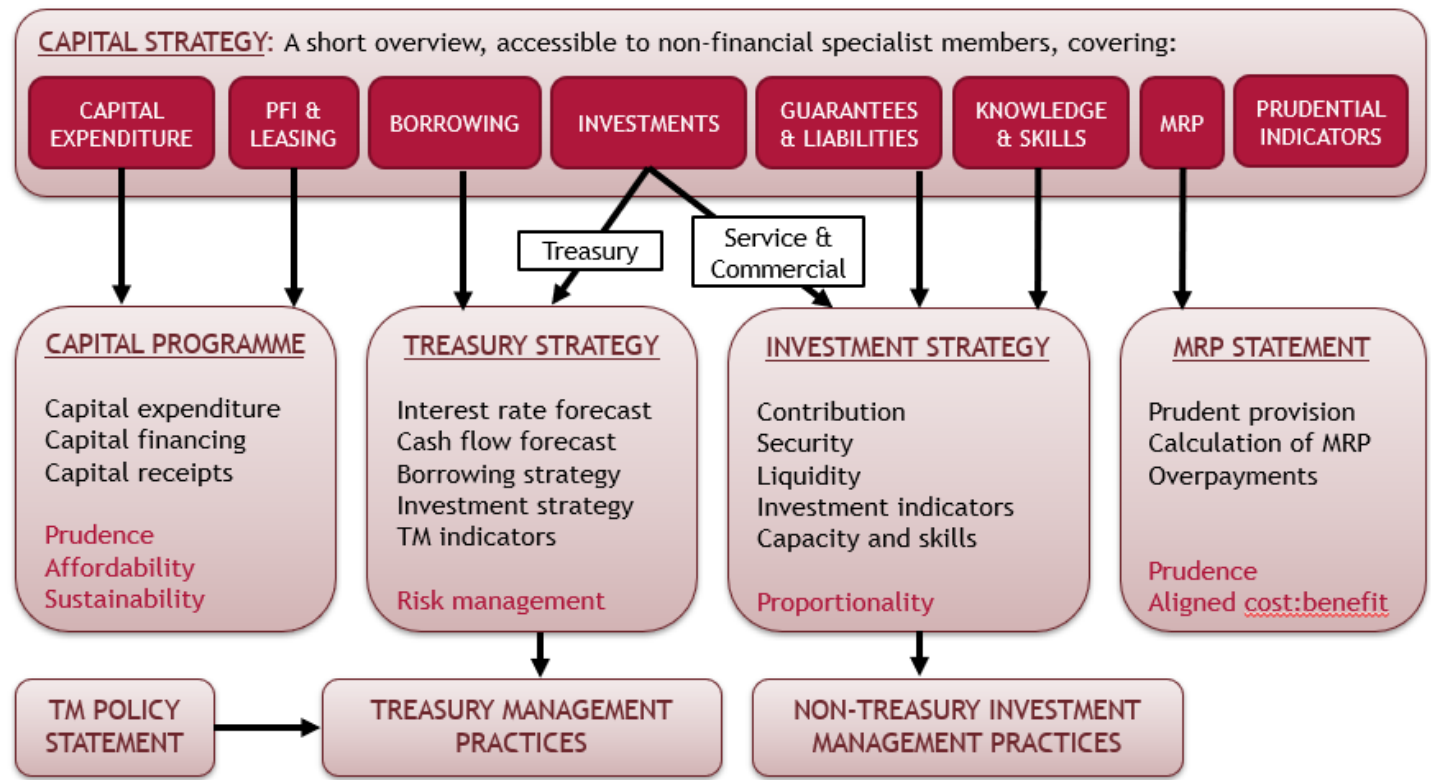
- Listening to our customers and communities.
- Providing quality public services.
- Motivated, skilled and engaged staff.
- Spending money wisely.
- A strong voice for Plymouth regionally and nationally.



www.plymouth.gov.uk/ourplan

The diagram below shows how Capital expenditure affects the Treasury Management Strategy

Strategy Reports:



The diagram above shows how the requirements of the 2018 Ministry of Housing, Communities and Local Government (MHCLG) Guidance and The CIPFA Code interact with the Capital and Treasury Management. There is a new Capital Strategy (presented in a separate document) and a new Non-Treasury Management Investment Strategy (shown as service and commercial in the diagram) included in this document.

Specialist advisers Arlingclose support the Council with borrowing and investment advice. This is Arlingclose’s expert assessment of the economy in the coming months and years.

Economic update from Treasury Management advisors Arlingclose as at November 2020

The impact on the UK from coronavirus, together with its exit from the European Union and future trading arrangements with the bloc, will remain a major influence on the Authority’s treasury management strategy for 2021/22.

The Bank of England (BoE) maintained Bank Rate at 0.10% in November 2020 and also extended its Quantitative Easing programme by £150 billion to £895 billion. The Monetary Policy Committee voted unanimously for both, but no mention was made of the potential future use of

negative interest rates. Within the latest forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast.

UK Consumer Price Inflation (CPI) for September 2020 registered 0.5% year on year, up from 0.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 1.3% from 0.9%. The most recent labour market data for the three months to August 2020 showed the unemployment rate rose to 4.5% while the employment rate fell to 75.6%. Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021. In August, the headline 3-month average annual growth rate for wages were 0% for total pay and 0.8% for regular pay. In real terms, after adjusting for inflation, total pay growth fell by -0.8% while regular pay was up 0.1%.

GDP growth fell by -19.8% in the second quarter of 2020, a much sharper contraction from -2.0% in the previous three months, with the annual rate falling -21.5% from -1.6%. All sectors fell quarter-on-quarter, with dramatic declines in construction (-35.7%), services (-19.2%) and production (-16.3%), and a more modest fall in agriculture (-5.9%). Monthly GDP estimates have shown the economy is recovering but remains well below its pre-pandemic peak. Looking ahead, the BoE's November Monetary Policy Report forecasts economic growth will rise in 2021 with GDP reaching 11% in Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023.

GDP growth in the euro zone rebounded by 12.7% in Q3 2020 after contracting by -3.7% and -11.8% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, registering -0.3% year-on-year in October, the third successive month of deflation. Core inflation registered 0.2% y/y, well below the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue holding its main interest rate of 0% and deposit facility rate of -0.5% for some time with further monetary stimulus expected later in 2020.

The US economy contracted at an annualised rate of 31.7% in Q2 2020 and then rebounded by 33.1% in Q3. The Federal Reserve maintained the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the next three years.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

This is Arlingclose's expert view on future interest rates.

Credit Outlook

After spiking in late March as coronavirus became a global pandemic, credit default swap (CDS) prices for the larger UK banks have steadily fallen back to almost pre-pandemic levels. Although uncertainty around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions. However, general bank profitability in 2020 is likely to be significantly lower than in previous years.

The credit ratings for many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic.

Looking forward, the potential for bank losses to be greater than expected when government and central bank support starts to be removed remains a risk, as does the UK not achieving a Brexit deal, suggesting a cautious approach to bank deposits in 2021/22 remains advisable.

This is Arlingclose's view of the risks of bank failures in the period ahead.

Interest Rate Forecast

The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the end of 2023. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the Brexit transition period ends. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.5% and 0.75% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but there will almost certainly be short-term volatility due to economic and political uncertainty and events.

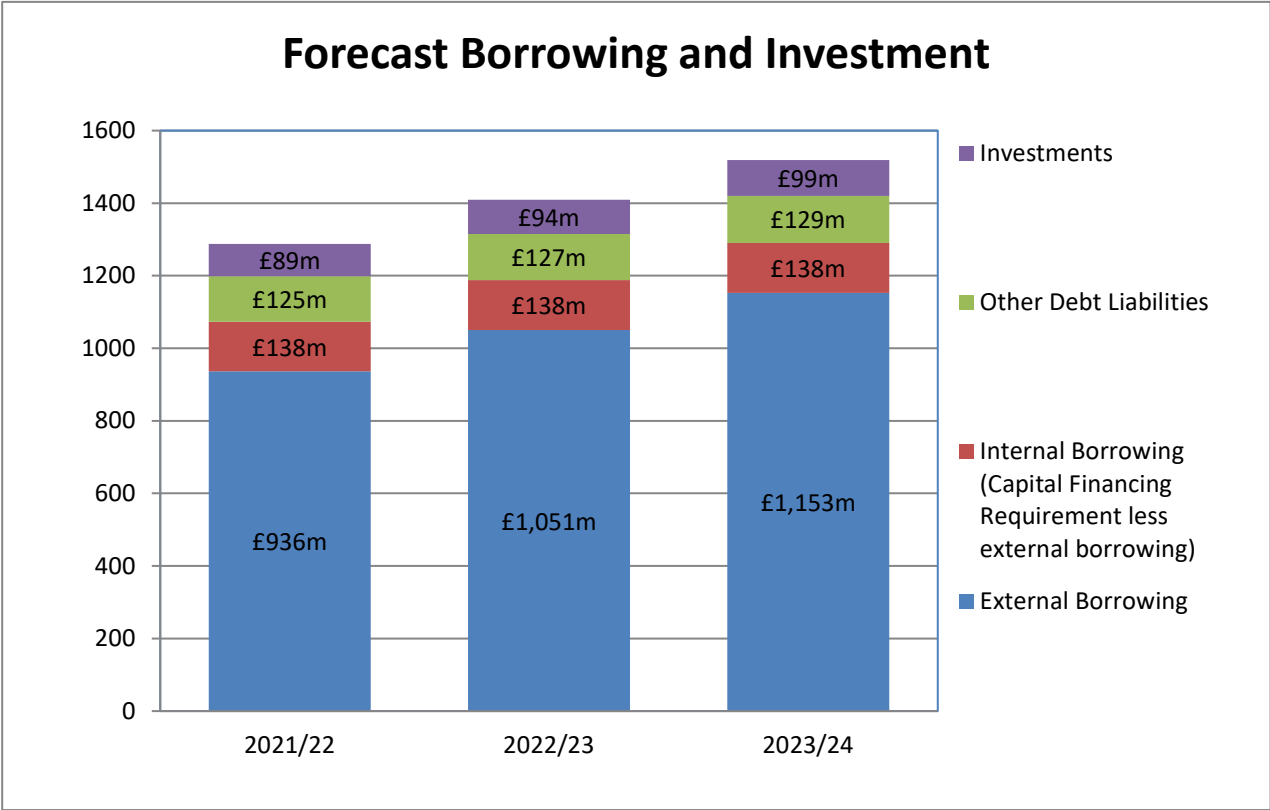
A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 1.49%, and that new long-term loans will be borrowed at an average rate of 2.8% - and short term borrowing rates at 0.75%.

Part 2 – Technical Detail for Analysis

Borrowing

This is how much debt and investments we expect to have in the next three years



These are borrowing limits we are required to set by law. They are affordable levels and needed to fund our capital programme.

Maximum Total Debt

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement. Usable reserves and working capital are the underlying resources available for investment. The current strategy is not to borrow to the full underlying need. Some internal resources are used instead of external borrowing.

CIPFA’s Prudential Code for Capital Finance in Local Authorities sets a maximum for total debt. This is the maximum the CFR is expected to reach at any time during the next three years.

The Council held £603 million of loans in as at 31 March 2020. This was an increase of £138 million on the previous year. The increase in loans is because of funding previous years’ capital programmes.

The Council expects to hold borrowing up to £850m in 2021/22. The total borrowing must not exceed the authorised limit set by the Council of £890 million.

We seek low interest rates, but it is good to be as sure as possible what our interest costs will be in future years.

Objectives of Borrowing Decisions

- To strike an appropriately low risk balance between securing low interest and certainty of costs.
- Flexibility to renegotiate loans should the Council's long-term plans change.

It is much cheaper to borrow for a short period now. Before long term rates rise we intend to lock into fixed rate loans.

Borrowing Strategy

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources and to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.

Short term borrowing is the cheapest option but leaves the Council exposed to refinancing risk, which can be divided into interest rate risk (the risk that rates will rise) and availability risk (the risk that no-one will lend to the Council).

Long-term fixed rate loans remove the interest rate risk by fixing the rate for the term of the loan. These have been popular among local authorities but are relatively expensive.

The Council is looking to continue rolling short-term borrowing and has taken an interest rate swap to reduce its interest rate risk. This combines the main benefit of short-term borrowing (the low margin) with the main benefit of the long-term fixed rate borrowing (the fixed rate).

Financial derivative transactions will only be arranged with any organisation that meets the approved investment criteria, using the credit ratings applicable to derivative obligations. Financial derivative will only be made with entities whose lowest published derivative counterparty rating or equivalent is no lower than A-. However, derivative decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

The government increased PWLB rates by 1% in October 2019 making it now a relatively expensive options. A HM Treasury consultation on lowering PWLB rates concluded in July 2020 but the government has yet to publish its response. In the meantime, the Council will continue to borrow short term but if it decides to take long-term loans, it will also look at other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

We are always looking at options to replace existing loans with cheaper alternatives.

The Council will take the option to repay LOBO loans if there is a NPV saving and if there is agreement with the lenders.

The Council will reschedule or repay loans where this is expected to lead to an overall cost saving or a reduction in risk.

The Council will only borrow from approved sources.

These are the lenders we are able to use.

Sources of Borrowing

The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK
- Any other UK public sector body
- UK public and private sector pension funds (except Devon Local Government Pension Fund)
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- Any other counterparty that are approved by the Council's TM advisors
- A Plymouth City Council bond or similar instruments

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- Leasing
- Hire purchase
- Private Finance Initiative
- Sale and leaseback

The Authority has previously raised some of its long-term borrowing from the PWLB and through

**These agreements were entered into under different market conditions.
Where possible we will replace them with lower cost loans.**

Lender's Option Borrower's Option (LOBOs)

The Council holds £64m of LOBO loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.

The Council understands that lenders are unlikely to exercise their options in the current low interest rate environment but there remains an element of refinancing risk.

The Council will take the option to repay LOBO loans if there is a NPV saving and if there is agreement with the lenders.

This allows the flexibility to borrow from the Municipal Bonds Agency**Municipal Bond Agency**

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. In 2020 the agency issued its first bonds to the capital markets for individual local authorities. By issuing a single name bond, albeit using the MBA's infrastructure, the bond is again "solely, unconditionally and irrevocably guaranteed by the authority. This eliminates many of the problems associated with aggregating funding across authorities, with no need to compromise on funding structure, timing, and no requirement to guarantee the debt of other issuers.

Short-term and Variable Rate loans

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk.

If we can, we will replace existing loans with cheaper new loans.**Debt Rescheduling**

Some lenders allow the Council to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Prudential Indicators 2021/22

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure

The Council's planned capital expenditure and financing may be summarised as follows.

This is how we will fund the investment needed to deliver the Plymouth Plan

Capital Expenditure and Financing	2019/20 Actual £m	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
General Fund	196.180	156.976	155.084	127.856
Total Expenditure	196.180	156.976	155.084	127.856
Capital Receipts	1.661	4.493	4.030	2.151
Grants and Contributions	31.303	72.317	39.366	26.383
Reserves	-	-	-	-
Revenue	0.261	0.996	0.091	1.500
Borrowing	162.955	73.170	109.597	100.000
Leasing and PFI	-	-	-	-
Total Financing	196.180	156.976	155.084	158.500

Estimates of Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

This is the total past and planned capital expenditure we need to finance.

Capital Financing Requirement	31 Mar 20 Actual £m	31 Mar 21 Estimate £m	31 Mar 22 Estimate £m	31 Mar 23 Estimate £m
General Fund	740.983	897.959	1053.043	1180.899
Total CFR	740.983	897.959	1053.043	1180.899

The Council has an increasing CFR and is forecast to rise by £283m over the next two years for the capital programme and therefore will require additional borrowing.

Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

This is how much we expect to borrow over the three years

Debt	31 Mar 21 Estimate £m	31 Mar 22 Estimate £m	31 Mar 23 Estimate £m
Borrowing	741.531	936.128	1038.450
PFI liabilities & Finance Leases	123.000	125.000	127.000
Total Debt	864.531	1061.128	1165.450

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt

The operational boundary is based on the Council's estimate of most likely, (i.e. prudent, but not worst case) scenario for external debt.

This is the flexibility we need to cope with our changing borrowing position from day to day.

Operational Boundary	2020/21 £m	2021/22 £m	2022/23 £m
Borrowing	740.000	935.000	1035.000
Other long-term liabilities	125.000	130.000	135.000
Total Debt	865.000	1065.000	1170.000

Authorised Limit for External Debt

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003 it is the maximum amount of debt that the Council can legally owe. The Authorised Limit provides headroom over and above the operational boundary for unusual cash movements.

This is the absolute maximum of debt approved by the City Council

Authorised Limit	2020/21 £m	2021/22 £m	2022/23 £m
Borrowing	775.000	980.000	1050.000
Other long-term liabilities	130.000	135.000	140.000
Total Debt	905.000	1115.000	1190.000

Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

This measure demonstrates that our proposed borrowing is affordable.

Ratio of Financing Costs to Net Revenue Stream	2019/20 Actual	2020/21 Estimate	2021/22 Estimate
General Fund	9.0%	10.8%	11.1%

Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

**This is a technical measure prescribed by CIPFA to demonstrate affordability.
The Council has not made any decisions on council tax levels in future years.**

Incremental Impact of Capital Investment Decisions	2019/20 Actual	2020/21 Estimate	2021/22 Estimate
General Fund - increase in annual band D Council Tax	£10.80	£11.10	£12.90

Adoption of the CIPFA Treasury Management Code

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011* edition in April 2002. It fully complies with the Codes recommendations.

Treasury Management Investment Strategy

This explains the types of Investments under the CIPFA and MHCLG rules including non-Treasury Management Investments

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

**This sets out how we invest any surplus funds.
Security of the funds is paramount**

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA. The balance of treasury investments is expected to fluctuate between £65m and £100m during the 2020/21 financial year.

Objectives

Both the CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The Council defines "high credit quality" organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of [A-] or higher or if unrated an assessment will be made from the financial information available.

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

These are the limits we use for making individual investments.
They are based on advice from Arlingclose.

Investment Limits

The Council's revenue reserves available to cover investment losses were £60 million on 31 March 2020. No more than 60% of available reserves will be put at risk in the case of a single organisation (other than the UK Government). When considering investment limits in the chart below you must also refer to the credit ratings of the individual organisations (see table above) to make the final assessment.

Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Treasury Investment Counterparty Limits

Sector	Time Limit	Counterparty Limit	Sector limit
The UK Government	50 Years	Unlimited	n/a
Local authorities & other government entities	25 years	£25m	Unlimited
Secured investments *	25 years	£25m	Unlimited
Banks (unsecured) *	13 months	£8m	Unlimited
Building Societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	5 years	£5m	£10m
Money Market Funds *	n/a	£12m	Unlimited
Strategic pooled funds	n/a	£25m	£60m
Real estate investments trusts	n/a	£5m	£10m
Loans and investments to unrated corporates	n/a	£5m	£20ml
Other investments, unrated investments in equity, quasi-equity, debt or otherwise	n/a	£5m	£20m

This table must be read in conjunction with the notes below:

Liquidity Management

The Council uses a cash flow forecasting spreadsheet to determine the amount of cash required on a day to day basis to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.

This is the rate we expect to pay on new borrowing, and how much we expect to earn on investments.

Council Budget Assumptions for 2021/22

- Investments will make an average rate of 1.5%
- New long-term loans will cost an average rate of 2.7%

Negative Interest Rates

The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy

Given the increased risk and very low returns from short-term unsecured bank investments, the Council aims to diversify further into more secure and higher yielding asset classes during 2020/21. The Council holds £50m as a longer-term investment (CCLA Property Fund, CCLA Diversified Fund, Schroder's Income Maximiser and Fidelity Enhanced Income Fund) and these give a higher return than the short term investments. The purpose of having medium to long-term investments is to generate income that supports the revenue budget and the provision of local services.

The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and in short-term money market funds. The Council will continue to look for investment opportunities that give a good return whilst being a secure investment.

Business models:

Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved Counterparties

The Council may invest its surplus funds with any of the counterparty types in counterparty table above, subject to the cash limits (per counterparty) and the time limits shown.

Credit Rating

Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £10m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision.

Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational Bank Accounts

The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than AAA- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances should be kept below £5m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Risk Assessment and Credit Ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- No new investments will be made

- Any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “rating watch negative” or “credit watch negative”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators.

This is how we measure our performance.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit rating	A

This is how we ensure that we have cash available to meet unexpected payments.

Liquidity:

The Council does not keep large amounts of cash in call accounts so that it reduces the cost of carrying excess cash. To mitigate the liquidity risk of not having cash available to meet unexpected payments the Council has access to borrow additional, same day, cash from other local authorities.

This is a technical measure to limit how much we can be affected by changing interest rates.

Interest Rate Exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2021/22	2022/23	2023/24
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	95%	95%	95%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Our loans fall due for repayment at various dates. We expect to have mainly fixed rate debt for longer loans. This avoids the risk of extra interest costs.

Maturity Structure of Borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	90%	10%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	25%	0%
10 years and above	95%	5%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal Sums Invested for Periods Longer than 365 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2021/22	2022/23	2023/24
Limit on principal invested beyond one year	£10m	£10m	£10m

Non-Treasury Management Investments

Introduction

The non-treasury management investment strategy was a new report introduced in 2019/20, following the requirements of statutory guidance issued by the government (MHCLG) in January 2018, and focuses on the second and third of the following investment categories.

The Council invests its money for three broad purposes:

1. **Treasury Management Investments** – to invest surplus cash from reserves and as a result of its day-to-day activities, for example when income is received in advance of expenditure;
2. **Service Investments** - to support local public services by lending to or buying shares in other organisations; and
3. **Commercial Investments** - to earn investment income (where this is the main purpose).

Treasury Management Investments

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with the CIPFA guidance.

The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Full details of the Council's policies and its plan for 2020/21 for treasury management investments are covered in the preceding sections of this document.

Service Investments

Loans

The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities or housing associations etc. to support local public services and stimulate local economic growth. For example the Council has given a loan to Plymouth Community Energy to support the construction of the solar energy farm at Ernesettle.

The council will ensure that a full due diligence exercise is undertaken and adequate security is in place. The business case will balance the benefits and risks. All loans are agreed by the Section 151 Officer and the Leader. All loans will be subject to close, regular monitoring.

Loans are treated as capital expenditure for accounting treatment.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due.

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding service loans by:

1. reviewing the financial statements of the organisation and reviewing the organisation's business plans and future projections and future cash flows;
2. assessing what security is available to secure the loan and if necessary carry out a professional valuation of any property;
3. using external advisors to provide professional information such as due diligence requirements;
4. the loan agreements are reviewed by our legal team to ensure that they are legally compliant and includes any safeguards for the Council;
5. if an organisation has a credit rating we will carry out a credit check to assist;
6. State Aid rules are taken into account before a loan can be considered.

Shares

The Council may invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding shares by reviewing the history of the organisation; its financial statements and its share values. The Council will also look at business plans, future cash flows and any other market information that may affect the organisation.

Liquidity: The Council covers its liquidity for working capital and cash flow by holding cash in its Money Market Fund and being able to borrow short term loans from other local authorities.

Commercial Investments: Property

The MHCLG defines property to be an investment if it is held primarily or partially to generate a profit.

Contribution: The Council invests in local and regional, commercial and residential property with the intention of making a profit, after paying the borrowing costs that will be spent on local public services.

Property held for investment purposes

Asset Investment Fund	Actual Prior to March 2020	Estimate 2020/21	Forecast 2021/22
Commercial Property	£216.411m	£30.000m	£30,000m
Net Income	£3.527m	£0.600m	£0.600m
Net Return	2.2%	2.0%	2.0%

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment.

Where the fair value of the Council's investment property portfolio is no longer sufficient to provide security against loss, and the Council will take mitigating actions to protect the capital invested. These actions include enhancing or refurbishing the assets and reviewing the rents agreements.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by carrying out the evaluation process described below. The risk of not achieving the desired profit or borrowing costs increasing or the having vacant premises is partially covered by a void reserve. Annual payments are deducted from the rental income each year to add to the void reserve.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the Council makes an internal charge (service borrowing) to cover the capital repayments from the rental income.

The Council also makes alternative arrangement to cover their short term cash requirements.

Proportionality

The Council is dependent on profit generating investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the expenditure planned to meet the service delivery objectives and/or place making role of the Council is dependent on achieving the expected net profit from investments over the lifecycle of the Medium Term Financial Plan.

Table 4: Proportionality of Investments

	2019/20 Actual
Gross expenditure on provision of services	£537.631
Gross Investment income	£3.527
Proportion	0.66%

Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Council has chosen not to follow this guidance and has previously borrowed for this purpose because it wants to generate income to support its local economy and its statutory duties. This is a common practice by local authorities since the Localism Act of 2011.

Investment Evaluation Process

The Council's due diligence assessment processes are consistent and robust evaluation process and is set out below:

1. Proposed investment opportunities are reported by suitably qualified and experienced in-house MRICS (Member of the Royal Institute of Chartered Surveyors) professionals.
2. This assessment provides analysis of a set of key criteria against which every prospective purchase is evaluated. The presentation of information highlights fundamental matters such as tenant covenant strength, lease length and location, in a transparent and consistent format, to support clear scrutiny and decisions.
3. The assessment provides a basis for scoring and weighting risk, to support the analysis of potential acquisitions and qualify overall suitability for inclusion in the portfolio.
4. The score threshold is not an absolute, but helps guide decisions.
5. To ensure arms-length objectivity, external agents provide professional market analysis, data and advice, in the context of the Property Investment Strategy, to support the evaluation and internal reporting process.
6. Since tenant default is a significant threat to the performance of the property investment financial checks are made on the proposed tenants. This is augmented by additional internal assessment of tenants' covenant and likely future performance.
7. With all the additional information a detailed model is produced. The model is tailored for each prospective investment, by including items such as future demand, yield, cash flows; rental movement, optimal holding periods for the property and data to support profitability modelling.
8. If a decision is made to proceed, in-house surveyors lead negotiations, via the introducing/retained external agents, who are professional property firms.
 - A valuation, in accordance with the RICS Red Book, Professional Valuation Standards, issued by RICS as part of their commitment to promoting and support high standards in valuation delivery worldwide. The publication details mandatory practices for RICS members undertaking valuation services.
 - A Building Survey report, as part of the proposed purchase for investment purpose, including preparation of a Site Environmental Assessment and preparation of a Reinstatement Cost Assessment for insurance purposes.
9. The above is reviewed by the Asset Portfolio Manager as an experienced in-house MRICS (Member of the Royal Institute of Chartered Surveyors) professional, with support from the internal multi-disciplinary property teams, for final decision by the Head of Land and Property on whether to proceed.
10. Head of Land and Property Projects receives regular updates on market activity, trends, forecasts and occupier activity from RICS firms and in-house surveyors to support the decision process.

Property Investment Governance

Clear, robust and transparent governance is critical to the strategy, meeting the statutory guidance and ensuring an appropriate level of due diligence and scrutiny is applied, together with objective arms-length external advice where appropriate. It is also important to ensure any decision process retains fluidity, so officers are empowered to respond promptly and competitively, to investment opportunities in the market and avoid missing opportunities through delay.

The Council to acquire or dispose of land is vested in the Head of Land and Property and where the land is purchased through the Asset Investment Fund a proposal is presented to the City Capital Investment Board (CCIB) a recommended for authorisation by the relevant Leader, Legal and the Section 151 Officer.

Capacity, Skills and Culture

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 20 years' experience.

The Council employs staff with professional qualifications including CIPFA, ACCA, CIMA, MRICS, CIPS etc. and pays for junior staff to study towards relevant qualifications.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Head of Land and Property and the property team receives regular updates on market activity, trends, forecasts and occupier activity from RICS firms and in-house surveyors to support the decision process.

How investments are funded:

Asset Investment Fund commercial property purchases are funded by borrowing. The borrowing is not directly taken out against each property but is managed through our Treasury Management function.

The rental income generated from the purchasing of commercial property is used to repay the borrowing before the net income is used in the supporting of services.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council.

Annual Minimum Revenue Provision Statement 2020/21

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008.

The Local Government Act 2003 requires the Council to have regard to the Ministry of Housing, Communities and Local Government's (MHCLG) Guidance on Minimum Revenue Provision (the MHCLG Guidance) updated in 2018.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP.

Minimum Revenue Position Policy

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP.

For assets acquired after 31 March 2008 MRP will be determined by charging the expenditure over the expected useful life of the asset, to a maximum of 50 years, on an annuity basis, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years.

The MRP payment is funded from revenue with an option that part or all of the payment could be funded from capital receipts to repay debt.

MRP will commence in the financial year following the asset coming into use or after purchase.

Expenditure funded by borrowing where the project is being built and is not complete at 31st March 2018 (classified as under construction). MRP will be deferred until the construction is complete and operational with the charge to be made in the year following completion.

For capital expenditure incurred before 1st April 2008, for supported capital expenditure incurred on or before that date, MRP will be charged on an annuity basis over 50 years, incorporating an "Adjustment A" in accordance to the guidance.

Investment properties will be charged MRP for properties that have reduced in value at the year-end valuation. For investment properties that have increased in value at the year-end valuation these will have nil MRP charge in that year. The investment properties are required to have life cycle maintenance and therefore are assumed to increase in value over time. This will extend the life of the assets and therefore it would not be appropriate to charge MRP.

All investment properties that are sold by the Council will use the capital receipts to repay the outstanding loan finance for that property before any balance of capital receipts is available for other capital projects.

External Loans

For capital expenditure loans to third parties that are repaid in instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Capitalisation Directions - For capitalisation directions on expenditure incurred after 1 April 2008 MRP will be made using the annuity method over 50 years.

PFI/Leases - For assets acquired by leases or the Private Finance Initiative, the Council has changed its policy with effect from 01/04/2021 that MRP is charged over the life of the assets on an annuity basis. This is in line with the Council's MRP policy for all other assets as described above.

Other Items

There are a number of additional items that the Council is obliged by CIPFA or MHCLG to include in its Treasury Management Strategy.

Policy on use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit for the purpose of making new investments.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before

Investment Training

The needs of the Council's treasury management staff for training in investment management are assessed every twelve months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staffs are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Markets in Financial Instruments Directive

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

Other options considered

The MHCLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 Officer, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Investment of Money Borrowed in Advance of Need

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit. The maximum period between borrowing and expenditure is expected to be less than one year, although the Council is not required to link particular loans with particular items of expenditure.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A – Arlingclose Economic and Interest Rate Forecast November 2020

Underlying assumptions

- The medium-term global economic outlook remains weak. Second waves of Covid cases have prompted more restrictive measures and further lockdowns in Europe and the UK. This ebb and flow of restrictions on normal activity will continue for the foreseeable future, at least until an effective vaccine is produced and importantly, distributed.
- The global central bank and government responses have been significant and are in many cases on-going, maintaining more stable financial, economic and social conditions than otherwise.
- Although these measures supported a sizeable economic recovery in Q3, the imposition of a second national lockdown in England during November will set growth back and likely lead to a fall in GDP in Q4.
- Signs of a slowing economic recovery were already evident in UK monthly GDP and PMI data, even before the latest restrictions. Despite some extension to fiscal support measures, unemployment is expected to rise when these eventually come to an end in mid-2021.
- This situation will result in central banks maintaining low interest rates for the medium term. In the UK, Brexit is a further complication. Bank Rate is therefore likely to remain at low levels for a very long time, with a distinct possibility of being cut to zero. Money markets continue to price in a chance of negative Bank Rate.
- Longer-term yields will also remain depressed, anchored by low central bank policy rates, expectations for potentially even lower rates and insipid inflation expectations. There is a chance yields may follow a slightly different path in the medium term, depending on investor perceptions of growth and inflation, the development of a vaccine or if the UK leaves the EU without a deal.

Forecast:

- Arlingclose expects Bank Rate to remain at the current 0.10% level.
- Additional monetary loosening through increased financial asset purchases was delivered as we expected. Our central case for Bank Rate is no change, but further cuts to zero, or perhaps even into negative territory, cannot be completely ruled out.
- Gilt yields will remain low in the medium term. Shorter term gilt yields are currently negative and will remain around zero or below until either the Bank expressly rules out negative Bank Rate or growth/inflation prospects improve.
- Downside risks remain in the near term, as the government continues to react to the escalation in infection rates and the Brexit transition period comes to an end.

	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
Official Bank Rate													
Upside risk	0.00	0.00	0.00	0.15	0.15	0.15	0.15	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Downside risk	-0.10	-0.20	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.05	0.05	0.05	0.10	0.10	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Downside risk	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.00	0.00	0.05	0.10	0.15	0.15	0.20	0.20	0.25	0.25	0.25	0.25	0.25
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
10yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.30	0.30	0.35	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.55	0.55	0.55
Downside risk	-0.30	-0.40	-0.50	-0.55	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
20yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.70	0.70	0.70	0.75	0.75	0.75	0.80	0.80	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30
50yr gilt yield													
Upside risk	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.55	0.60	0.60	0.65	0.65	0.70
Arlingclose Central Case	0.60	0.60	0.60	0.65	0.65	0.65	0.70	0.70	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.20	-0.20	-0.25	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30

Appendix B - Existing Investment and Debt Portfolio Position

	31 Oct 2020 Actual Portfolio £m	31 Oct 2020 Average Rate %
External Borrowing:		
PWLB – Fixed Rate	44.3	5.76
Short Term Borrowing	416.5	0.50
LOBO Loans	64.0	4.34
Long Term Borrowing	18.0	4.37
Total External Borrowing	542.8	1.51
Other Long Term Liabilities:		
PFI, Finance Leases and other liabilities	102.0	n/a
Other loans	16.6	n/a
Total Gross External Debt	661.4	
Investments:		
<i>Managed in-house</i>		
Short-term Money Market Funds	6.7	0.08
Other Short Term investments	3.6	0.40
<i>Managed externally</i>		
CCLA Pooled Funds	25.0	2.50
Other Pooled Funds	30.0	1.78
Total Investments	65.3	1.77
Net Debt	596.1	

Treasury Management Strategy 2021-22

Published by:
Plymouth City Council
Ballard House
West Hoe Road
Plymouth PL1 3BJ

Tel 01752 304212
Email: chris.flower@plymouth.gov.uk
www.plymouth.gov.uk

Audit and Governance Committee



Date of meeting: 30 November 2020
Title of Report: **Capital Financing Strategy 2021/22**
Lead Member: Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director: Andrew Hardingham (Service Director for Finance)
Author: Chris Flower (Finance Business Partner for Capital and Treasury Management)
Contact Email: Chris.flower@plymouth.gov.uk
Your Reference: Finance/CF
Key Decision: No
Confidentiality: Part I - Official

Purpose of Report

This report sets out the Capital Financing Strategy for 2021/22 and is a requirement of The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services.

Recommendations and Reasons

- I. The Audit Committee recommends the Capital Financing Strategy 2021/22 to the Council for approval.

This is to comply with the CIPFA Code of Practice and discharge our statutory requirement.

Alternative options considered and rejected

It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

Relevance to the Corporate Plan and/or the Plymouth Plan

Effective financial management is fundamental to the delivery of corporate improvement priorities. Treasury Management activity has a significant impact on the Council's activity both in revenue budget terms and capital investment and is a key factor in facilitating the delivery against a number of corporate priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

The cost of capital affects the Treasury Management Strategy and the Council's budget in terms of borrowing costs and investment returns. The Capital Strategy provides an overarching policy framework for the Council's capital programme and planning, and will form part of a suite strategies which provide a holistic view of the Councils financial planning framework. With this in mind this

document should be considered in conjunction with the Medium-Term Financial Strategy, Treasury Management Strategy and Investment Strategy.

The Capital Financing Strategy covers the capital programme; capital budget; governance; capital financing; affordability and risk management.

Carbon Footprint (Environmental) Implications:

[Click here to enter text.](#)

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

A robust Treasury Management Strategy is key to ensuring a successful delivery of our Medium Term Financial Strategy and ensuring the Council can achieve its objectives to be a Pioneering, Growing Caring and Confident City.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A								
B								

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

Fin	PL.20. 21.15 6	Leg	3567 4/AC/ 19/11 /20	Mon Off	3567 4/AC/ 19/11 /20	HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Andrew Hardingham											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 11/11/2020											
Cabinet Member approval: by Cllr Mark Lowry by email											
Date approved: 17/11/2020											

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CAPITAL FINANCING STRATEGY 2021/22



INTRODUCTION AND CONTEXT

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas. It is a requirement of the amendments implemented in the 2017/18 Treasury Management Code of Practice Guidance that all Local Authority's will need to produce a Capital Strategy each year.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

The strategy will provide an overarching policy framework for the Council's capital programme and planning, and will form part of a suite of strategies which provide a holistic view of the Council's financial planning framework. With this in mind this document should be considered in conjunction with the Medium-Term Financial Strategy, Treasury Management Strategy and Investment Strategy.

CAPITAL FRAMEWORK

The Council approved the Plymouth Plan in 2015 which sets out the strategic direction for the city.

The Plan identifies specific strategic outcomes for the Council and its partners for the medium and longer-term; these outcomes align to those set in the Plymouth and South West Devon Joint Local Plan.

Performance is measured towards the delivery of the agreed outcomes and reported against on an annual basis.

In February 2020 the Council approved a budget which contained an uplift to the revenue budget of £1.771m to meet the increased costs associated with borrowing requirements to fund the capital programme. The current MTFP contains proposals to further increase this sum by £1.485m in 2021/22, £1.648m in 2022/23 and £1.199m in 2023/24. The MTFP sets out a summary of schemes that the Council wishes to support and an indicative level of Council financial support which will assist in the delivery of those schemes which all deliver towards the city's outcomes.

GOVERNANCE

The Financial Regulations detail how capital projects are approved and added into the capital programme.

All new schemes must be fully financed and receive relevant approval by Section 151 Officer; up to £0.200m, or by the Leader when above this threshold.

Each scheme will need to detail:

- the aim of the project and any other ways of achieving it
- effects on staffing
- legal, contractual and prudential borrowing code implications

- if the Council is acting through an agent or partnership, legal advice must be sought on whether it has the power to act this way
- if it is a key decision, any comments made during consultation and the Council's response
- the estimated amount and timing of any capital and revenue spending.

All proposed new schemes will need to demonstrate how they meet the requirements of the City by presenting a Business Case for approval and detail which of the City's outcomes are being achieved and how the scheme will address this need.

Due diligence is carried out on all new proposals to determine whether the scheme is deemed suitable. Financial and capital planning reviews are carried out prior to any Business Case being presented to the City Council Investment Board to provide members with the confidence that the schemes meet the expected requirements in line with the strategic direction of the city.

Once accepted, all new schemes, which will require both finance and legal sign-offs, are published in the Executive Decision along with the Leaders decision.

CAPITAL BUDGET

The Capital Budget is the collective term which defines two key elements; the Capital Programme as approved by the Leader or S151 Officer and Future Income Assumptions which refer to the funding available for future projects yet to be approved.

The Capital Programme is the list of schemes which have a confirmed financing source and have been approved for capital investment by the Leader following consideration of a robust, evidence-based business case.

"Income Assumptions" is the term used to refer to funding that the Council expects to receive or allocate to finance schemes which have not yet been approved. Income Assumptions consist of both ringfenced and unringfenced resources.

Ringfenced resources are essentially those that can only be applied to a specific purpose and include specific grants and S106 contributions etc. Unringfenced resources can be applied to any project and include unringfenced grants and corporate borrowing etc.

CAPITAL PROGRAMME

Once approved, schemes are added to the capital programme for delivery.

The table below details the Capital Programme as reported to Cabinet in November 2020, including, amongst others, the following schemes:

- Derriford Transport Scheme
- Forder Valley Link Road
- Northern and Eastern Corridor Improvements
- The Box
- Plymouth Railway Station Regeneration
- Oceansgate
- Asset Investment Fund
- Bereavement Infrastructure
- Schools Basic Need

Any adverse variance to approved schemes are required to seek further approval, with identified funding, to enable authorisation for increased expenditure providing details of the variance.

Capital Programme by Directorate

Directorate	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
People	6.837	1.882	7.009	3.025	0.000	18.753
Place	130.998	112.341	78.848	10.705	2.676	335.568
Customer and Corporate Services	7.932	30.618	0.000	0.000	0.000	38.550
Public Health	5.209	7.804	0.000	0.000	0.000	13.013
Total	150.976	152.645	85.857	13.730	2.676	405.884

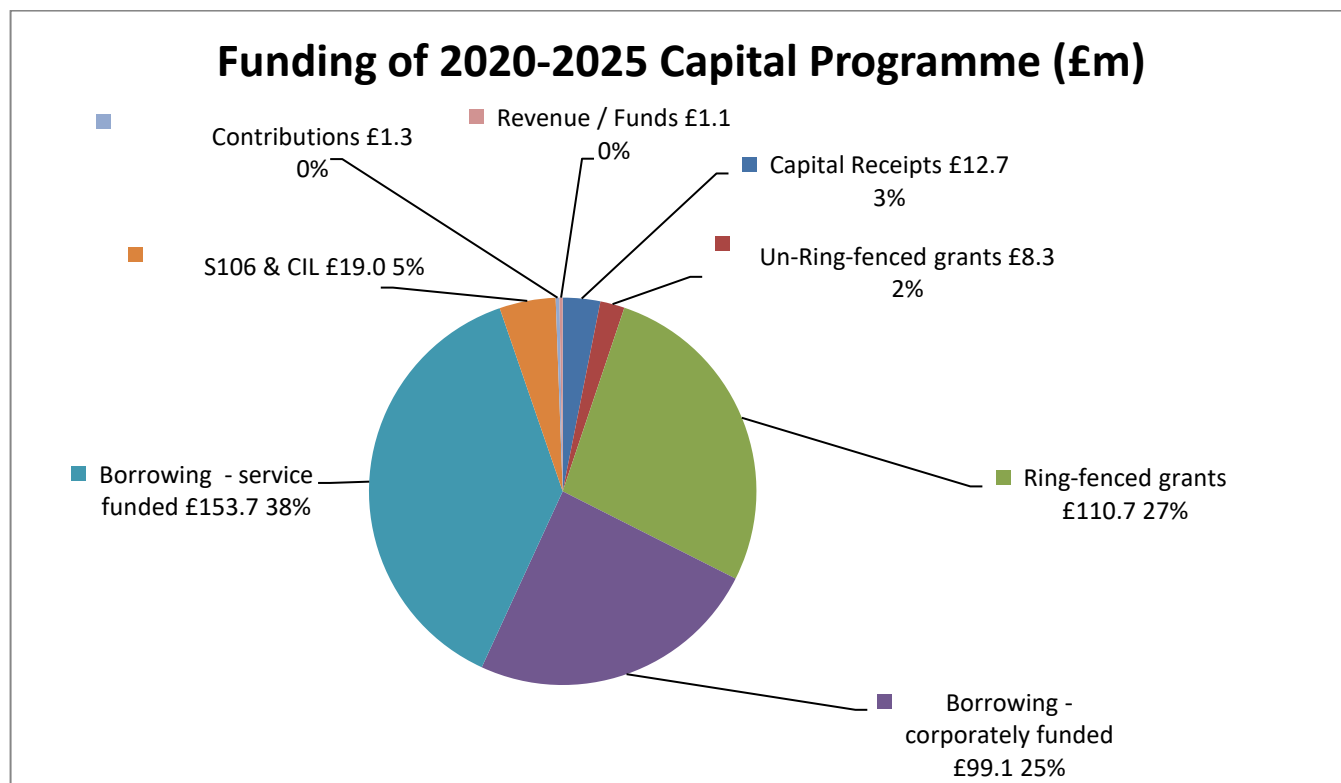
CAPITAL EXPENDITURE AND FINANCING

Capital expenditure is defined as money spent on assets, such as property or vehicles, which will provide a service benefit for more than one year. In local government, this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 (land and buildings) and £5,000 (vehicles, plant or equipment) are not capitalised and are charged to revenue in year.

Capital expenditure is financed by a range of sources which may either be ringfenced or unringfenced. The source of financing is always identified and approved at the time of capital project approval. The capital programme is currently financed by:

- Capital Receipts;
- Grants and contributions;
- S106 and Community Infrastructure Levy (CIL);
- Revenue Contribution to Capital Outlay (RCCO);
- Borrowing – both funded corporately, or where schemes deliver a saving, this is offset against the project and repaid by service.

The Council has approved medium-term capital expenditure of £405.884m as summarised below by funding source.



ASSET INVESTMENT FUND (AIF)

The Asset Investment Fund's strategic objectives are to deliver regeneration, economic and employment growth in Plymouth and the Functional Economic Area (Local Economic Partnerships; Cornwall and the Isles of Scilly and Heart of the South West). The council will manage its commercial property portfolio seeking to maintain a ratio of no more than 20% of its holdings within the wider area and minimum of 80% being within the city council boundaries.

This will enable the Council to invest in direct developments and forward funding opportunities to promote regeneration and economic growth in Plymouth and the Functional Economic Area.

A robust and well-defined investment strategy is used to manage risk and a key pillar of this is establishing a diversified portfolio with regards to property sector (retail, office, industrial etc.), tenant type and income-expiry profile. Diversification is considered best practice by fund managers to help to minimise portfolio risk and avoid portfolio return volatility (due to different correlations of investment types with exogenous factors). A diversified income-expiry profile will ensure that the funds income return is robust across a number of scenarios.

All investment decisions will be fully accountable and follow a sequence of internal reporting and sign-offs. In addition, verification of purchase prices by external suitably qualified RICS Approved Valuers is obtained prior to any investment.

In terms of on-going governance arrangements, the AIF is managed in accordance with the existing quality assurance framework of the Council's existing commercial property portfolio. In addition, the team undertake regular analysis at both a portfolio and property-level to benchmark AIF performance and manage risk. Bespoke industry-accepted property fund management software is used to assist in this monitoring. To improve transparency and disclosure, a monthly fund managers' report is produced and an AIF Management Group of key stakeholders meet quarterly to review the investments and the performance.

The Asset Investment Fund has approved investment of £238 million in commercial property including direct development and forward funding commercial property schemes to deliver:

- Stimulation of economic and employment growth and regeneration in the City.
- Long-term income generation (via rental revenues) to support the wider financial position of the Council.

The Asset Investment Fund has a well-defined investment strategy to manage risk. A key pillar of this is establishing a diversified portfolio with regards to property sector (retail, office and industrial), tenant type and income-expiry profile. The investment approach is also to primarily target secure investments, which generate a net initial yield in excess of 5% per annum (before debt servicing). The Fund supports the affordability of the revenue budget through the generation of long term income realisation.

The adoption of an Asset Investment Framework provides a sound basis and evaluation criteria on which future property investment acquisitions can be assessed and the performance of the existing investments monitored. This will ensure that the Council's commercial estate will provide a secure long term income stream to help front line service delivery and support the economic development of the City.

AFFORDABILITY

The Council considers all finances from a prudent perspective; this includes the assessment of affordability of all capital investments.

At the point of approval of a scheme, both the funding implications and any ongoing revenue implications are evaluated to enable informed decisions to be made regarding investment opportunities.

Project managers responsible for capital schemes requiring in excess of £0.500m will generally be expected to present a cost benefit analysis to support decision making.

The short, medium and longer-term impacts are all assessed taking into account any other wider policy implications which could impact on the decision.

As much of the capital programme is funded by borrowing, assumptions and decisions on the cost and affordability of the Council's borrowing is linked to the Public Works Loan Board (PWLB) interest rates, prudential indicators and the approved borrowing strategy as set out in the Treasury Management Strategy 2021/22.

RISK MANAGEMENT

The Council considers it's appetite to risk to be low. Risks are assessed continually from both an operational and financial perspective.

In carrying out due diligence, potential project risks are identified and relevant mitigation measures documented prior to approval.

All risks are then managed in line with the Council's risk management policy which includes documenting risks on a risk register, assigning owners, regular review of risks and Red Amber Green (RAG) rating.

Subject to careful consideration, the Council may consider investing in a higher risk initiative should there be a significant direct gain to the Council's resources or enable more effective delivery of statutory duties.

KNOWLEDGE AND SKILLS

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 20 years' experience.

The Council pays for staff to study towards relevant professional qualifications including CIPFA, ACCA, CIMA, MRICS, CIPS etc.

Where Council staff does not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

Date of meeting: 16 November 2020

Title of Report: **Capital & Revenue Monitoring Report 2020/21– Quarter 2**

Lead Member: Councillor Mark Lowry (Cabinet Member for Finance)

Lead Strategic Director: Andrew Hardingham (Service Director for Finance)

Authors: Paul Looby – Head of Financial Planning and Reporting
Hannah West - Finance Business Partner

Contact Email: email: paul.looby@plymouth.gov.uk
email: hannah.west@plymouth.gov.uk

Your Reference: PLQ2

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

This report:

- Outlines the capital and revenue finance monitoring position of the Council as at the end of September 2020;
- Sets out the capital budget 2020-25, taking into account changes to the capital programme and adjustments to income assumptions as a result of the pandemic.

The forecast revenue outturn after the application of Covid grants and council mitigating actions is shown in Table I.

Table I: End of year revenue forecast

	Budget £m	Forecast Outturn £m	Variance £m
Total General Fund Budget	193.678	194.600	0.922

Recommendations and Reasons

That Council

1. Notes the current capital and revenue monitoring position;
2. Approves the Capital Budget 2020-2025 as revised to £621.182m (as shown in appendix I).

Alternative options considered and rejected

None – our Financial Regulations require us to produce regular monitoring of our finance resources and take the necessary actions to ensure that resources are in place to meet the Council's expenditure commitments.

Relevance to the Corporate Plan and/or the Plymouth Plan

This report is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan (MTFP). The Council's Medium Term Financial Forecast is updated regularly based on on-going monitoring information, both on a local and national context. Any adverse variations from the annual budget will place pressure on the MTFP going forward and require additional savings to be generated in future years.

Carbon Footprint (Environmental) Implications:

No impacts directly arising from the recommendations of this report.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The reducing revenue and capital resources across the public sector has been identified as a key risk within our Strategic Risk register. The ability to deliver spending plans is paramount to ensuring the Council can achieve its objectives and priorities as set out in the Corporate Plan

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
I	Detailed Breakdown of the Capital Programme							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Andrew Hardingham (Service Director For Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 30/10/2020											
Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance)											
Date approved: 03/11/2020											

I. Introduction

- I.1 This report outlines the capital and revenue finance monitoring position of the Council as at the end of September 2020. The primary purpose of this report is to detail how the Council is delivering against its financial measures using its capital and revenue resources and report new schemes approved in the capital programme.
- I.2 This paper provides an update to the report presented to Cabinet on 15 September 2020 which set out the month 4 position and issues arising from the Covid 19 pandemic
- I.3 As shown in Table 1 of the main report, the estimated revenue overspend is £0.922m. The overall forecast net spend equates to £194.600m against a budget of £193.678m, which is a variance of 0.48%.
- I.4 The five year capital budget 2020-2025 is currently forecast to be £621.182m as at 30 September 2020. The capital budget has been adjusted to take into account the rolling forward of the programme from 2019-2024 to 2020-2025 as well as changes to the capital programme and adjustments to the income assumptions shown in the appendix to this report.
- I.5 The Council's budget for 2020/21 was approved by Council in February only a month before the country was placed into lockdown as a response to the COVID-19 pandemic. At the time of writing this report the country was due to be placed into another national lockdown. The Ministry for Housing, Communities and Local Government (MHCLG) has to date paid the Council un-ringfenced grant in four tranches in response to the additional costs faced by Plymouth arising from the pandemic. These are set out in Table 2 below.

Table 2: One-off Grants Received

Covid-19 Grant Funding	£m
MHCLG Grant Tranche 1	8.464
MHCLG Grant Tranche 2	7.236
MHCLG Grant Tranche 3	2.503
MHCLG Grant Tranche 4	4.843
Total Grant received	23.046
Less used in 2019/20	(0.496)
Total Grant available for 2020/21 costs	22.550

- I.6 In addition to the grant set out in Table 2 above, the Government announced an Income Compensation Scheme which will partially offset the council's lost income arising from sales, fees and charges. This compensation will be 'one off' in nature for 2020/21 and has a set of parameters and rules.

- 1.7 In summary, after applying a deduction equivalent to 5% of the Council's budgeted income for 2020/21, the government will compensate 75 pence in every pound of losses thereafter from all eligible sales, fees and charges. Certain types of income have been deemed ineligible and will attract no compensation under the scheme. Ineligible income includes income from Commercial rents and Treasury Management investments. The Council has submitted a claim for £3.087m.
- 1.8 Cabinet Members and officers must look at all opportunities to manage the impact of Covid 19, existing legacy and in year budget pressures. The Council must declare a balanced budget at year end and this report summarises a number of potential mitigations. Forecasts will be refined and updated over the coming weeks due to the imminent lockdown and the financial challenges facing the Council should not be underestimated and managing them continues to be a principal priority for the Council both in the current year and over the duration of the Medium Term Financial Plan.

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Table 3: Revenue Monitoring Position

Directorate	Gross Expenditure	Gross Income	2020/21 Latest Approved Budget	Forecast Outturn – Prior to use of Covid Grants	Forecast Year End Variation - Prior to use of Covid Grants	Movement from previous month.
	£m	£m	£m	£m	£m	£m
Executive Office	6.500	(0.506)	5.994	6.071	0.077	(0.047)
Finance	29.962	(5.295)	24.667	24.463	(0.204)	(0.204)
Customer and Corporate	81.748	(64.638)	17.110	19.709	2.599	(0.028)
Children's Directorate	149.354	(95.669)	53.685	57.975	4.290	0.000
People Directorate	125.425	(35.710)	89.715	94.868	5.153	0.000
Office of the Director of Public Health	19.306	(19.697)	(0.391)	(0.055)	0.336	0.179
Place Directorate	85.002	(60.011)	24.991	35.060	10.069	1.295
Corporate Items	5.362	(27.455)	(22.093)	(17.854)	4.239	(0.587)
TOTAL – Prior to use of Covid Grants	502.659	(308.981)	193.678	220.237	26.559	
Less balance of COVID 19 grants – Tranche 1-3,					(17.707)	
Less (Estimated) Income Compensation Scheme					(3.087)	
Less Tranche 4 Covid Grant					(4.843)	
SUB TOTAL					0.922	

Integrated Fund

The financial position for the Plymouth Integrated Fund is not being reported for the start of 2020/21 due in part to the financial uncertainties for both the Council and Devon Clinical Commissioning Group (CCG) arising from the Covid-19 crisis. It is also a reflection of the CCG operating without a formal budget for the period April to July 2020, with all costs being compensated on a claims basis by NHS England. For these reasons, it has been agreed by both parties that the Risk Share Agreement is reset to 0% for both parties for the full financial year.

Table 4: Key Issues and Corrective Actions

Included in the budget, is an assumed vacancy target of £3.800m. For the purposes of budget monitoring, it is assumed that this target will be met in full. In addition to this there are numerous Legacy items that are being covered off with in-year savings, but these pressures will still need to be addressed in future years.

Issue	Total £m	Management Corrective Action
EXECUTIVE OFFICE There are legacy pressures of £0.045m along with additional costs which have been incurred due to newspaper publications covering narrative on Covid19.	(0.034)	The department will continue to seek efficiencies by reducing costs and increasing potential income opportunities. Risks will be closely monitored and mitigated wherever possible.
EXECUTIVE OFFICE – Legal There is currently a pressure, £0.189m. £0.100m was to be achieved from a Service review as indicated in the MTFP and £0.089m is apportioned Transformation legacy savings.	0.111	A small vacancy savings is offsetting this slightly and a budget review is underway.

<p>FINANCE</p> <p>Transformation programme savings totalling £0.500m remain a pressure.</p> <p>Facilities Management and Project Services have now moved to Human Resources and Organisational Development, resulting in an underspend now being reported.</p>	(0.204)	<p>An in depth review of the Treasury Management budget has been undertaken. Interest rates have fallen significantly reflecting the Bank of England base rate of 0.1%. Interest on investments is forecast to be below the budget target. The interest charged on fixed debt remains unchanged but the council is benefiting from the reduction in the cost of short term borrowing. This is reflected in the forecast which is showing an in year saving.</p>
<p>CUSTOMER and CORPORATE – Customer Services</p> <p>Housing Benefit additional costs incurred due to the impact of Covid19 and pressures related to recovery of overpayments</p> <p>Covid19 has also impacted on income on Court Fees and Registration.</p>	1.445	<p>Pressures are being offset in part by salary savings. The department will continue to seek further savings where possible.</p>
<p>CUSTOMER and CORPORATE – Service Centre</p> <p>Legacy item totalling £0.600m. Other transactional services to transfer into the Service Centre.</p>	0.619	<p>Savings previously reflected have moved in line with the Business Service Review.</p>
<p>CUSTOMER and CORPORATE – Human Resources & OD</p>	0.242	<p>The R&M budget will be targeted primarily to undertake essential maintenance.</p>

<p>Facilities Management (FM) and Project Services have now transferred in resulting in a significant change to month 5 figures.</p> <p>The overall position has got worse by over £0.200m mainly due to lost income as a result of Covid19. There is risk in Repairs and Maintenance (R&M) budget which is being monitored.</p>		No other risks identified.
<p>CUSTOMER and CORPORATE – Departmental</p> <p>The budget includes savings of £0.570m from Transformation, and £0.004m gap to budget delivery affected by response to Covid19.</p>	0.574	Plans are in the process of being developed e.g. a review of management overheads across the directorate and challenging decisions will need to be made to address these pressures.
<p>CUSTOMER and CORPORATE – Transformation</p> <p>Costs incurred for funding laptops for officers and Members and remote working, offset by salary savings.</p>	(0.281)	The forecast underspend is helping to offset other pressures across the directorate.
<p>CHILDREN'S DIRECTORATE Savings Plans:</p> <p>£0.578m attributable to Covid19 due to: 1) restructure delays, 2) planned placement reviews stalled as a result of increased demand.</p>	4.290	Directorate to identify further plans to mitigate shortfall. EP+S restructure now in-train and will achieve full savings for full year 2021/22; Home to School Transport plan now in place to deliver full £0.179m target. Current position is 86% of the savings plans are realised / on track for delivery by the end of the financial year.

<p>Placements - Independent Sector Providers</p> <p>Placements £0.346m. There has been an increase in the cost of young people's placements due to the high levels of demand from our neighbouring local authorities and nationally, reducing the availability of the right sort of placement in order to meet a young person's needs.</p> <p>The impact of Covid19 has had an effect on looked-after children placements. From April to September there has been an increase of 34 new Looked After Children placements equating to full year effect £2.016m. Using trend analysis, an increase of +16 placements bimonthly is forecast. Increased costs by year end by £1.066m if realised.</p> <p>Education Participation and Skills (EP+S)</p> <p>£0.104m lost income; from training courses fees.</p> <p>£0.052m costs: home to school transport from lack of sufficient vehicles to allow for social distancing and SEND costs due to the implementation of emergency short break packages for some children with complex needs with 1 to 1 support replacing group based sessions.</p>		<p>All placements continue to be reviewed with a view to reduce costs.</p>

<p>PEOPLE – Community Connections</p> <p>Bed and Breakfast numbers continue to increase due to Covid19; payments to our partner The Alliance has increased due to demand for services.</p> <p>Additional costs for more housing and associated staffing; expected Youth Centre loss of income; BAU saving is because of grant maximization.</p>	0.897	<p>All pressures being reported are Covid19 related.</p> <p>The department has been tasked with achieving delivery plans of £0.113m, as well as £0.268m of savings brought forward from 2019/20 that were realised from one off savings and needed to be achieved in this financial year. It is thought that they will achieved in full, however, some of these may be achieved through one off savings again, which could cause further pressure in 2021/22.</p>
<p>PEOPLE - Strategic Cooperative Commissioning</p> <p>Includes additional Covid-19 payments made to providers and also reflects additional payments relating to Discharge claims from Health</p> <p>After a period of Adult Social Care (ASC) client numbers dropping, now seeing rises in the numbers of both residential and community clients.</p> <p>Covid19 has also had a large impact on the department, with increased costs to providers, both one off and ongoing, as well as a very large cost of Personal Protective Equipment (PPE) that is being used for the local authority and also for providers.</p>	4.256	<p>The market will continue to be monitored over the coming months and risks and issues will be escalated to CMT and Cabinet.</p> <p>At the moment, most of the pressures being reported are Covid19 related.</p> <p>At this time, the service are hoping to cover off all delivery plans, however most of these may be achieved through one off grants again, which will cause further pressure in 2021/22.</p> <p>The development of the next phase of transformation is underway to support the delivery of sustainable savings during 2020/21 and thus reduce the reliance on one off savings in future years.</p> <p>£1.992m Additional projected costs for the remainder of the financial year.</p>

<p>Office of the Director of Public Health</p> <p>At the moment the Bereavement Service is forecasting to budget for numbers of cremations, but any pressure will be around the decision not to increase prices this year. For both Bereavement and PPS, all pressures are Covid related.</p> <p>Following the move to local COVID Alert levels, Plymouth will be eligible for additional payments to support the undertaking of proactive containment and intervention measures. The service are awaiting confirmation of the allocation which is expected to be approx. £0.260m.</p>	0.336	<p>At the moment, all pressures being reported are Covid19 related.</p> <p>Bereavement will be monitored closely over the coming months to understand the trends emerging in this financial year. However this budget is ring-fenced and cannot be counted towards any favourable variations for the Directorate.</p>
<p>PLACE - Strategic Planning and Infrastructure (SP&I)</p> <p>The September monitoring report shows a favourable variation of about £0.073m since the previous month, with an end-year underspend forecast of about £0.173m.</p> <p>EVRS related savings relating to 20/21 have now been included in the monitoring return and additional savings have arisen through an improved position on planning application fees, albeit this is still significantly short of budget target due to the impact of Covid-19 on development activity.</p>	(0.173)	<p>SP&I Management will continue to closely monitor opportunities for additional income and spend savings given wider budget pressures. The Service Director identified in July 2020 a series of emergency budget decisions. These include:</p> <ul style="list-style-type: none"> • Freezing recruitment for a number of posts for the rest of 2020/2021 £0.176m; • Shutting down or intentionally limiting project spend for the rest of 2020/2021 £0.266m plus; • One-off capitalisation for 2020/2021; • Additional In-Year Fees for Services Provided and External Partnership Income;

These additional savings have more than compensated for some increased costs elsewhere in the department, particularly in relation to revenue costs associated with the delivery of the department's major capital programme of transport projects.		<ul style="list-style-type: none"> • Negotiating one-off savings where contributions can be offset by reserves held by partnerships; • Postponing the Local Green Space Development Planning Document and stopping non-revenue generating work; • EVRS has been included this month, which realised approx. £0.063 savings.
<p>PLACE - Management Support</p> <p>£0.338m Accumulated Place legacy efficiencies target following apportionment of historic Transformation costs.</p>	0.338	Overall Place monitoring will continue to seek one off efficiencies by reducing costs and potential income opportunities to reduce this pressure. With the in-year Covid19 impact however this is unlikely to be realised in full.
<p>PLACE - Economic Development</p> <p>There are pressures due to income no longer achievable from the Computer Complex as a result of asbestos discovery at Stoke Business Park, and lack of resource to deliver on agreed budget priorities.</p> <p>These are being offset in part from planned savings that have been achieved; including capitalisation and NNDR commitments have reduced rates delisting.</p> <p>In addition there are pressures as a result of Covid19 impacting on commercial activities: these include but not limited to; Asset Investment Fund, Mount Edgcumbe, The Box and City Market.</p>	2.733	<p>Risk based intelligence monitoring will ensure that these pressures are kept under ongoing review and reported appropriately.</p> <p>It is anticipated that National Government business grant payments to tenants will enable these PCC delayed invoice payments to be made. There remains however a significant risk of write off from tenants who do not recover and go out of business. This level of write off risk has been assessed by the Land and Property team for each area within ED.</p>

<p>PLACE - Street Services</p> <p>Street Scene & Waste (SSW) services:</p> <p>Street Scene and Waste are reporting an adverse variation of £2.168m.</p> <p>COVID-19 has also had a significant impact on SSW, causing a forecasted pressure of £1.093m due to lost income through Trade Waste, Bulky Waste and Sales of Recyclables, as well as additional costs as a consequence of increased tonnages and having to cease and then reopen services.</p> <p>Moreover, many of the agency and overtime costs are directly related to operating in a COVID-19 environment.</p> <p>SSW have BAU pressures of £0.519m, attributable to such things as vehicle running and maintenance costs. Grounds has an ongoing pressure of £0.155m in relation to backdated grant monies owed to the National Trust as well as reporting COVID-19 related pressure of £0.124m (of which £0.068 is lost income).</p> <p>Control and increased accountability are in place to drive down operational costs, increase income and manage historical pressure.</p>	<p>2.168</p>	<ul style="list-style-type: none"> • Street Scene and Waste has undergone a series of end-to-end reviews to understand the genesis of the cost pressures that exist across the service. • The service is looking at a series of measures that will introduce more accountability and tighter controls. • As part of the review, the service is also undergoing a series of changes as part of its modernisation agenda and this should see improved income, which will in part address the shortfall as well as some (but not all) of savings targets. • The impact of Covid-19 is significant and the service continues to monitor and assess the implications, particularly for trade and commercial income, as well as the additional costs of running Covid-safe services and adjusting working practices in a dynamic pandemic environment.
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<p>Fleet and Garage:</p> <p>Fleet and Garage are reporting a pressure of £0.127m. Fleet of £0.077m and Garage of £0.050m.</p> <p>Highways and Car Parking:</p> <p>Highways and Car Parking are currently reporting a pressure of £4.876m which is made up of £4.525m potential loss from Car parking income from On Street & Off Street, Permit Parking, Penalty Charge Notices & Corporate Permits based on the worst case scenario.</p> <p>£0.208m Efficiency Target not being achieved. £0.200m Tamar Bridge & Torpoint Ferry loss of income (shared with Cornwall). £0.103m mooring income & loss of rental from cruise operators. £0.025 Highways Legal Fees.</p> <p>There have been some staffing savings as a result of vacant posts and EVRS which total (£0.070m) and additional Capitalised Salaries targets of (£0.111m) and an expected reduction in spend on Safety Camera Partnership of (£0.026).</p>	<p>0.127</p> <p>4.876</p>	<p>The Tamar Bridge and Torpoint Ferry Joint Committee is predicting a shortfall of £4.2m income in 2020/21. The Act establishing the bridge requires that accumulated reserves are used first to offset any in year loss. Plymouth will be claiming its share (£2.1m) of the loss from the Government although at present guidance suggests we will only receive 71p in the £. After use of the reserves if there is still a deficit this is shared equally between Plymouth and Cornwall. At present the position is estimated to be £0.2m.</p>
<p>CORPORATE ITEMS</p> <p>There is £2.953m of pressure for The Way We Work (TWWW) programme as shown in the MTFP. Business</p>	<p>4.239</p>	<p>Boards have been convened to look at component of TWWW programme, including for example, the Accommodation strategy to review impact of Covid 19 on future service delivery.</p>

Support Review resulted in £0.247m savings being captured. Costs totalling £1.286m are being forecast for the Temporary Mortuary which includes costs for PPE, equipment and signage.		EVRS council wide programme will drive out £0.500m this financial year. These savings are now reflected within each service area;	
		Service Area	£m
		Children's Services	-0.005
		Customer and Corporate Services	-0.136
		Executive Office	-0.035
		Finance	-0.014
		People	-0.087
		Place	-0.147
		Business Support	-0.084
TOTAL	26.559		
Less balance of COVID 19 grants (Tranche 1-3)	(17.707)		
Less estimated ICS	(3.087)		
Less Tranche 4 COVID 19 grant	(4.843)		
NET TOTAL	0.922		

Appendix I

Capital Finance Report Quarter 2 2020/21

The five year capital budget 2020-2025 is currently forecasted at £621.182m as at 30 September 2020. The capital budget has been adjusted to take into account new approvals and changes to the capital programme and adjustments to the income assumptions shown in table I.

Current Capital Resources

Table I The Capital budget consists of the following elements:

Description	£m
Capital Programme approved by CCIB	390.058
Income Assumptions *	231.124
Total Revised Capital Budget for Approval (2020-2025)	621.182

* Estimate of income to be received to finance future capital projects (funding see Table 2c)

Within the approved budget (representing forecast resources), the Capital Programme represents projects that have been approved by the City Council Investment Board (CCIB). Project officers prepare detailed business cases and present them to the board and if approved the CCIB recommends them to the Leader for approval. Once the executive decision has been signed by the leader the projects are added to the Capital Programme for delivery.

Tables 2 and 3 below shows the revised capital programme for the period 2020-2025, as at the end of September 2020.

Revised Capital Programme

Table 2a Capital Programme by Directorate

Directorate	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
People	7.610	0.632	0.172	-	-	8.414
Place	155.300	92.960	68.743	10.706	2.676	330.385
Customer & Corporate	8.633	29.613	-	-	-	38.246
Public Health	5.209	7.804	-	-	-	13.013
Total	176.752	131.009	68.915	10.706	2.676	390.058
Financed by:						
Capital Receipts	4.465	4.057	2.152	0.608	0.659	11.941
Corporate funded borrowing	39.626	39.852	11.862	4.827	2.017	98.185
Service dept. supported borrowing	62.438	48.196	28.518	4.020	0	143.172
Grant funding	61.697	28.468	25.523	0	0	115.688
SI06 & CIL	6.621	10.319	0.860	1.250	0	19.050
Other contributions	1.905	0.117	0	0	0	2.022
Total Financing	176.752	131.009	68.915	10.706	2.676	390.058

Table 2b Funding of the 2020-25 Capital Programme

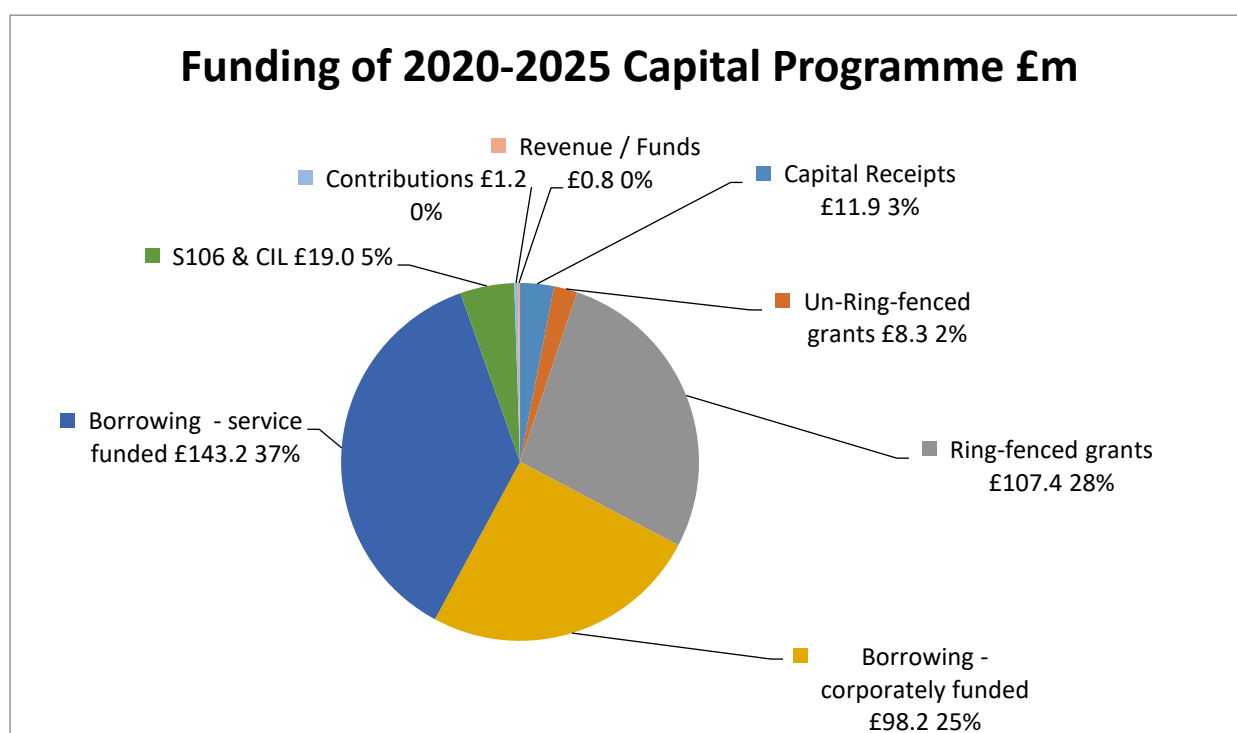


Table 2c Income Assumptions Funding Estimates

Funding Estimates	2020/21	2021/22	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m	£m	£m
Capital receipts	1.275	0	0.462	0.939	0.914	3.590
Corporate & service borrowing	0	0	0	0	0	0
Grants	12.647	26.130	7.067	146.696	2.126	194.666
S106 and CIL	4.575	4.575	4.575	4.575	4.575	22.875
Other sources	0.227	1.298	7.268	0.600	0.600	9.993
Total	18.724	32.003	19.372	152.810	8.215	231.124

Covid 19

The effect from Covid 19 has slowed some elements of the capital programme delivery. As we come out of lock down the capital projects are all getting back to work but with the extra safety requirements of social distancing. There will be slippage in the delivery of the capital programme but the Resurgam group has been set up to accelerate the delivery of the capital programme.

Table 3: Capital Programme by Delivery Outcome

Primary Outcome of Projects	£m
Securing Growth in the City Centre/Waterfront	18.024
Securing Growth in Derriford and the Northern Corridor	57.398
Securing Growth in the Eastern Corridor	8.602
Delivering More/Better Housing	18.995
Ensuring Essential City Infrastructure	92.673
Improving Neighbourhoods and Community Infrastructure	3.910
Ensuring Good Quality School Places	1.802
Growing the Economy	55.964
Delivering Oceansgate	12.903
Connecting the City	26.996
Celebrating Mayflower	4.857
Delivering The Box	3.140
Transforming Services	84.792
Total	390.058

Cabinet**CABINET RESPONSE TO BUDGET SCRUTINY RECOMMENDATIONS**

No.	Recommendation	Proposed Cabinet Response	Action(s) Taken
1.	<p>That Cabinet continue to make all efforts to build the working balances back up to 5% within two financial years to ensure an effective financial buffer for the organisation and therefore reduce financial risk.</p> <p>Budget Scrutiny also recommends that Audit and Governance Committee look at the methodology behind the setting of the 5% target and whether financial modelling of future risks and past performance could be used to recommend a more appropriate level in the future.</p>	<p>Agree: Achieving and maintaining working balances to mitigate financial risk to the Council remains a priority for the Council. However, this is conditional on Plymouth not suffering further and damaging reductions in funding as a result of the government's Fairer Funding review. The Audit and Governance Committee will be asked to review the methodology for setting an appropriate level of balances.</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • Every effort is being made to build the working balances back up to 5%. The 2020/21 budget had a £350,000 contribution to the working balances, which has been built into the base budget. • The Chancellor confirmed that as announced earlier this year, the implementation of the fair funding review has been delayed. • The Audit and Governance Committee is still to be asked to review the methodology for setting an appropriate level of balances.
2.	<p>That Cabinet reconsider the approach to legacy savings, particularly with regard the vacancy saving factor of 5%, and determine an alternate approach to addressing the challenge of meeting those savings in a more effective way.</p>	<p>Agree: Measures will be considered for implementation to address the requirement to maintain a vacancy saving target of 5%, and directorates will report on further measures to address other 'legacy' savings targets</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • A set of savings proposals is being developed and will be included in the draft budget 2021/22 to mitigate against the impact of existing legacy savings.
3.	<p>That the referendum threshold for setting Council Tax and the</p>	<p>Agree: Subject to the Council's ability to set a balanced budget in line</p>	<p>Complete</p> <ul style="list-style-type: none"> • Subject to the Council's ability to set a balanced budget in line with statutory

	Adult Social Care precept is not breached.	with statutory requirements	requirements, there are no plans to breach the threshold.
4.	That Cabinet seek ways to increase the Community Grant for each Councillor as per the December 2019 Motion on Notice and clarify the allocation within the 2020/21 budget. This should include a review of the Community Grants guidance and criteria by a small cross-party group to ensure the best value and greatest impact is achieved from the grants.	Agree: The Cabinet Member will consider this request in line with the December 2019 Council Motion on Notice, and commission a review of the Community Grants guidance and criteria.	Complete <ul style="list-style-type: none"> New guidance for 2020/21 has been issued. A new three year plan has been agreed. Plymouth City Councillors will each have an annual grant allocation of £4,000 for 2020/21, £4,500 for 2021/22 and £5,000 for 2022/23
5.	Cabinet ensures that the Medium Term Financial Plan is made available to Finance and Performance Scrutiny as soon as available, following clarification from Government on funding allocation, including fairer funding.	Agree: As soon as Government provides clarity about medium term funding allocations for local government, the implications for Plymouth will be analysed and shared.	Ongoing <ul style="list-style-type: none"> The government set out in the Spending Review that there will be a continuation of the current <u>single year</u> funding allocation for local government. The lack of certainty over future funding is disappointing, and coupled with the outstanding Fair Funding proposals means the council has not been able to provide a three-year financial plan at this stage.
6.	<p>That Cabinet explore all avenues to promote caring careers within the city to support Adult Social Care (ASC), including mental health services, in order to support the workforce. This is with the intent of positively impacting both ASC service users and the ASC budget; acknowledging that both are interlinked.</p> <p>That Cabinet consider identifying and focussing the budget on key preventative and/or early intervention activities, such as</p>	Agree: A cross Council focus on promoting caring careers is prioritised, and prevention and early intervention remain a priority for the People Directorate, at the same time as balancing resources to meet acute demand.	Ongoing <ul style="list-style-type: none"> All partners are working with DWP, JobCentre Plus, On Course SW, City College Plymouth and Prince's Trust, designing a fast track introduction/ access to care training programme to develop entrant requirements including the support of transferable skills. Exploring opportunities for Kickstart, apprenticeships and traineeships as routes for new entrants into Care, ensuring the right skills wraparound support. The Resurgam Health sector lead is developing a business case to establish a fast track Health Skills Academy at Plymouth Science Park, to create a care environment to enable competency based training for new entrants. Local citywide campaign "Caring for Plymouth" messages promoted through the

	community youth, sports development and mental health services.		Skills Launchpad Plymouth, DWP and providers, and hosted virtual career events. <ul style="list-style-type: none"> We have maximised the 'Proud to Care' campaign for Plymouth - linking to the "Caring for Plymouth" branding.
7.	That Cabinet consider identifying and focussing the budget on key preventative and/or early intervention activities, such as community youth, sports development and mental health services.	As above	Ongoing <ul style="list-style-type: none"> The Council already invests in a wide range of key preventative and early intervention services, including with partners, as follows: <ul style="list-style-type: none"> Befriending and social inclusion for people aged over 50 (Elder Tree, Extra Care Social Inclusion and Sheltered Accommodation support) Mental health services – we commission MIND (Recovery college including I-I therapeutic support, peer support, group activities) and Rethink (I-I support); Devon STP has put a bid into NHS England to increase investment into the Voluntary Sector mental health services from April 2021, this is Devon-wide but includes Plymouth Wellbeing Hubs – we provide core funding to the Hubs to co-ordinate a range of services and opportunities within the neighbourhoods where there is a hub Time Banks – community based social activity, peer support, informal volunteering The Plymouth Good Neighbour Scheme and Our Plymouth – formal volunteering, including one-off community action in partnership with Plymouth Octopus Project (POP) POP – we fund POP to support the smaller community groups in the city Advice and Information service (Advice Plymouth) Youth and Sports –we invest in the Leisure Management contract to provide a range of activity for children and young people in our leisure facilities Children and Young people – we invest in some emotional and mental health support
8.	That Cabinet identify which lessons learned from Adult Social Care, in terms of introducing new ways of working, could be transferred to	Agree: The current change programme in Children's Services is drawing on all the lessons learned from Adult Social Care, and is receiving support from	Ongoing <ul style="list-style-type: none"> This is being achieved through continued work within the People Federation, including the secondment of a member of staff from Adults.

	Children's Social Care, recognising that key aspects of success included a long-term view, whole Council approach with cross-party support.	across the Council's leadership, both from officers and politicians.	
9.	That Cabinet enhance the approach to improving educational attainment by continuing to collaborate and engage with other local authorities with similar demographics to learn from and implement best practice.	Agree: Visits to, and collaboration with other high performing councils are underway.	Ongoing <ul style="list-style-type: none"> Visits were planned but did not take place, (due to COVID). However, we have continued to work with the Teaching Schools Council and have secured input from others nationally and regionally, including the Education Endowment Foundation, and the Ambition Organisation, running Webinars for secondary school leaders.
10.	That the Cabinet Member seek clarity from Government on the funding for Troubled Families programme beyond 2021 in order to provide assurance of the sustainability of the service and update Full Council as and when required.	Agree: The Cabinet will continue to press the Government for clarity about medium term funding for this important work, and will keep the Council updated	Complete <ul style="list-style-type: none"> Funding was confirmed for next year as part of the 2020 Spending Review announcement; however this has again been set for one year only.
11.	That Cabinet prioritise in house foster caring with a view to increasing in-house provision of foster homes through improved training, skills and support for foster carers in the city.	Agree: Foster for Plymouth remains a key priority, and will be the focus of further support activity in the coming year for existing and new foster carers	Ongoing <ul style="list-style-type: none"> A service review has been undertaken and a new service design implemented, alongside commissioning a marketing company to run a recruitment campaign. We have been successful in meeting the targets to date. We expect to have recruited sufficient foster carers to provide 21 new placements (approximately 16 new foster carers) in 2020-21. This will increase to 36 new placements (approximately 22 new foster carers) in 2021-2022.
12.	That Cabinet consider how the carbon/environmental impact of the budget can be clarified and quantified in future budget reports.	Agree: Following the adoption of the Council's Climate Emergency Action Plan, and Corporate Carbon Reduction Plan (CCRP) the environmental impact of all key decisions including financial decisions will be further	Complete <ul style="list-style-type: none"> A completed action from the CCRP, year 1 ensures that carbon/environmental impact is now considered in every decision that Cabinet/Full Council makes.

		developed, communicated and reported.	
13.	That Cabinet and the whole Council continue to communicate the tangible benefits of the impacts associated with carbon reduction/climate emergency actions, including clarification of the performance reporting framework, and the positive impacts for residents both environmentally and financially.	Agree: As (12) above. The Climate Emergency Action Plan (CEAP) makes clear commitments to taking immediate action to address carbon reduction challenges as well as assessing longer term initiatives for effectiveness. Commitments extend to facilitating a city-wide conversation and inspiring rapid local action through effective leadership to ensure a Plymouth-wide, bottom up response to this emergency.	Ongoing <ul style="list-style-type: none"> The Council is a key player in the City's Net Zero Carbon group, engaging with Babcock International, the NHS, University of Plymouth, Marjon University, Plymouth City Bus, Devon and Cornwall Police and Plymouth Science Park to tackle climate change. The Performance team are currently developing a performance reporting framework, which will report to scrutiny. The Comms team are preparing a communications plan for staff and the public with the support of the green champions. The Plymouth Plan Climate Emergency Consultation and review have been completed, and will be going to Full Council on 25th Jan 2021. A 'Plymouth Climate Challenge Live' competition was undertaken. We will develop our residents' survey to include questions on Climate Emergency, to capture residents' views. In 2021 planned works with communities includes a themed day at Plymouth libraries and a climate summit with the Youth Parliament Planned promotion of a 'Car Free' day – and anti-idling.
14.	That Cabinet continue to lobby central government in relation to the National Planning Policy Framework and Department for Transport guidelines to strengthen the climate/carbon emergency focus.	Agree: The Council will continue to use its relationship with the Ministry of Housing Communities and Local Government to push government to strengthen the emphasis on carbon reduction through planning and transport guidelines, and will use the opportunity of the publication of the Planning White Paper during 2020 as a focus for this.	Ongoing <ul style="list-style-type: none"> The CEAP includes a number of Transport lobbying actions, but also in our public affairs activity we set out specific lobbying of central government regarding transport related issues, specifically asking: <ul style="list-style-type: none"> Commit to delivering "Speed to the West" and other track and train service improvements to achieve faster journey times to and from the south west and leading towards the achievement of 2h 15m journey time between Plymouth and London while also reducing carbon emissions. Produce an investment strategy on decarbonising rail including electrification of the mainline and the eventual replacement of diesel traction with a mixture of overhead electric, hydrogen and battery technologies to be deployed

			on inter-city, regional and branch line trains as appropriate.
15.	That Cabinet commits to the setting up of a cross-party Group to review Climate/Carbon impact of proposals and progress.	Agree: The Cabinet Member for Environment and Street Scene is developing proposals for appropriate governance to oversee the further development and delivery of the Climate Emergency Action Plan and the Corporate Carbon Reduction Plan	Complete. <ul style="list-style-type: none">• A governance framework has been created and agreed. This also includes regular reviews of both Climate Emergency plans by the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee

OUR PLAN A CITY TO BE PROUD OF



CITY VISION Britain's Ocean City

One of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone.

OUR MISSION

Making Plymouth a fairer city, where everyone does their bit.

OUR VALUES

WE ARE DEMOCRATIC

We will provide strong community leadership and work together to deliver our common ambition.

WE ARE RESPONSIBLE

We take responsibility for our actions, care about our impact on others and expect others will do the same.

WE ARE FAIR

We are honest and open in how we act, treat everyone with respect, champion fairness and create opportunities.

WE ARE CO-OPERATIVE

We will work together with partners to serve the best interests of our city and its communities.

OUR PRIORITIES

A GROWING CITY

- A clean and tidy city
- An efficient transport network
- A broad range of homes
- Economic growth that benefits as many people as possible
- Quality jobs and valuable skills
- A vibrant cultural offer
- A green, sustainable city that cares about the environment.

A CARING COUNCIL

- Improved schools where pupils achieve better outcomes
- Keep children, young people and adults protected
- Focus on prevention and early intervention
- People feel safe in Plymouth
- Reduced health inequalities
- A welcoming city.

HOW WE WILL DELIVER

Listening to our customers and communities.

Providing quality public services.

Motivated, skilled and engaged staff.

Spending money wisely.

A strong voice for Plymouth regionally and nationally.

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CORPORATE PLAN PERFORMANCE REPORT

QUARTER TWO 2020/21



The Corporate Plan

The Plymouth City Council Corporate Plan 2018-2022 sets out our mission of 'making Plymouth a fairer city, where everyone does their bit'. It was approved by Full Council in June 2018.

The Corporate Plan priorities are delivered through specific programmes and projects, which are coordinated and resourced through cross-cutting strategic delivery plans, capital investment and directorate business plans.

The key performance indicators (KPIs) and their associated targets detailed in this report for the first two quarters of 2020/21 (April to September 2020) tell us how we are doing in delivering what we have set out to achieve in the Corporate Plan.

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Plymouth
Britain's Ocean City

www.plymouth.gov.uk/ourplan

Structure of this Report

The purpose of this report is to provide a risk-informed analysis of performance against the priorities of the Corporate Plan 2018-2022. The priorities are grouped under 'A Growing City' and 'A Caring Council', and the outcomes for 'How We Will Deliver' – the enablers of the Corporate Plan – are also reported on.

Trend (RAG) colour scheme

A red-amber-green (RAG) trend rating is provided to give an indication of whether performance is improving or declining based on the two latest comparable periods for which information is available. For example, repeat referrals to Children's Social Care is compared to the previous quarter in the same year; household waste sent for reuse, recycling or composting is compared to the same period in the previous year (due to seasonality); and annual measures, such as public satisfaction with traffic flow, are compared to the previous year.

- Indicators highlighted **green**: improved on the previous value or is on an expected trend
- Indicators highlighted **amber**: within 15% of the previous value (slight decline)
- Indicators highlighted **red**: declined by more than 15% on the previous value
- Indicators not highlighted or 'N/A' have no trend or the most recent value is not comparable with previous values.

Target (RAG) colour scheme

A RAG target rating is applied for indicators that have a target. For these indicators, the bar for the latest reporting period is coloured either red, amber or green in the chart to visually display how we are performing compared with the target.

- Indicators highlighted **green** show where Plymouth is better than target
- Indicators highlighted **amber** show where Plymouth is within 15% of target
- Indicators highlighted **red** show where Plymouth is more than 15% worse than target
- Indicators not highlighted or 'N/A' show where no in year data is available to compare against target, or no target has been set.

Summary page

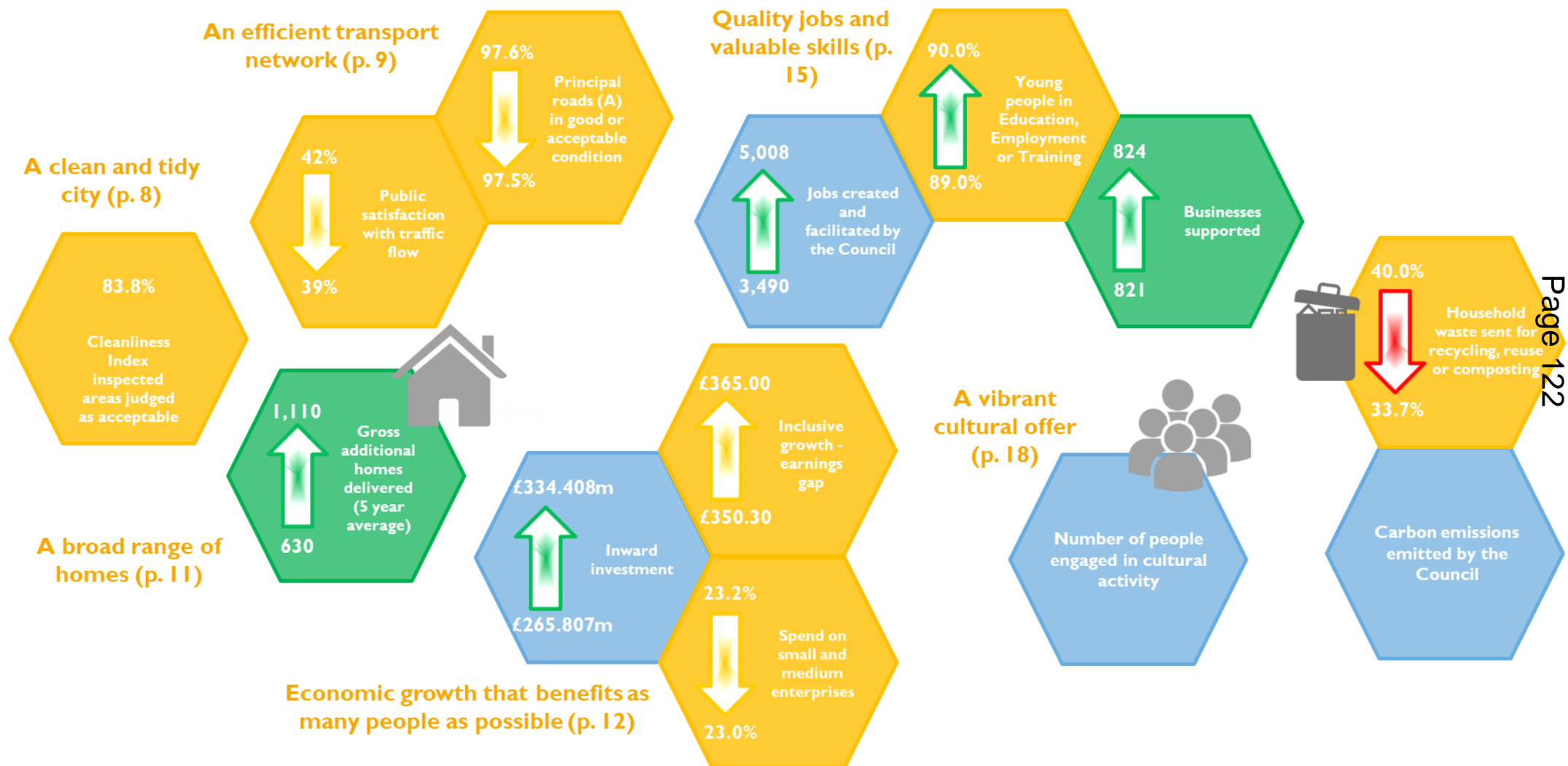
Performance summary pages are presented at the start of this report to visually display how we have performed against our Corporate Plan priorities. Our RAG rating on these pages is used to show whether we have done better, worse or had a slight decline from the previous quarter or year (coloured arrows), and whether we have done better, worse or got close to the target (coloured hexagons). Some indicators do not have a target (for example, due to being a new indicator) and will therefore have no target RAG rating (blue hexagons). Similarly, some of our indicators are new and we do not have any previous data to compare our performance to or it is not appropriate to compare to previous data; these will have no trend RAG rating in the summary pages.

For example, the hexagon for the percentage of business rates collected is green because at 56.6% in quarter two 2020/21 it is above the target (53.1%), whilst the arrow within the hexagon is amber because there was a decrease when compared to quarter two in 2019/20 (59.0%).



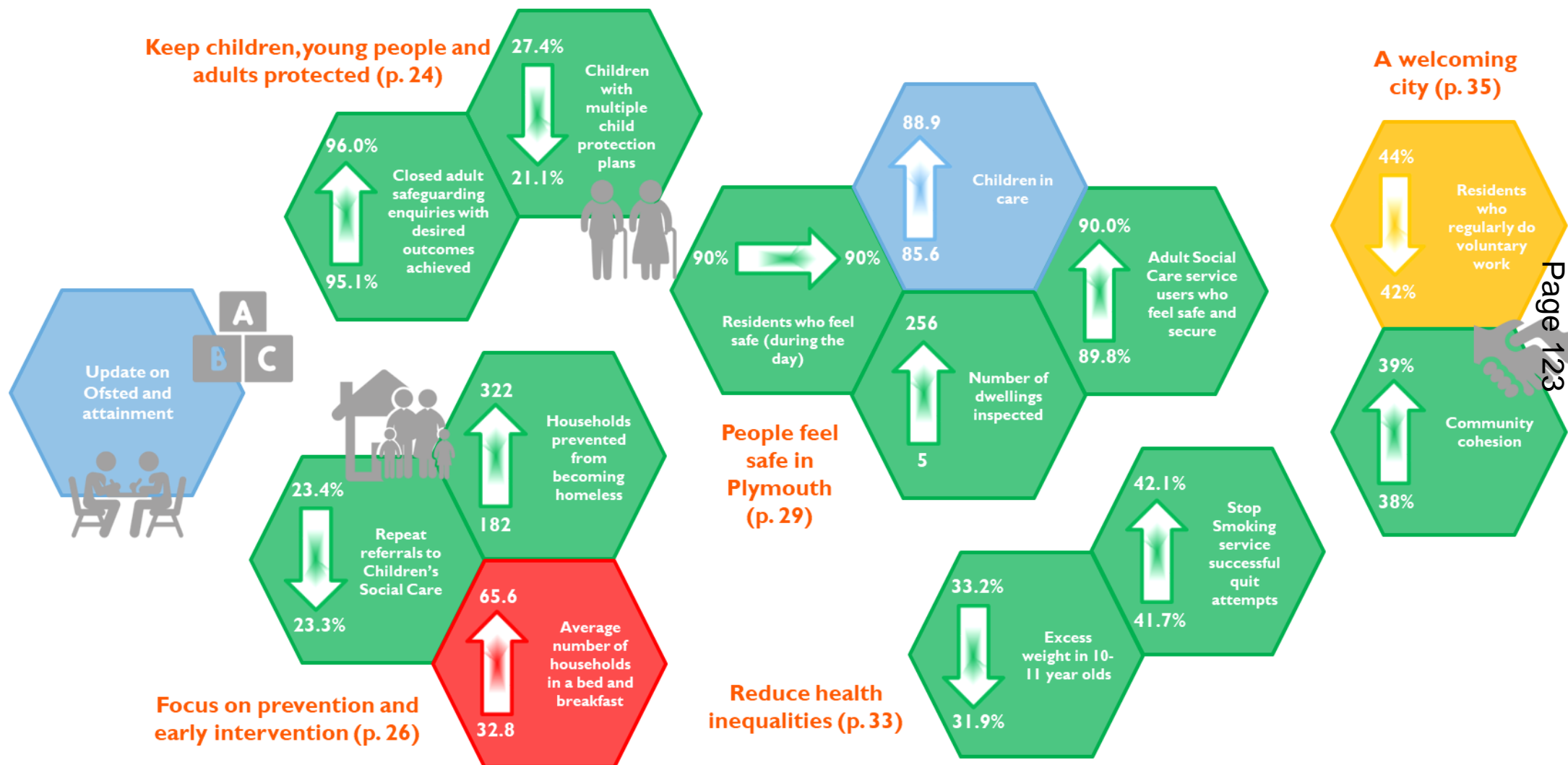
A Growing City – Quarter Two Summary

'A Growing City' consists of seven priorities, each with one to three key performance indicators (KPIs). Performance for all indicators is summarised below and more detail on each KPI is given in the corresponding pages of this report.



A Caring Council – Quarter Two Summary

'A Caring Council' consists of six priorities, each with one to four KPIs. Performance for all indicators is summarised below and more detail on each KPI is given in the corresponding pages of this report.



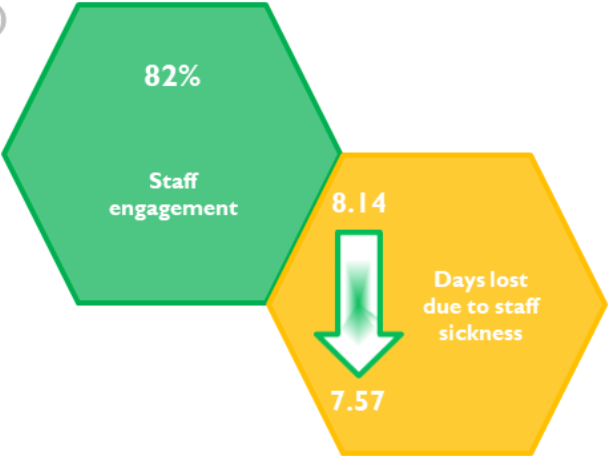
How We Will Deliver – Quarter Two Summary

This section of the Corporate Plan consists of six outcomes, each with one to three KPIs to measure progress and performance for all indicators is summarised below. More detail on each KPI is given in the corresponding pages of this report.

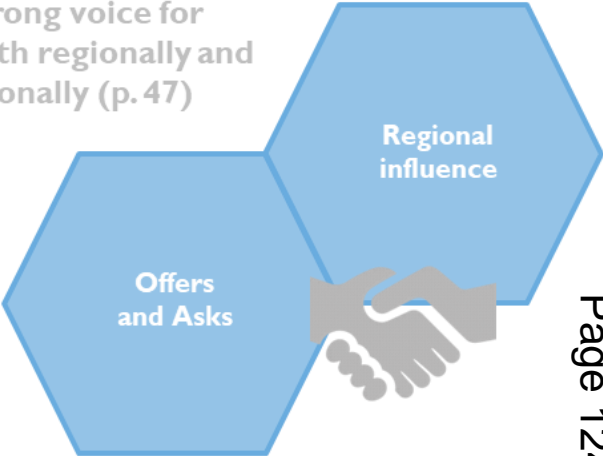
Listening to our customers and communities (p. 39)



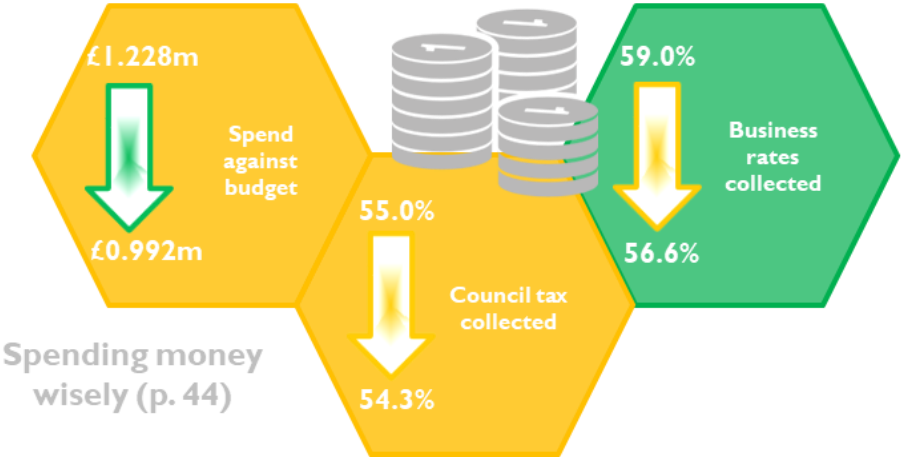
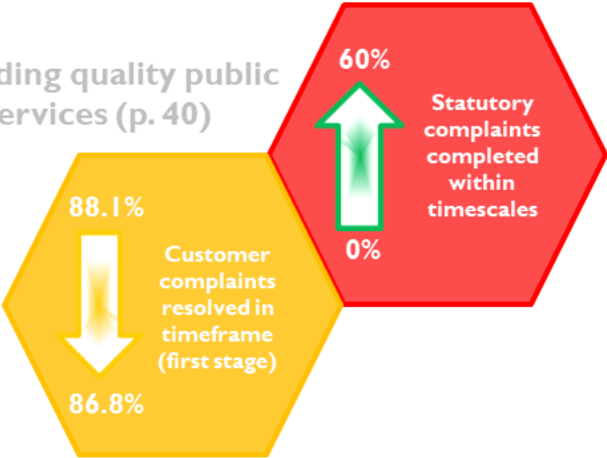
Motivated, skilled and engaged workforce (p. 42)



A strong voice for Plymouth regionally and nationally (p. 47)



Providing quality public services (p. 40)



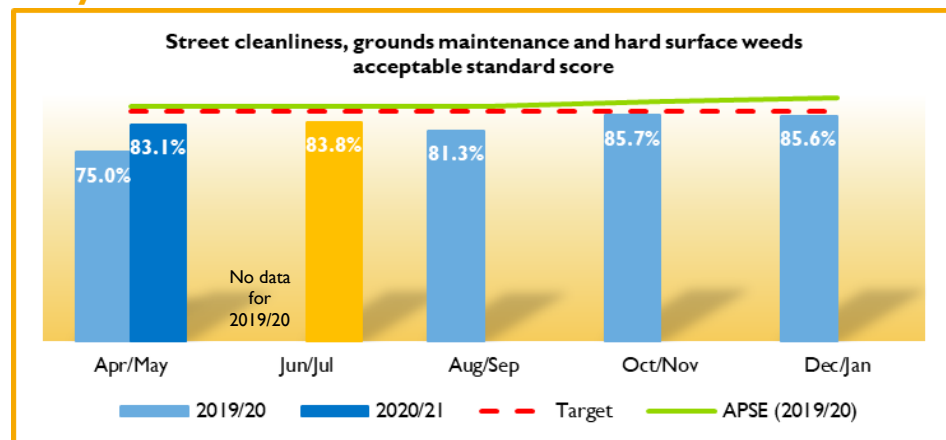
Corporate Plan priorities	Key performance indicators	Page number
A clean and tidy city	Cleanliness Index inspected areas judged as acceptable	8
An efficient transport network	Public satisfaction with traffic flow	9
	Principal roads (A) in good or acceptable condition	10
A broad range of homes	Gross additional homes delivered	11
Economic growth that benefits as many people as possible	Inward investment (including foreign and domestic)	12
	Inclusive growth	13
	Spend on Small and Medium Enterprises (SMEs)	14
Quality jobs and valuable skills	Jobs created and facilitated by the Council	15
	Young people in Education, Employment or Training	16
	Businesses supported	17
A vibrant cultural offer	Number of people taking part in cultural activities organised by PCC	18
A green sustainable city that cares about the environment	Household waste sent for recycling, reuse or composting	19
	Carbon emissions emitted by the Council	20

A clean and tidy city

Cleanliness Index inspected areas judged as acceptable

What we measure: The cleanliness and condition of streets using the Land Audit Management System (LAMS), so that we can compare ourselves to other members of the Association for Public Service Excellence (APSE) performance network. It comprises three main elements: street cleanliness, grounds maintenance, and the presence of hard surface weeds. Results are cumulative and include all audits that have been completed in the financial year to date.

Why we measure it: The cleanliness of our streets can affect residents' quality of life and how attractive our city is for tourists and businesses.



How have we done? 83.8%

83.8% of the inspections undertaken in June and July 2020 resulted in achieving an acceptable standard based on the LAMS assessment criteria. No inspections took place in June and July 2019 to compare this to.

Trend rating: **N/A**

Target for 2020/21: 87.0%

Performance is 3.2 percentage points (3.7%) below target.

Target rating: **Amber**

What's working well? In June and July, 83.8% of audits were graded as in an acceptable condition, which is above the score achieved during April and May (83.1%) and evidences a move in the right direction. In April and May, Plymouth City Council was one of only 20 local authorities to submit inspection data to APSE, highlighting the importance placed on this work even in light of the challenges presented by COVID-19. In quarter four 2019/20, the Street Scene teams began to stabilise into three distinct foci of work; city centre and waterfront, neighbourhoods, and city wide. Although some of the work scheduled to take place throughout the first six months of 2020/21 was delayed due to COVID-19, the street cleansing work was received well and of a high standard, suggesting that we are on the right track in terms of quality and approach. The street cleansing teams have also reported receiving more compliments from members of the public for their continued efforts to keep the streets clean.

What are we worried about? The disruption to staffing levels and service delivery, as well as changes to public behaviours, during the COVID-19 pandemic has created challenges in the first half of 2020/21. The Barbican area of the city centre in particular saw levels of litter and activity in the spring months that would not usually be expected until summer and the demand in this area has not relented to any great extent, with a lot of resources being taken up to respond to this new type of public behaviour. We also continue to see many visitors to the city. We do not know what the next six months will bring in relation to further national or local lockdowns, which could result in the prioritisation of services, such as refuse collections, over street cleansing, so the quality and quantity of work in this area may be impacted.

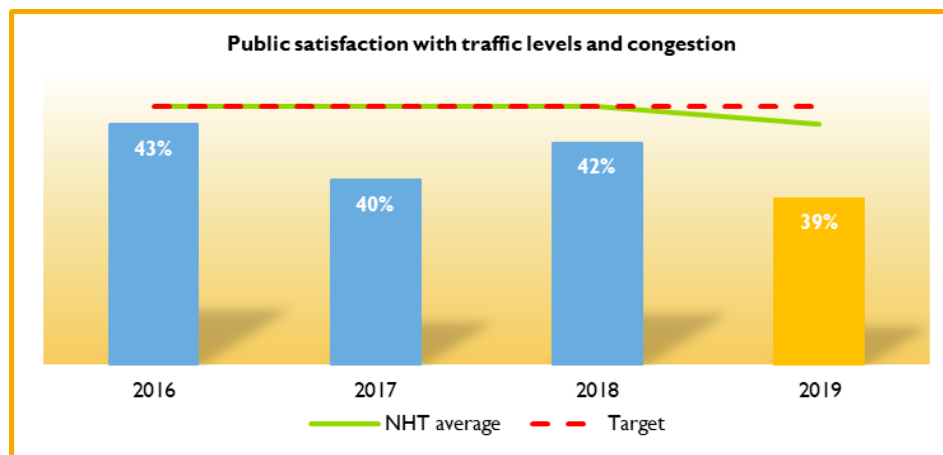
What needs to happen? We are managing the situation with COVID-19 very closely. We have trained staff in multiple types of roles to ensure flexibility and will continue to do so. We have also brought in some additional temporary staff to bolster numbers in the case of COVID-19 related problems, such as staff absence or sickness, which will build in resilience and flexibility across both cleansing and collections. Progress on the Street Services Information Management System project has been slow over the last six months but we need to continue to work on this to bring better clarity of data and help to manage the service more effectively and efficiently as it will bring benefits once further developed. We will also continue to progress with the new ways of working as early indications have shown that they are beneficial.

An efficient transport network

Public satisfaction with traffic flow

What we measure: Public satisfaction with traffic levels and congestion on Plymouth's roads, collected via the National Highways and Transport (NHT) Network annual survey.

Why we measure it: Traffic congestion can impact negatively on the economic health of the city through increased non-productive activity; the environment by increasing air pollution and carbon dioxide emissions; and on individuals who can suffer from delays and late arrival for employment, meetings, and education. As we undertake a lot of work to deliver a 'free flowing' road network, measuring people's perception of traffic flow is important.



How have we done? 39%

Decrease of 3 percentage points from the previous survey in 2018, which is a decrease of 7.1%.

Trend rating: **Amber**

Target for 2019: 44%

The decrease puts performance at 5 percentage points (11.4%) below the target.

Target rating: **Amber**

What's working well? We have seen the continuation of several network improvement programmes, such as the Forder Valley Link Road and the Eastern Corridor Junction Improvement Scheme, some of which will have been delayed due to the response to COVID-19. Despite the short term disruption caused by these schemes, we are still focusing on maintaining the quality and functionality of the resilient network in line with our Asset Management Framework and keeping our city moving. We have also introduced our new permitting scheme, which has enabled us to better coordinate works during this time of enhanced requirement for network access.

What are we worried about? This year we continue to face a unique challenge on programmed works due to the impact of COVID-19, both for Plymouth City Council as the local authority and other bodies who will need to carry out works on the network. It has been the case that many major works schemes by statutory undertakers and Plymouth City Council have been delayed due to lockdown and the impact of this is still affecting works on the network.

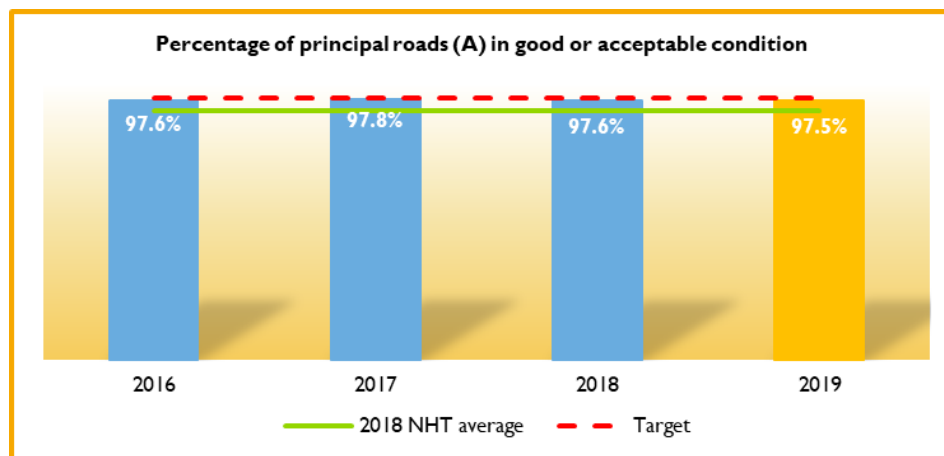
What needs to happen? With the national rollout of Street Manager in July, we now have an enhanced platform for communication with all bodies undertaking works on the network. Street Manager is an ever-changing system and regularly updates or introduces new functionality; we need to continue to follow the changes within the system to ensure that we have an effective ongoing approach to managing street works.

An efficient transport network

Principal roads (A) in good or acceptable condition

What we measure: The condition of principal roads (A roads) in the city, collected via a mechanical condition survey.

Why we measure it: We undertake a lot of work to maintain and improve the condition of our roads in the city to keep it moving. It is therefore important for us to know the condition of our roads.



How have we done? 97.5%

Decrease of 0.1 of a percentage point from the previous survey in 2018.

Trend rating: **Amber**

Target for 2019: 98%

The decrease in 2019 puts performance at 0.5 of a percentage point below the target.

Target rating: **Amber**

What's working well? By continuing our regime of monitoring the condition of the highway network, we have managed to make informed and targeted decisions about where we need to invest in our resilient highway network to ensure that optimal condition is maintained. Our efforts throughout the COVID-19 crisis have meant that our works programmes and inspection regimes were largely uninterrupted and have been able to make the most of the reduced traffic volumes on the principal roads.

What are we worried about? Given the increasingly extreme weather events that we have witnessed in recent years, there is a concern around the impact that such weather events will have on the deterioration profile of the network. The current global COVID-19 pandemic may also present local authorities with significant financial pressures, which may disrupt the intended investment strategies as both the political and financial climates face an unprecedented challenge.

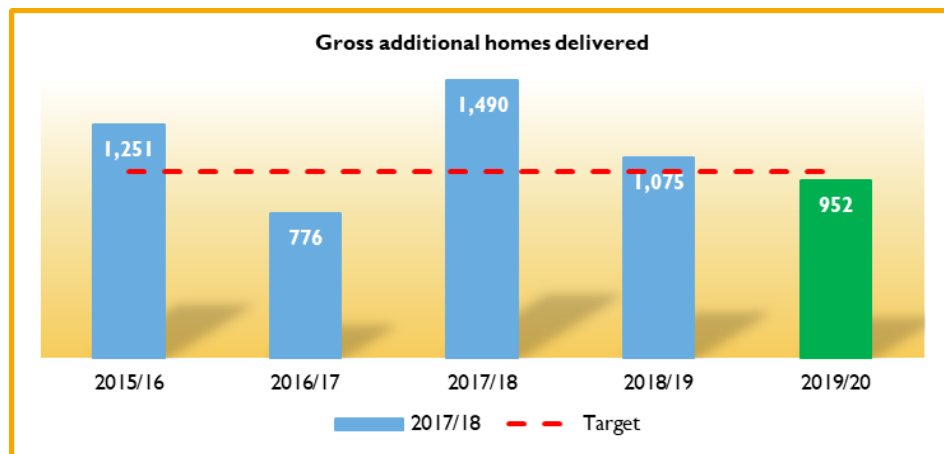
What needs to happen? We are continuing to examine new and innovative approaches to highway maintenance that take into account the unique challenges posed by the character of our network and situations that are beyond our control.

A broad range of homes

Gross additional homes delivered

What we measure: The annual gross additional homes in the city, for example through new house building completions, conversions, and changes of use.

Why we measure it: To continue meeting the current housing need and accommodate future population growth, it is important to have a strong programme of new homes within the city. New house building is the main contributor to the success of this indicator.



How have we done? 952

952 gross additional homes were delivered in 2019/20, totalling 5,544 homes over the first five years of the Plan for Homes. This averages 1,110 new homes per year, compared with 630 new homes per year in the five years prior to the Plan for Homes.

Trend rating: **Green**

Target for 2019/20: 1,000

The Plan for Homes rolling target is to deliver an average of 1,000 new homes each year over five years. We are cumulatively exceeding this target with 5,544 over the past five years.

Target rating: **Green**

What's working well: We continue to exceed our ambition of 5,000 homes over five years, demonstrating achievement of a significant step change in delivery through our Plan for Homes activity. In 2019/20 208 new affordable homes were completed, meeting a range of identified housing needs in the city. Of the affordable homes, 129 were for rent and 79 for affordable home ownership/rent to buy. Partnership working and progress is continuing on our Estate Regeneration priorities. We have now secured the infrastructure funding from the Ministry of Housing, Communities and Local Government (MHCLG) to help complete phase four of the North Prospect Regeneration. We are supporting registered providers who are on site completing the demolition of obsolete homes in Barne Barton, with planning approved for the replacement with new and improved homes.

What are we worried about? Delivery and viability challenges remain around existing and pipeline housing sites, particularly brownfield city centre sites where development costs are high but values remain relatively low. The need for gap funding to support projects into delivery remains, and we continue to engage the MHCLG and Homes England to secure new and existing funding opportunities. There are impacts of current COVID-19 circumstances in slowing down overall housing delivery on a number of sites, delays in investment decisions by delivery partners and the availability of affordable development finance. This is a particular issue for a number of small and medium enterprise builders in the city, and we will engage with them to see how they can be supported to continue.

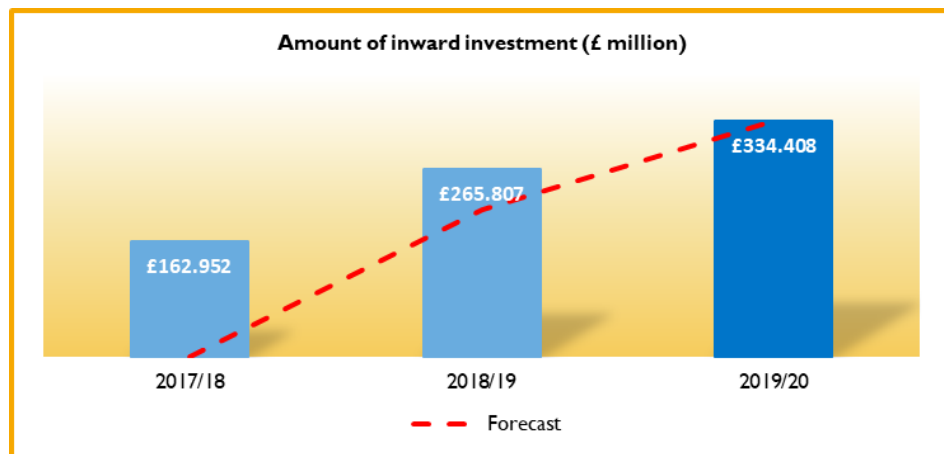
What needs to happen? We are engaged with Resurgam to respond to these impacts and to get house building back on track, supporting Plymouth's economic recovery. We are working with Housing Association delivery partners to identify projects and initiatives that can move quickly to start housing projects. We are focusing on housing delivery strategies on all Joint Local Plan housing sites, ensuring that we are doing everything we can to drive forward the delivery of new homes, as well as working to unlock a number of stalled sites in the city. We are developing a strategic partnership with Homes England to help align government funding with housing sites to help unlock and build the pipeline of future delivery.

Economic growth that benefits as many people as possible

Inward investment (including domestic and foreign)

What we measure: The total value of strategic projects, third party investment and notable Foreign Direct Investments (FDIs) brought into the city or facilitated by the Council.

Why we measure it: This provides insight into the level of investment brought into the city to encourage economic growth benefiting as many people as possible.



How have we done? £334.408m

£334.408 million is due to be invested in 2019/20, which is a forecasted increase of 26% on the amount invested in 2018/19.

Trend rating: **Green**

Target for 2019/20: £334.408m

The amount of inward investment is a forecast for 2019/20 as we will not know the actual amount of investment until the value of all investments has been finalised later in the year.

Target rating: **N/A**

What's working well? 11 FDI projects successfully landed in Plymouth in 2019/20, which is the highest total number of projects that we have seen. The total value of FDI flowing into Plymouth in 2019/20 was £33,375,000, creating 83 new jobs. Meanwhile, the strategic projects across the city continue to deliver investment; The Box is now open to visitors and is proving a genuine success despite the ongoing COVID-19 pandemic, Mayflower 400 has generated £81 million (Advertising Value Equivalent) for the city, and the recent Commemoration event welcomed global ambassadors to Plymouth to launch the autonomous ship. Plymouth's pipeline of development is over £1 billion and kick starting this will help to fast track the economy out of slowdown.

What are we worried about? The pipeline for FDI flows into Plymouth at the end of quarter two 2020/21 was strong, with multiple projects due to land and more expected to emerge and convert in time. Globally, however, the flow of FDI is reducing, which combined with both the COVID-19 pandemic and the uncertainty caused by transitioning out of the European Union (EU) suggests that the FDI flows into Plymouth may reduce. Intelligence indicates that while investors see the UK as a good destination to invest in, they are currently postponing any major decisions until more certainty can be provided.

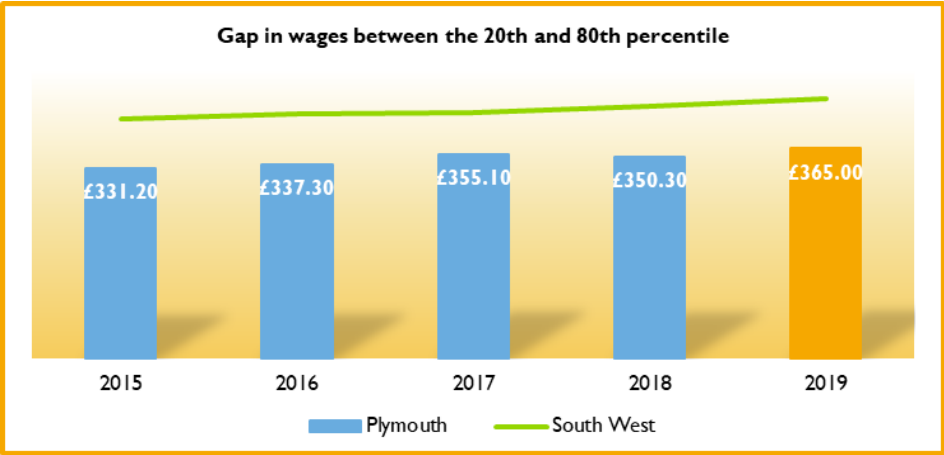
What needs to happen? The Economic Development department will continue to work across the Council and the private sector to ensure the delivery of £1 billion worth of development that sits within its pipeline. Where possible, Economic Development should seek to work with the private sector to fast track the recovery of the city and to strengthen its position in the UK ahead of leaving the EU. A key strand of the Resurgam economic recovery plan is to confidently support and progress multiple major pipeline projects to continue to attract significant investment into the city.

Economic growth that benefits as many people as possible

Inclusive growth

What we measure: The gap in gross weekly pay between the top 20% and the bottom 20% of earners within Plymouth.

Why we measure it: This measure provides insight into the gap in earnings between the lowest and highest earners in the city.



How have we done? £365.00

The gap in gross weekly wages increased by £12.70 from 2018, which is an increase of 3.6%.

Trend rating: **Amber**

Target for 2019: Trend decrease

We have not set a formal target for this indicator because many factors affect the gap in wages that are outside of our control. However, we are seeking to influence these and would like to see a year on year decrease.

Target rating: **Amber**

What's working well? The Inclusive Growth Charter was agreed in February 2020 by the Plymouth Growth Board and in March by Cabinet, with agreement to adopt the Charter and to continue to resource the Inclusive Growth Group. It has now been adapted to form the Resurgam Charter and is due to be launched in November 2020. A campaign will engage businesses from all sectors and all parts of the city.

What are we worried about? Several of the factors that affect economic inclusivity have been negatively impacted by the COVID-19 pandemic and lasting impacts on skills, economic growth, health and wages are likely to be significant; this is disproportionately affecting young people (under 25) and the over 50s. For example, our workers with health limitations were restricted by shielding advice from March to August 2020 and those with caring responsibilities were significantly impacted by closures of schools, childcare and adult support services. A new economic downturn and ongoing COVID-19 related restrictions are especially affecting low wage jobs in retail, hospitality and leisure, leaving many people redundant or on short hours.

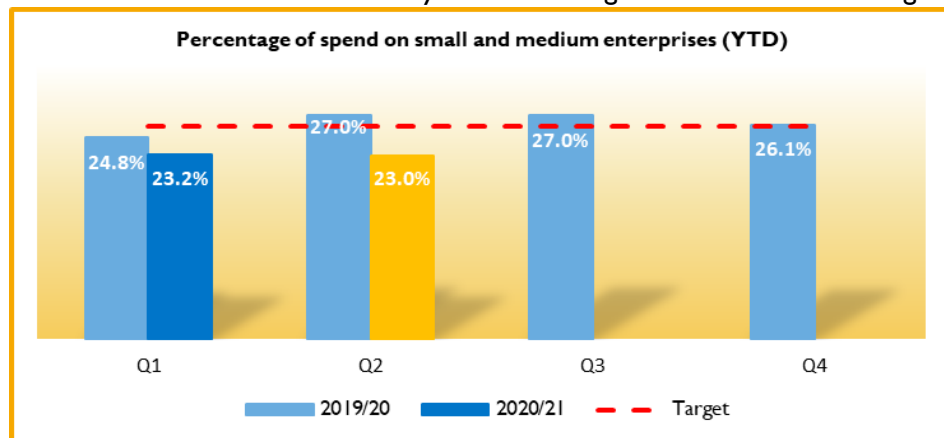
What needs to happen? We need to see a systematic and tenacious engagement of businesses in individual and collective action through the Resurgam Charter and its five programmes. The five programmes include two money related programmes (Spend for Plymouth and Grow for Plymouth); two people related programmes (Skills for Plymouth and Employ 4 Plymouth); and an environmental programme that encourages businesses and projects to address the climate emergency.

Economic growth that benefits as many people as possible

Spend on Small and Medium Enterprises (SMEs)

What we measure: The Council's spend on supplies, services and works from small and medium-size enterprises/businesses (SMEs) as a percentage of the total amount spent. This is the Council's spend through the Procurement Service including spend for other commissioned providers, such as care services. Through consultation with the Finance Department, this indicator has been amended to show the year to date position at the end of each quarter, aligning with the annual target.

Why we measure it: This tells us the extent to which we are supporting small businesses through our procurement of supplies, services and works. Supporting the activities of small businesses is likely to deliver long-term benefits to our region, for example through the provision of local employment opportunities.



How have we done? 23.0%

Decrease of 0.2 of a percentage point from quarter one 2020/21, which is a decrease of 0.9%.

Trend rating: **Amber**

Target for 2020/21: 26.0%

Performance in quarter two is 3.0 percentage points (11.5%) below the target.

Target rating: **Amber**

What's working well? Whilst the year to date spend is 4.0 percentage points lower than the same period of 2019/20, the actual monetary value is at a similar level of circa £29 million. The percentages do not reflect the overall spend increase of circa £16 million when compared to the first half of last year, much of which can be attributed to the effects of COVID-19. Due to sustainability and impacts to supply chains, the pandemic has reduced our opportunity to utilise SMEs to a degree, but the achieved level of spend represents our continued commitment to support small and medium enterprises. Spend with SME providers is subject to fluctuation due to the types of requirements and the length of time given to source the requirements. Programmes such as the 'Spend for Plymouth Pillar of Resurgam' are actively working towards increasing the Council's level of engagement with local businesses to provide clarity and guidance on our procurement processes in an effort to increase the amount of opportunities to tender. This can be illustrated by the fact that just over 50% of all SME spend so far this year has been within the local area. An overhaul of Contract Standing Orders was carried out in July, which has brought positive changes to our threshold criteria and will support the SME and local spend objectives.

What are we worried about? Around £216 million was spent in 2019/20, with £56.3 million spent with SMEs. If current levels for 2020/21 continue for the second half of the financial year, the Council's efforts will result in a SME spend of approximately £58 million. Although this would be 3% short of the target, the spend level will have actually increased by approximately £2 million.

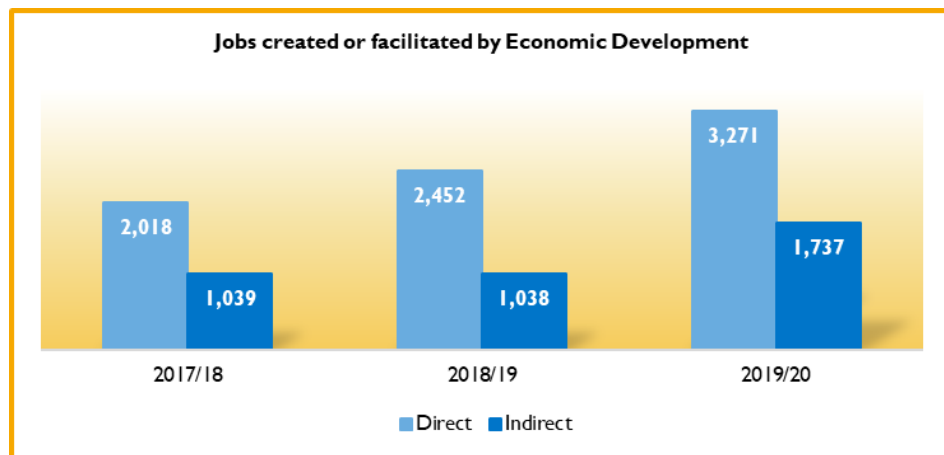
What needs to happen? Activity is underway to further enhance how the Council procures. This includes embedding our Social Value Policy and the improvement of wider procurement processes and practices, for example more effective and efficient procurements by the self-serve users. These activities will further assist in engaging the market, whilst supporting and guiding organisations to understand procurement opportunities and the tendering process. Collaboration continues around engagement with local public procurement leaders in the city and through work with our public sector partners and key organisations.

Quality jobs and valuable skills

Jobs created and facilitated by the Council

What we measure: Using the Advanced Modelling of Regional Economies (AMORE) economic impact tool, we model the capital expenditure and significant inward investments in order to forecast the direct and indirect number of FTE jobs created, in addition to those jobs resulting from the inward investment pipeline.

Why we measure it: One of the important ways that the Council impacts on the city level employment rate is through job creation by delivering major projects in the city.



How have we done? **5,008** (3,271 direct / 1,737 indirect)

In 2019/20, we estimate that 3,271 direct FTE jobs were created, rising to 5,008 when indirect jobs are included. This would represent an increase of 43.5% on 2018/19 (3,490 total).

Trend rating: **Green**

Target for 2019/20: 5,008 (3,271 direct / 1,737 indirect)

As the number of jobs is a forecast for 2019/20, we will not know the actual number of jobs created until all data has been collated later in the year.

Target rating: **N/A**

What's working well? Heavily bolstered by a pipeline of £1 billion of work, Economic Development has also supported job creation through the Mayflower City Readiness activity, which has seen public realm improvements across the city. Additionally, the train station regeneration project continues to provide invaluable opportunities for job creation; the £35 million funding package has now been approved, with early enabling works on site having commenced. In conjunction with this, the University of Plymouth has purchased Intercity House. It is now estimated that the total investment value within the wider station masterplan area will total in the region of £80 million, which is a hugely significant catalyst for job creation.

What are we worried about? In the context of the COVID-19 pandemic, which has seen widespread job losses and serious concerns over unemployment rates as the furlough scheme ends, council-led job creation has become more important than ever. Furthermore, many of the significant capital programmes have visions that extend beyond 2020, introducing further risks around construction inflation and macro-economic factors such as Brexit and the ongoing impact of COVID-19. The support needs to extend beyond construction jobs and look broader through the sectors; there are significant opportunities in the defence/marine and health sectors.

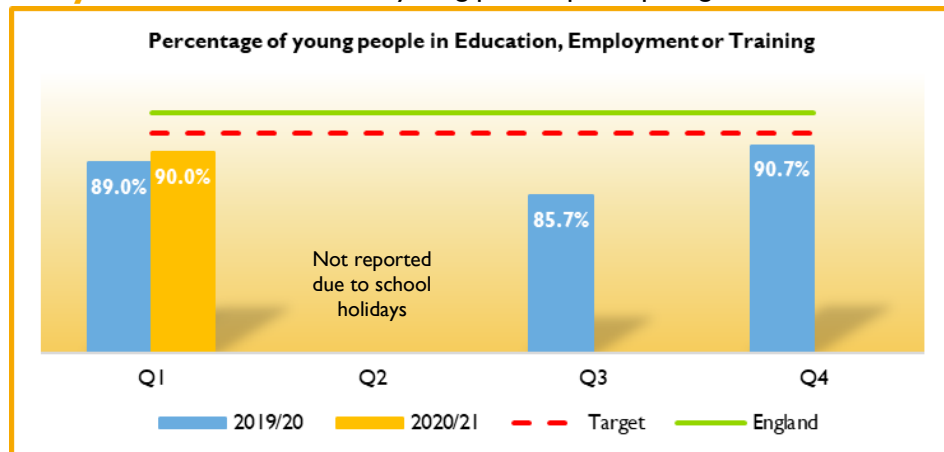
What needs to happen? The Economic Development team need to provide all of the support possible to ensure that the current pipeline of investment is delivered, ensuring job creation at such a critical time. Where these jobs become available, we must seek to ensure that employees who may become redundant are able to find alternative employment. Where possible, Economic Development must identify early opportunities for employment and investment across our key sectors and ensure that a pipeline of labour is available.

Quality jobs and valuable skills

Young people in Education, Employment or Training

What we measure: The percentage of young people aged 16 to 18 in academic years 12 to 14 who are going to, or remaining in, education, employment or training (EET).

Why we measure it: A young person participating in EET is an enabler to achieving better life outcomes.



How have we done? 90.0%

Increase of 1.0 percentage point from quarter one 2019/20.

Trend rating: **Green**

Target for 2020/21: 92%

Performance in quarter one is 2 percentage points below the target.

Target rating: **Amber**

What's working well? Stakeholders and partners across the city, led by Plymouth City Council, have been developing the Skills Launchpad Plymouth, which is a one-stop-shop FREE skills service established to deliver a city-wide response to COVID-19 within a Resurgam programme. The Skills Launchpad Plymouth was in place to support students at the end of August when exam results were announced and to aid choices for transition into post-16 education, employment or training. Careers South West responded to the impacts of COVID-19 through targeted support for young people in vulnerable categories and those identified in danger of becoming 'Not in Education, Employment or Training' (NEET). In particular, those young people in apprenticeships, or due to start apprenticeships, were contacted to identify difficulties and discuss alternative offers if appropriate. Careers South West have restructured teams to enhance support arrangements to meet these young people's needs.

What are we worried about? Work-based post-16 opportunities and routes are expected to diminish in the short and possibly medium term due to the impacts of COVID-19. The proportion of 16 and 17 year olds claiming Universal Credit between April and September has significantly increased (125%); whilst actual numbers are relatively low, we remain concerned as the proportion of 16 to 25 year olds has risen by 24% over the same period. Reduced income across communities may affect the ability of young people to remain in education, employment or training due to study costs. The range of provision available may need to meet the needs of more vulnerable groups and the inability of funding regimes to deliver responsive study packages could increase the number young people not in education, employment or training.

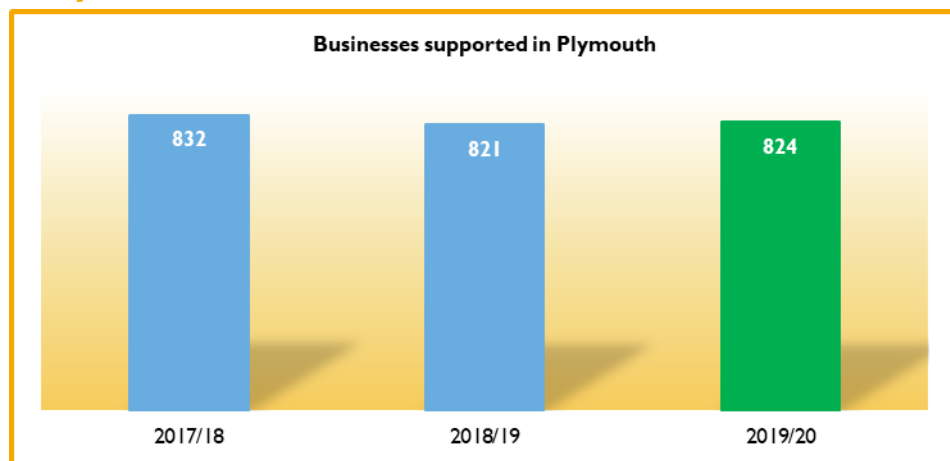
What needs to happen? Further roll-out of the Skills Launchpad Plymouth to include an Education Hub will support Information, Advice and Guidance (IAG) in schools. Multi-agency discussions on provisions and the support needs of NEETs and those at risk of becoming NEET need to galvanise support to develop flexible delivery options and bids for funds (e.g. Education and Skills Funding Agency/European Social Fund).

Quality jobs and valuable skills

Businesses supported

What we measure: The sum of businesses supported through the Business Relationship Programme alongside businesses supported through the Social Enterprise Investment Fund, Growth Hub and Growth Support Programme, as well as the number of businesses resident in the Council's business parks.

Why we measure it: Supporting businesses in Plymouth to thrive is another way in which we support a strong economy.



How have we done? 824

824 businesses were supported through various programmes in 2019/20, which is three (0.4%) more than in 2018/19.

Trend rating: **Green**

Target for 2019/20: Trend increase

We have not set a formal target for this indicator because the number of businesses supported is affected by many factors, for example the size of the businesses. However, we would like to see a year on year increase.

Target rating: **Green**

What's working well? The COVID-19 pandemic has fundamentally altered the way in which Economic Development is supporting businesses and to date our response to the pandemic has seen us support over 4,500 businesses, with 458 businesses having been supported by 121 sessions. The Public Protection Service has also provided much needed support by responding to more than 900 COVID-19 related service requests. Additionally, we have engaged with over 80 major suppliers. Despite being an immensely challenging time, the pandemic has vastly improved in-house intelligence, broadened the businesses in which the department engage with and raised the profile of Economic Development among the business base. To date, 4,043 Business Grants have been administered to local businesses, totalling £46.9 million; a further £2.27 million has been awarded to over 350 businesses in discretionary grants, stabilising and supporting local businesses throughout the COVID-19 pandemic.

What are we worried about? A large proportion of the businesses expected to be hit extremely hard by COVID-19 operate in the Creative or Tourism sector; Economic Development needs to ensure that a lens is being shone over those sectors currently paralysed. Keeping these sectors alive will ensure that the city will not lose those pools of talent to other cities or sectors. Research has shown that businesses have used up their resilience to deal with COVID-19 and preparing for Brexit.

What needs to happen? Economic Development must continue to collaborate and work with businesses to understand their pressures and offer as much support as possible. In addition to this, the department must continue to lobby government to increase the provision of business support and end the uncertainty facing businesses from Brexit.

A vibrant cultural offer

Number of people taking part in cultural activities organised by PCC

What we measure: The number of people taking part in cultural activities organised by PCC. This includes signature events such as the British Fireworks Competition and Armed Forces Day; smaller events such as Plymouth Pirates Weekend and the Lord Mayor's Festival; as well as the number of people volunteering their time on a cultural activity; visiting our sites including the Box Plymouth, Smeaton's Tower and Mount Edgcumbe; and taking part in our public learning and engagement programmes and other workshops and activities online, on-site and off-site.

Why we measure it: Reporting the number of people taking part in Plymouth's cultural activities enables us to understand whether we are providing a relevant offer so that we can respond to the needs of Plymouth residents and visitors meaningfully.

What's working well? In spite of the global pandemic, we saw 225,445 people take part in cultural activities organised by Plymouth City Council between April and September 2020. Mount Edgcumbe Park and surrounding landscape remained open throughout the initial lockdown period and whilst all physical events programmed to take place between April and September, such as the British Firework Championships, were cancelled, many other events were able to be moved online, including VE Day, Pirates Weekend, Flavour Fest, the Seafood Festival, and the Plymouth History Festival. Similarly, new online cultural initiatives were trialled, including the 'Box on the Box', which was piloted and launched with colleagues from the Transformation team and Adult Social Care to livestream film footage from the Box's film archive into residential care homes each Wednesday. The new Mayflower Trail was opened at the start of lockdown followed by the launch of the trail app in July, with just over 2,770 downloads to date. Work on the Box project resumed on site from June onwards as the lockdown restrictions eased, and was completed by early September. September also saw a Seafood and Harbour Market open to supplement the online Seafood Festival. The reconfigured Mayflower 400 programme was launched on the 16 September, attracting a total of 10,500 people and, by the end of the month, the Box Plymouth finally opened to the public. The public's response to the Box was tremendous; in its first three weeks, over 16,500 people visited the Box, there had been 108,000 Facebook shares and posts, 244 tweets and over 100 excellent/five star reviews on Trip Adviser and Google. Plymouth has received over £1 million of positive media coverage with all of the major regional and national newspapers and TV channels, and an audience reach of 60 million.

What are we worried about? The impact of COVID-19 continues to be a significant worry. The lockdown meant that all scheduled events were cancelled and cultural venues closed for the first three to four months of the financial year. Despite efforts to overcome the obstacles faced, Smeaton's Tower and the Theatre Royal Plymouth remain closed because of the difficulties for these venues to safely manage groups of visitors in confined spaces. Adjustments were made to ensure that the Box opened in a COVID-19 safe way so numbers were restricted to 25% of original capacity. Although we were successful with a Cultural Recovery Fund grant application from the Arts Council in September, the global pandemic has had a huge impact on income projections for all cultural activity in this financial year.

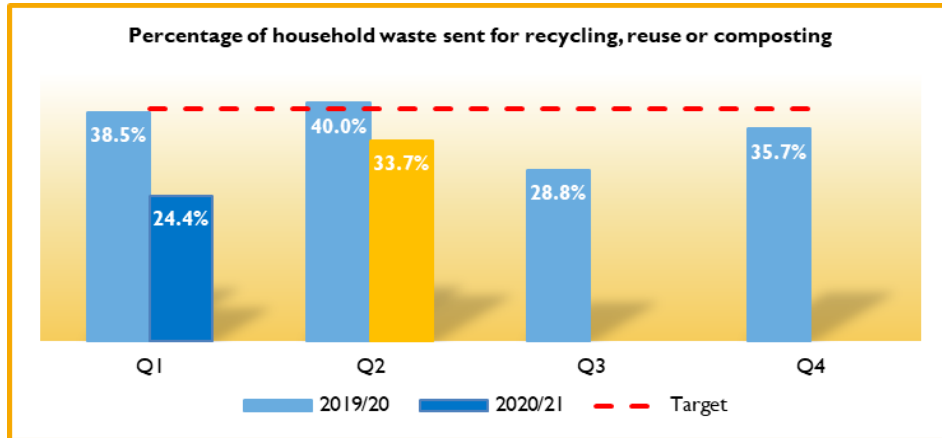
What needs to happen? We need to ensure that we can respond proactively to changing circumstances in a continuing COVID-19 environment, and to seek out all funding opportunities where appropriate that can both offset the financial impact of COVID-19 and/or help to develop alternative ways of reaching our audiences as widely as possible. We also need to continue to take into account customer feedback and analysis to shape and inform the ongoing development of a high profile cultural programme for all audiences.

A green sustainable city that cares about the environment

Household waste sent for recycling, reuse or composting

What we measure: The amount of household waste that is recycled, reused or composted, including IBA metals.

Why we measure it: Recycling helps to protect the environment and reduces the need for extracting, refining and processing raw materials. It also reduces greenhouse gas emissions, which helps to tackle climate change. This indicator allows us to assess the effectiveness of our attempts to increase recycling levels.



How have we done? **33.7%**

The recycling, reuse and composting tonnage in quarter two 2020/21 was 6.3 percentage points (15.8%) lower than in quarter two 2019/20.

Trend rating: **Red**

Target for 2020/21: **39.0%**

Performance in quarter two 2020/21 was 5.3 percentage points (13.6%) below the target.

Target rating: **Amber**

What's working well? In-cab technology continues to provide an improved level of data to inform service planning, communication and delivery, as well as real-time information for customer processes. Data from the Street Services Information Management System (SSIMS) is being built into regular staff communications and is being used to target resident communication to tackle issues such as contamination and non-presentation of containers.

What are we worried about? The recycling rates in quarters one and two 2020/21 were below the comparable rates in previous years as a result of the COVID-19 lockdown, including the closure of our household waste recycling centres at the end of March and the suspension of garden waste collections until late August. There have been increased tonnages of recyclables and non-recyclables due to lockdown and the majority of the population staying at home, with waste entering the household arisings rather than through commercial streams at schools and workplaces. COVID-19 could also have a longer term impact if home working continues as a norm. The biggest risk to recycling rates from COVID-19 remains the cessation of recycling services in order to maintain the essential waste collection service. Furthermore, the roll out of the new communal recycling containers has continued without face-to-face recycling education, which could contribute to increased contamination. Although prices have recovered from a low point at the beginning of the year, the uncertainty over Brexit could also continue to affect the value of recyclables, impacting throughputs, while the wider economic downturn in retail and other sectors could continue to contribute to reduced recyclables such as timber and packaging. The risk of non-delivery of the Plan for Waste is currently RAG-rated as **amber** on the strategic risk register, representing a medium risk to the Council.

What needs to happen? We need to improve stakeholders' confidence in the data on the ground to inform customer processes, education and enforcement action, where required, to improve the city's recycling behaviours. We need to keep abreast of impacts and emerging issues and opportunities around recycling and waste and the associated materials markets. The government's Resources and Waste Strategy proposes potential mandatory changes to waste and recycling services and engagement with consultations will need to continue in order to understand the implications that it will have on current service delivery, capital, revenue and contractual implications to meet the requirements.

A green sustainable city that cares about the environment

Carbon emissions emitted by the Council

What we measure: The amount of carbon dioxide (CO₂) emissions emitted by the Council.

Why we measure it: Whilst CO₂ is produced and used naturally, too much CO₂ is bad for the environment because it traps the Sun's heat energy in the atmosphere, warming the planet and the oceans and changing the climate, which is known to be altering the Earth's weather patterns. There is a worldwide focus on reducing CO₂ emissions to protect the environment and reducing emissions is key to our aim of becoming a green and sustainable city.

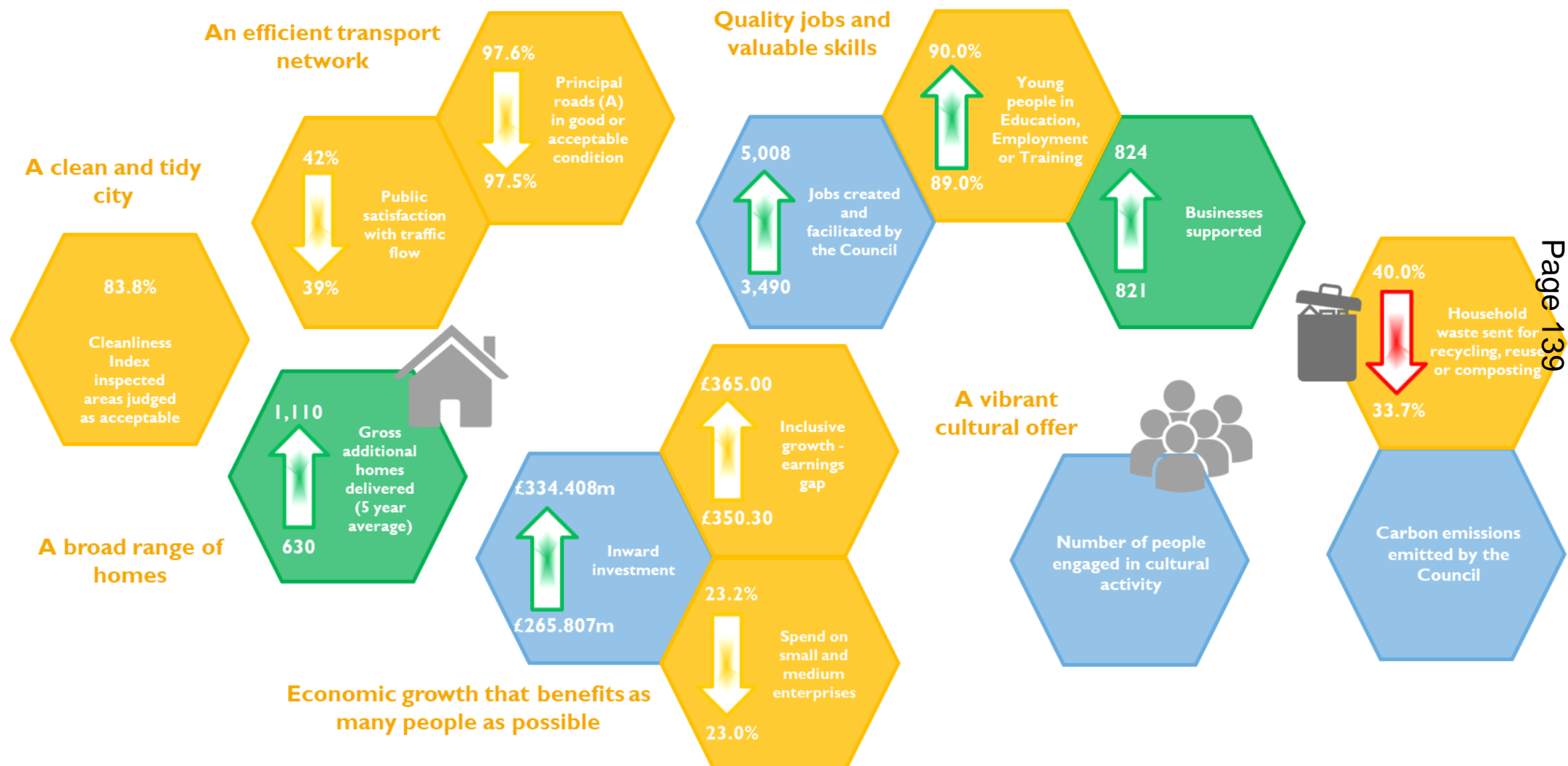
What's working well? Year one of the Corporate Carbon Reduction Plan (CCRP) has seen a significant number of actions completed, with the remainder underway, and year two is already being developed. Some of the key successes have been around our approach to investing in a decarbonisation programme covering the city council estate; in year improvements have been made to 25 traffic islands and LED fittings in subways leading to savings of 39.8 tonnes of CO₂ as part of our decarbonisation programme of street lighting, street furniture and traffic lights. All of Plymouth City Council's capital investments have been assessed for their impact on climate change and Green Champions are fully engaged in delivery of the plan and of shaping year two. Actions within the CCRP relating to strategic investment policy and procurement are complete. The Council worked with Altana to undertake due diligence of the Investment Fund; returns will be provided on investment performance and identification of projects that support ethical investments, including carbon reduction initiatives.

What are we worried about? In many cases, year one progress has been swift because the CCRP actions were designed to kick start the corporate approach to carbon reduction. This meant that many actions were initiating initiatives rather than specific deliverers of carbon reduction. The consequences of each review and assessment that has been undertaken will require focused activity and actions, which will need both financial and human resources that may not be currently available. A number of actions have also been delayed due to COVID-19, such as the review of the commercial estate (the team have been focused on the impacts of COVID-19 and the implications for the estate and tenants). The dynamic remodelling of Windsor House has also been put on hold and there will be no retro fits during 2020. The Accommodation Programme and other dependent projects are now currently underway but delays have meant that the review of accommodation and parking has been on hold.

What needs to happen? Year one CCRP actions have been initiators rather than specific areas of activity, which is consistent with the three phases of the strategic approach to delivering the CCRP. As the CCRP moves through the phases, actions will become significantly more focused and descriptive. A proposed performance dashboard for monitoring purposes is under development, which will report 'hard' emission reduction as well as the 'soft' behavioural successes contributing to overall corporate carbon emissions; this will be ready before the end of 2020.

A Growing City – Quarter Two Summary

The pages in this section have given a detailed overview of the latest performance for the individual key performance indicators for the seven priorities of 'A Growing City'. This is summarised below.



A Caring Council

Corporate Plan priorities	Key performance indicators	Page number
Improved schools where pupils achieve better outcomes	Update on Ofsted and attainment	23
Keep children, young people and adults protected	Adult safeguarding enquiries	24
	Children with multiple child protection plans	25
Focus on prevention and intervention	Repeat referrals to Children's Social Care	26
	Number of households prevented from becoming homeless	27
	Number of households in bed and breakfast accommodation	28
People feel safe in Plymouth	Proportion of residents who feel safe	29
	Children in care	30
	Number of dwellings inspected	31
	Proportion of Adult Social Care service users who feel safe	32
Reduce health inequalities	Excess weight in 10-11 year olds	33
	Stop Smoking Service successful quit attempts	34
A welcoming city	Percentage of residents who regularly do voluntary work	35
	Community cohesion	36

Improved schools where pupils achieve better outcomes

Update on Ofsted and attainment

What we measure: Ofsted ratings for registered early years settings and schools, and the attainment outcomes from Early Years Foundation Stage to Key Stage 4. Please note that due to the COVID-19 outbreak, Ofsted inspections were suspended from March 2020. Ofsted assurance visits have started until inspections recommence early in 2021. All examinations were also cancelled in the summer term and attainment outcomes, including Key Stage 4 results, are not published. Therefore we are unable to report on any of the Corporate Plan measures associated with this theme.

Why we measure it: Ofsted ratings give a view of the quality of education provision within the city. A higher quality standard of education provision is an enabler to children being school ready and to achieving better outcomes. The Early Years Foundation Stage is an indicator of health inequality. It promotes teaching and learning to enable children's 'school readiness'. Key Stage 4 measures give an indication of the educational outcomes for young people once they reach the end of compulsory education. Higher attainment levels are an enabler to children achieving better long-term outcomes.

What's working well? All schools re-opened at the start of term, albeit some had a phased opening for year groups. The back to school campaign emphasised safe opening and attendance was higher than expected. Many schools that have developed effective remote learning have utilised a range of interactive platforms, such as Microsoft Teams or Google Classroom. Examples are evident from both primary and secondary schools, such as Yealmpstone Primary and Sir John Hunt Community Sports College. The 'Wellbeing for Education Return' project, delivered by The Zone Plymouth, provides ongoing support to maintained schools and academies, seeking to better equip education settings to support children and young people's wellbeing, resilience and recovery in the context of COVID-19 throughout autumn and spring of 2020/21. The Plymouth Standards Partnership (PSP) has brought about a coherent approach to recovery and improvement by compiling a robust 'umbrella plan' that incorporates renewed focus on the breadth of school improvement, alongside clear strategies to address the 'new' needs of disadvantaged and Special Educational Needs and Disabilities (SEN/D) pupils, as well as specific aspects arising from the COVID-19 crisis and the return to full-time schooling. Dedicated recovery and improvement plans across the three phases have been developed and endorsed by the Plymouth Education Board.

What are we worried about? It is expected that remote learning fits seamlessly into the school curriculum and schools are expected to have the capacity to offer immediate remote education for classes or groups who are required to self-isolate for a short period of time, or where there are local restrictions requiring pupils to remain at home. In a snapshot of the Ofsted visits this term, Ofsted has found that remote learning is not yet aligned to the regular curriculum; however, the Department for Education (DfE) has already outlined plans to address this. In Plymouth, we do not yet have an overall picture of our remote learning capabilities, but anecdotally we are aware that some of our schools are completely able to offer remote learning and others have very little expertise or capacity at this time. There are also practical problems, such as a lack of devices. Schools are encouraged to distribute school owned equipment accompanied by a user agreement or contract, and remind pupils that access is possible through large-screen technology.

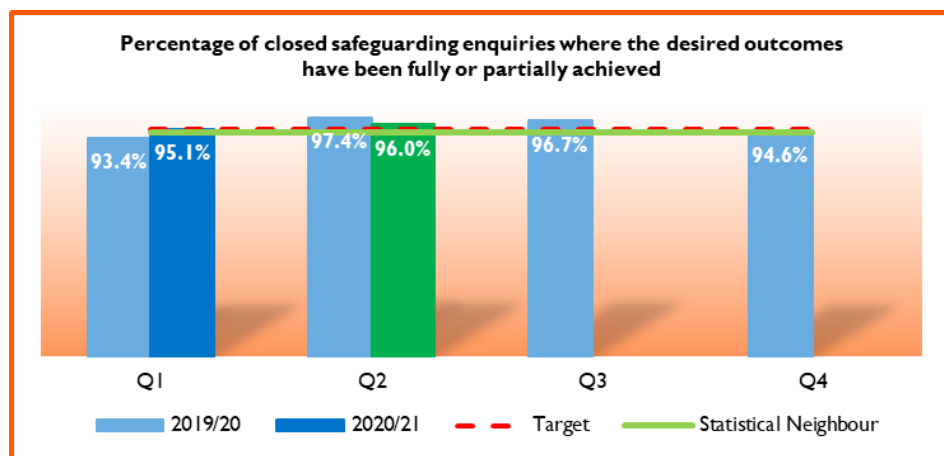
What needs to happen? Schools are being asked to plan for disruption to schooling throughout 2020/21. The DfE is constantly reviewing and re-issuing advice and guidance for schools, particularly in relation to actions required in the event of confirmed cases at a school. Schools in Plymouth are following guidance carefully and diligently. Ofsted has announced that it will be conducting assurance visits to schools between September 2020 and March 2021 and the main focus of the visits will be to ascertain from school leaders what is being done to support catch up for all pupils; there will be a focus on disadvantage. Whilst schools with poor outcomes and inadequate inspection grades will be prioritised, all schools may receive a visit. The Education, Participation and Skills department is providing information and support for all maintained school head teachers to ensure that they are prepared, with necessary data and information required by the inspectors. This, alongside work we do as a department, will provide invaluable insight into what needs to be commissioned to accelerate learning for all pupils and provide support for disadvantaged pupils.

Keep children, young people and adults protected

Adult safeguarding enquiries

What we measure: The percentage of safeguarding enquiries in which, at the point of completion, the individual affected or individual's representative's desired outcomes have been fully or partially achieved.

Why we measure it: Making Safeguarding Personal (MSP) is a person-centred outcome focus to safeguarding work that aims to support people to improve or resolve their circumstances. This is an indication of how well we are meeting the person's desired outcome, but not necessarily a measure of the degree to which they have been safeguarded.



How have we done? 96%

Increase of 0.9 of a percentage point from the previous quarter.

Trend rating: **Green**

Target for 2020/21: 95%

The increase in quarter two puts performance at one percentage point above the target.

Target rating: **Green**

What's working well? Between 1 July and 30 September 2020, 242 individuals were the subject of a completed safeguarding enquiry; 176 individuals expressed a desired outcome at the start of the enquiry and in 114 (64.7%) of these cases the desired outcome was fully achieved, while in 55 cases (31.3%) the outcome was partially achieved. The percentage that has been either fully or partially achieved is 96.0%, which exceeds the 95% target and continues to be above the average of our Chartered Institute of Public Finance and Accountancy (CIPFA) groups of similar local authorities.

What are we worried about? The percentage of outcomes fully achieved reduced post quarter three of 2019/20 and reflects a change in safeguarding practice designed to bring the length of time an enquiry is open in line with local operational agreements with our social care provider. Enquiries being completed within better timelines means that those outcomes requiring longer term intervention can be addressed within care management and continued support.

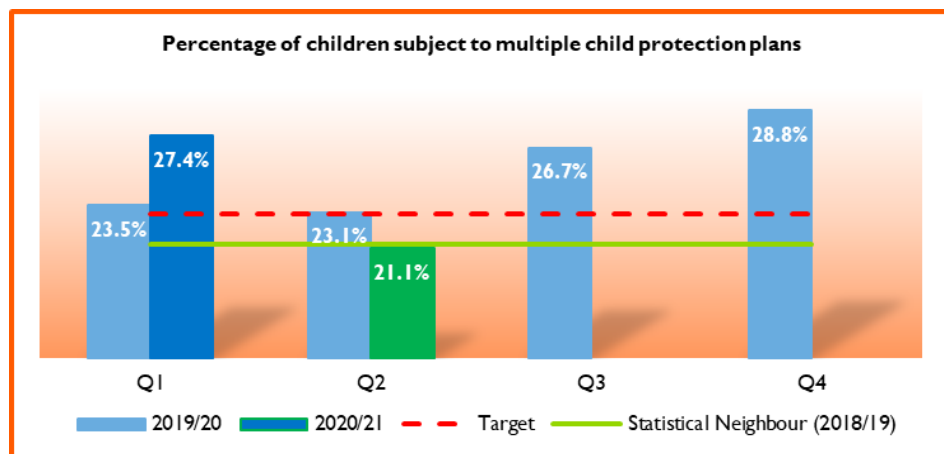
What needs to happen? We will continue to monitor via contract performance management, the strategic leads network and planned targeted case auditing to establish the reason for this decline.

Keep children, young people and adults protected

Children with multiple child protection plans

What we measure: The percentage of children starting a child protection plan who have previously been on a child protection plan.

Why we measure it: This indicator gives insight into children who have previously been deemed at significant risk of harm, had that risk mitigated and then later are again found to be at significant risk. This may be for the same or different reasons but highlights vulnerable children where a risk of harm has escalated back to the point where a child protection plan is once again needed.



How have we done? 21.1%

Decrease of 6.3 percentage points from the previous quarter, which is a decrease of 23.0%.

Trend rating: **Green**

Target for 2020/21: 23.0%

The decrease in quarter two now puts performance 1.9 percentage points (8.3%) below the target.

Target rating: **Green**

What's working well? At the end of quarter two, 21.1% of the new Child Protection Plans starting within 2020/21 were for children who had a plan at some point in their lifetime previously. This was a 6.3 percentage point decrease on quarter one and we are now meeting our target of 23% or less. Whilst we remain above the average for England (20.8%) and the average for Ofsted rated 'good' and 'outstanding' authorities (20.2%), we are now at a lower level than our statistical neighbours (21.3%). The 21.1% relates to 37 of the 175 new Child Protection Plans starting in 2020/21.

What are we worried about? We are committed to having the right children subject to Child Protection at the right time. This approach remains consistent but following the national lockdown we saw increases in the number of children requiring a Child Protection Plan. When we compare the end of quarter two of 2020/21 position with the end of 2019/20, there has been a net increase of 20 children subject to Child Protection. In mid-September the number of children reached a peak of 356 (a net increase of 46 children), which meant there were additional pressures on the department in terms of Initial Child Protection Conferences and visits.

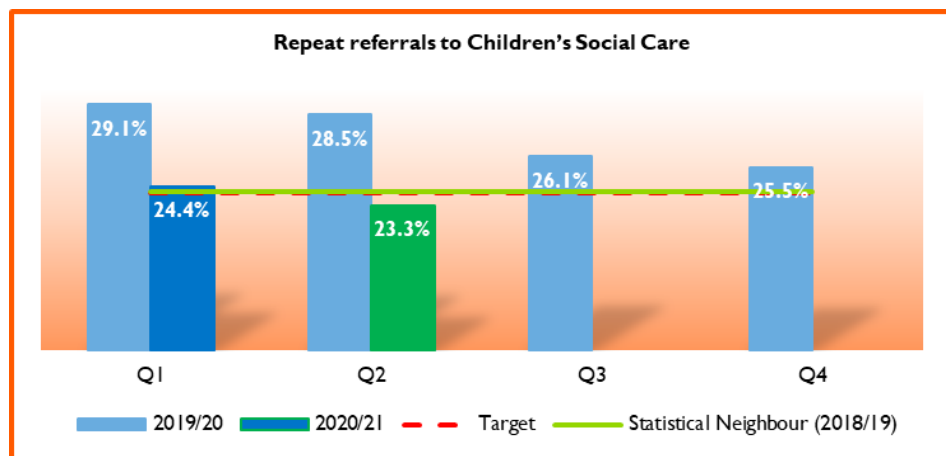
What needs to happen? This indicator speaks to a range of factors including the effectiveness of our early help approach and whether our practice, once families move into statutory levels of intervention, enables sustainable change. Over the remaining part of 2020/21 we are changing the ways that we work to ensure a far stronger focus on effective early intervention throughout Children, Young People and Family Services. This will both reduce the number of children who have been referred for the first time escalating in higher tiers of intervention and provide a more robust response to families where concerns re-emerge to prevent escalation.

Focus on prevention and early intervention

Repeat referrals to Children's Social Care

What we measure: The percentage of referrals to Children's Social Care within the financial year where there has been a referral within the previous 12 months for the same child.

Why we measure it: This gives insight into the effectiveness of the Children's Social Care response to concerns about children at the first referral. Repeat referrals may have been avoidable if we reached effective outcomes earlier, indicating that the child may not have received the right support at the right time to safeguard them and address their needs. It should be noted therefore that this indicator reflects historic as well as current practice.



How have we done? 23.3%

Decrease of 1.1 percentage points from the previous quarter, which is a decrease of 4.5%.

Trend rating: **Green**

Target for 2020/21: 24%

The decrease in quarter two now puts performance at 0.7 of a percentage point below the target.

Target rating: **Green**

What's working well? Re-referrals saw a decrease for the eighth quarter in a row, down to 23.3% at the end of quarter two of 2020/21. This is a significant improvement on both the end of 2018/19 position of 32.4% and the more recent 2019/20 position of 25.5%. We are currently meeting our target of 24.0% or below.

What are we worried about? With the emergence of COVID-19, followed by 'lockdown' coming in to effect in the last week of quarter four of 2019/20, we have seen increases in the number of referrals being received. In the first half of 2020/21 we received 1,843 referrals compared to 1,472 referrals in the same period of 2019/20; this equates to an increase of 25.2%. Since the end of 2019/20, the general increase in referrals over the last two quarters has led to an increase in both the number of children subject to a Child Protection Plan (up 20 to 330) and the number of children in care (up 34 to 470). These increases mean that there is more demand on the service but also added pressures on the Council's finances.

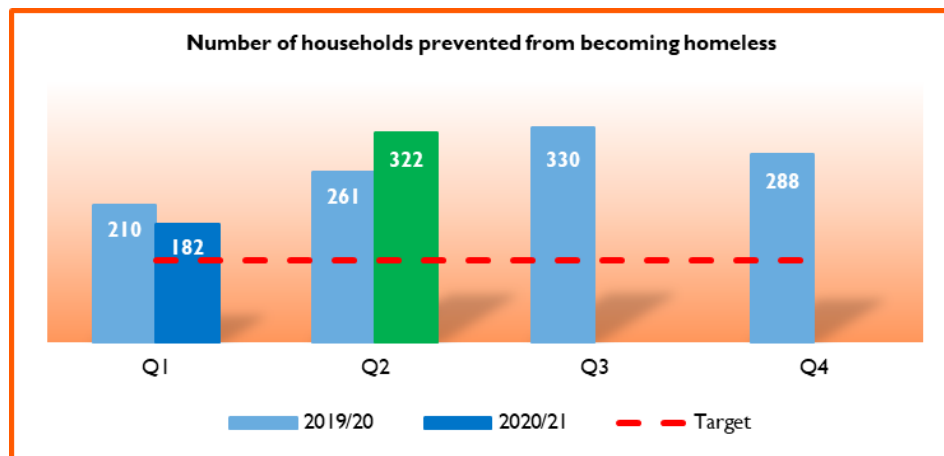
What needs to happen? We are actively considering resilience within the Plymouth Children's Gateway (PCG), and capacity issues both in the Plymouth Referral and Assessment Service (PRAS) and across the wider service as the work moves through, in response to the expected spike in workload due to the numbers and complexity of referrals. Thresholds at the front door are kept under close review and are subject to auditing. We are progressing the planned review of the front door configuration in order to ensure that practice is strong from the first point of contact with a family and to remove some duplication of processes.

Focus on prevention and early intervention

Number of households prevented from becoming homeless

What we measure: The number of households that the Council has either helped to stay in their current accommodation or has supported to relocate, preventing them from becoming homeless.

Why we measure it: Local authorities have a statutory duty to help all households that are homeless or at risk of becoming homeless. These families and individuals are among the most vulnerable in society and we want to make sure that as many as possible get the help that they need.



How have we done? 322

Increase of 140 households prevented from becoming homeless from quarter one 2020/21, which is an increase of 76.9%.

Trend rating: **Green**

Target for 2020/21: 500 (125 per quarter)

The increase compared to last quarter puts performance at 197 households above the quarterly target of 125, and cumulatively four households above the annual target of 500.

Target rating: **Green**

What's working well? In 2019/20, over 1,000 households were prevented from becoming homeless and the service is on a trajectory to increase this number in 2020/21. In quarter two this figure was 322, which is above the quarterly average in 2019/20 of 272. The service has maintained an appointment based front door at New George Street to ensure the most vulnerable can access the service and we can support all customers to access the appropriate benefits and support available throughout the COVID-19 pandemic, including signposting to debt management, referring to additional support and searching for secure accommodation. The Council and Plymouth Alliance continue to work together to identify and bring on line additional bed spaces to relieve and prevent rough sleeping and homelessness during the pandemic.

What are we worried about? The impact of COVID-19 and how this will affect homelessness in the short, medium and long term in relation to demand increases on the service; it is believed that this will continue for the foreseeable future as the effects of the pandemic continue to be felt as job insecurity and financial hardship increase, leading to further homelessness.

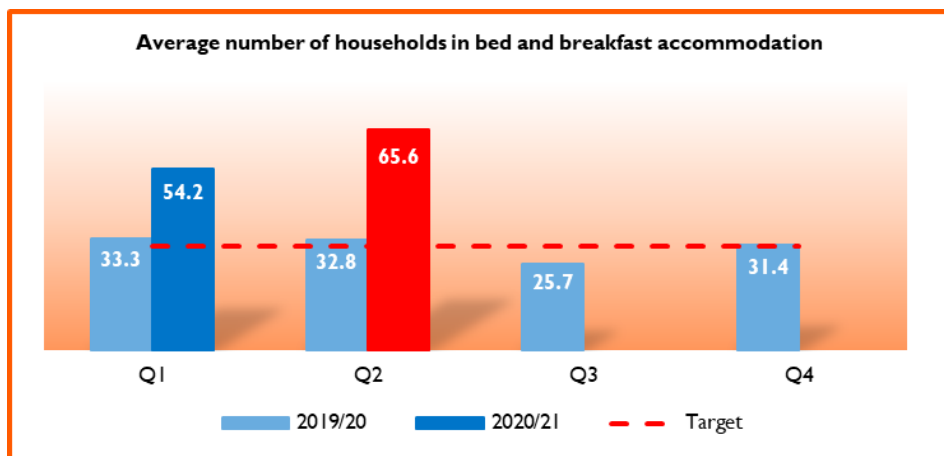
What needs to happen? We will continue to focus on meeting demand at the front door to prevent and relieve homelessness in line with COVID-19 guidance in relation to social distancing. We will work with the Plymouth Alliance to deliver new accommodation and services to meet the demand, as well as ensuring progress on the provision of more flexible emergency and temporary accommodation to meet the needs of all. The Community Connections Business Plan and Plan for Preventing and Tackling Homelessness look to mitigate risks and help to manage any demand increase. The Preventing Homelessness Delivery Plan will continue to be reviewed to ensure that all actions will have an impact on identified priority areas. Our work with the Plymouth Alliance continues, with an aim of embedding new ways of working across the system to continue to improve outcomes for service users.

Focus on prevention and early intervention

Average number of households in bed and breakfast accommodation

What we measure: The average number of households that are staying in bed and breakfast (B&B) temporary accommodation at any one time. A household is defined as one person living alone, or a group of people living at the same address who share common housekeeping or a living room.

Why we measure it: B&Bs are used as a form of temporary accommodation to meet statutory duties to accommodate homeless households while an assessment of the full duty to them under homeless legislation is made. However, it is not suitable for more than a short period of time for most households and is expensive for the Council to fund. The aim is therefore to reduce the use of B&Bs and find alternative accommodation options for people sooner.



How have we done? 65.6

On average, 32.8 more households were housed in B&Bs in quarter two 2020/21 than in quarter two of 2019/20, which is an increase of 100%.

Trend rating: **Red**

Target for 2020/21: 31.0

The increase in quarter two puts performance at 34.6 households (111.6%) above the target.

Target rating: **Red**

What's working well? More homeless households have been accommodated and kept safe under the government's 'everyone in' directive during the pandemic. While numbers have increased well beyond the low numbers achieved last year, this can be directly attributed to the pandemic and despite a continued increase in demand on the service and homeless applications taken, the numbers in B&B remain higher but relatively stable.

What are we worried about? The number of people in temporary accommodation continues to increase due to the pandemic, with numbers regularly above target. At the end of March 2020, it was nationally agreed that local authorities would accommodate those who would not normally be accommodated as part of the emergency response to COVID-19. This has impacted on the number of applicants placed in B&B, with numbers currently much higher than last year. The pandemic has also slowed the accessibility of accommodation for people to move on to. The pandemic continues to create demand on the service and we are likely to see a further increase in demand on temporary accommodation and B&Bs.

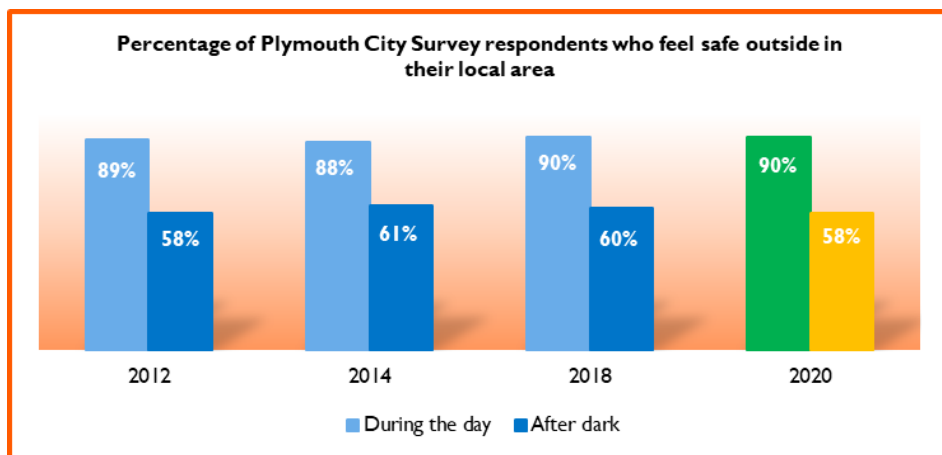
What needs to happen? Reducing the number of households, and particularly children, in temporary accommodation remains a priority for the service and homelessness is an operational risk for the Council. We have been working with our Plymouth Alliance partners and social and private sector landlords to find alternative more suitable longer term housing provision, and this will continue. The way in which we deliver services has been affected by COVID-19; we are currently following government guidelines. We are, with partners, tracking rough sleeper numbers on a daily basis and we will aim to ensure that all of our rough sleepers are offered accommodation. As we head towards winter we are working towards providing a COVID-19 safe Winter Provision and additional shelter for when the weather is at its most severe.

People feel safe in Plymouth

Proportion of residents who feel safe

What we measure: The percentage of Plymouth City Survey respondents who feel fairly safe or very safe when outside in their local area during the day and after dark. The data is comparable with that sourced from the 2014 Wellbeing Survey as the questions were identical.

Why we measure it: Public perception of the safety of their local area can influence local policy decisions, planning, and the allocation of police resources.



How have we done? 90% day / 58% after dark

During the day: No change from the 2018 Plymouth City Survey.

Trend rating: **Green**

After dark: Decrease of 2 percentage points from the 2018 Plymouth City Survey.

Trend rating: **Amber**

Target for 2020: Trend increase

Whilst an increase is desirable, there is no specific target for these questions in the Plymouth City Survey.

Target rating: **Green/Amber**

What's working well? In 2020, 90% of residents who completed the Plymouth City Survey felt safe outside in their local area during the day, with only 3% feeling either fairly or very unsafe. There has been significant progress in re-shaping Safer Plymouth to become a trauma informed community safety partnership. A proposal was developed in conjunction with the Trauma Informed Plymouth Network to refresh the identity of the partnership and to improve efficiency and flexibility in how we operate through new governance arrangements.

What are we worried about? We are aware that care needs to be taken when transitioning Safer Plymouth to the new governance arrangements, and to ensure that reporting and data analysis remains sufficiently robust. To this end the new approach will be treated as a pilot, with extra scrutiny until March 2021 to ensure that we identify issues quickly, learn from them and make rapid improvements as required.

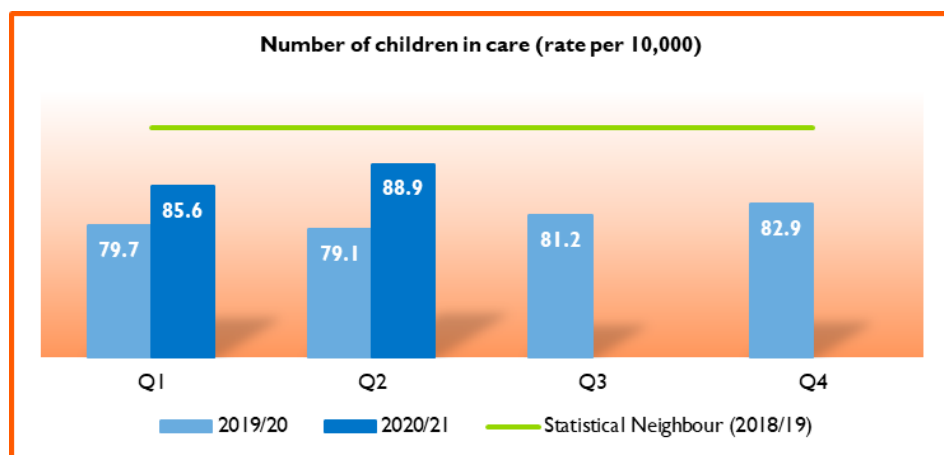
What needs to happen? The information from this survey and future iterations will continue to be considered by Safer Plymouth (Community Safety Partnership) and used to inform and support future partnership work to help the communities and groups that are most in need. We continue to work with communities and the Office of the Police and Crime Commissioner to look at opportunities to improve CCTV coverage in some neighbourhoods in the city, which may help to improve residents' perception of safety. The Safer Streets funding received for North Stonehouse seeks to improve lighting and CCTV infrastructure, improve dwelling security and build a stronger more resilient community. Lessons will need to be learned from this programme of work to see what benefits this could bring across the city.

People feel safe in Plymouth

Children in care

What we measure: When a child (or young person) is made the subject of a care order, we have legal responsibility for them. We count a child as a 'child in care' if they get accommodation for a period of more than 24 hours, are subject to a care order, are accommodated under section 20 of the 1989 Children's Act or are subject to a placement order (adoption). To enable comparison against other authorities, we report the number as a rate per 10,000 children within our authority's population.

Why we measure it: This indicator helps us to quantify how many children and young people we have a corporate parenting responsibility for and assists us in forecasting our resource requirements (e.g. staffing, accommodation and finance).



How have we done? **88.9** (rate per 10,000)

An increase of 3.3 from quarter one – this relates to 470 children in care in quarter two 2020/21, which is 34 more children than at the end of 2019/20.

Trend rating: **N/A**

Target for 2020/21: N/A

Whilst a decrease is desirable, it is not appropriate for us to set a formal target for the number of children that we provide care for.

Target rating: **N/A**

What's working well? The COVID-19 pandemic and national lockdown brought a number of challenges to the service as a whole. Despite these additional pressures, the service was able to quickly adapt its way of working and continue to physically visit our most at risk children in a COVID-19 secure way, or utilise video calling for those children where it was appropriate to do so. Most performance indicators have either been maintained or seen improvements over the last six months.

What are we worried about? The rate of children in care per 10,000 has increased from 82.9 at the end of 2019/20 to 88.9 at the end of quarter two of 2020/21 (470 children). Whilst this level is below the 2018/19 statistical neighbours' rate of 94.4, we remain above the England average (65.0 per 10,000) and the level for authorities rated as 'good' or 'outstanding' by Ofsted (63.0 per 10,000). The COVID-19 pandemic has seen increases in the number of children in care nationally and other councils will be facing the same pressures as ourselves. Provision of suitable placements, particularly the preferred option of 'in-house' fostering placements, remains challenging. Budgetary pressure primarily caused by some high cost care packages is rated as **red** (high) on the strategic risk register.

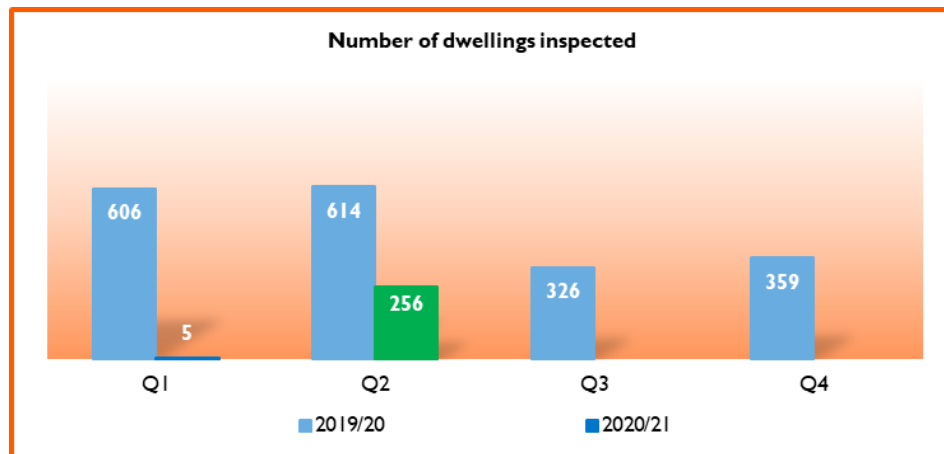
What needs to happen? We have developed our 'Edge of Care' response within the Adolescent Support Team to ensure that services are available to children at risk of entering care, as well as working intensively with those who may be able to return to their families from care (reunification). The planned changes to the way in which we work to ensure a more effective early response will also play a key role in preventing escalation of children into care. Robust legal planning and tracking systems have been developed in order to ensure strong oversight and scrutiny of decisions to move into legal proceedings.

People feel safe in Plymouth

Number of dwellings inspected

What we measure: This indicator displays the number of dwellings inspected. A dwelling may be a single family dwelling or a unit of accommodation (and the associated common parts serving that unit of accommodation) within a shared house of multiple occupation.

Why we measure it: This contributes to our knowledge of activity done by the Council to remove hazards and to improve the safety of private rented housing.



How have we done? 256

The number of dwellings inspected increased by 251 from the previous quarter.

Trend rating: **Green**

Target for 2020/21: Trend increase

Due to COVID-19, this indicator will be monitored during 2020/21 with a view to recording a quarter on quarter increase.

Target rating: **Green**

What's working well? During this period, the service has been able to maintain the Homes of Multiple Occupancy (HMO) licensing process, and has been able to complete investigations and chase up remedial work needed that was identified during previous inspections. This resulted in 254 homes being improved in quarter one of 2020/21, which was an increase from quarter four of last year.

What are we worried about? There is evidence across the country that the next COVID-19 wave would not receive the same level of community support due to people returning to work or not being able to sustain the level of volunteering commitment over a longer period of time than originally envisaged.

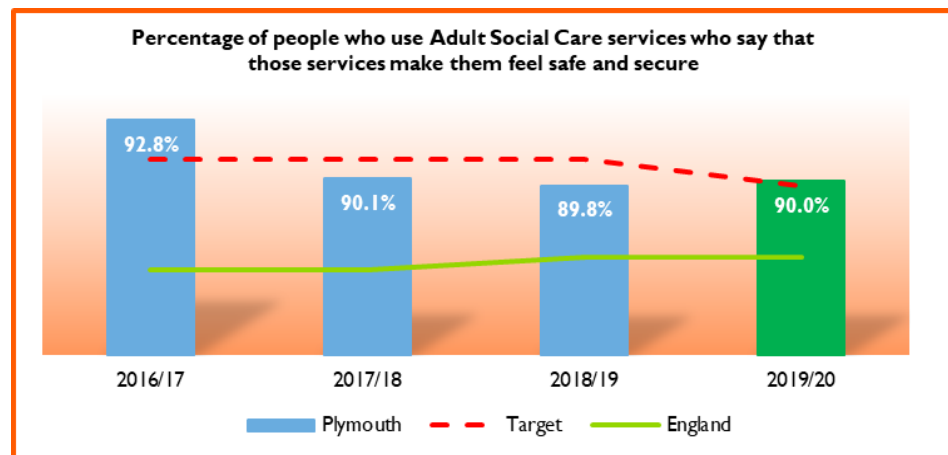
What needs to happen? Following the implementation of COVID-19 pandemic based service change measures in the delivery of services across this field, we have now entered phase two of reset. Phase two is the second part of a three phase reset strategy aiming to remobilise the workforce, in line with the reset principles, and aims to provide officers with direction when planning works. In phase one, we prioritised properties known to be housing vulnerable client groups or properties that have identified defects and require works to be undertaken to address and remove risks. In phase two, we will be continuing to prioritise inspections but with additional scope to include investigation of Potentially Licensable Properties, Standard License Applications, and HMO licences inspected with works required that were not picked up in phase one.

People feel safe in Plymouth

Proportion of Adult Social Care service users who feel safe

What we measure: The proportion of people who use Adult Social Care (ASC) services who say that those services make them feel safe and secure, as measured using the annual Statutory ASC Survey.

Why we measure it: Safety is fundamental to the wellbeing and independence of people using social care, and the wider population. Feeling safe is a vital part of users' experience of their care and support.



How have we done? 90.0%

Increase of 0.2 of a percentage point from the previous year.

Trend rating: **Green**

Target for 2019/20: 89.8%

The increase in 2019/20 puts performance at 0.2 of a percentage point above the target.

Target rating: **Green**

What's working well? We monitor activity and timeliness of assessments through regular contract performance meetings with our providers. Throughout the past five years, the proportion of Plymouth's ASC service users who feel safe or feel that services they receive help them to feel safe has been consistently higher than the England average (86.5% in 2018/19*). *The national figure for 2019/20 will not be published until the Autumn of 2020, although this may well be delayed by COVID-19.

What are we worried about? Performance had declined in the past two years but in 2019/20 performance has improved slightly, with 90% of respondents agreeing that the social care services that they receive make them feel safe. In response to the 2018/19 survey results, an ASC performance action plan aimed at improving outcomes was put in place and there have been small increases in performance against this indicator and the ASCOF 4A, which measures how safe people feel in general. Further development of this plan has been delayed due to COVID-19. We remain concerned that the cohort of social care users who feel least safe are those aged 18 to 64 without a learning disability and we will continue to look to improve feelings of safety for this particular cohort, as well as all other users.

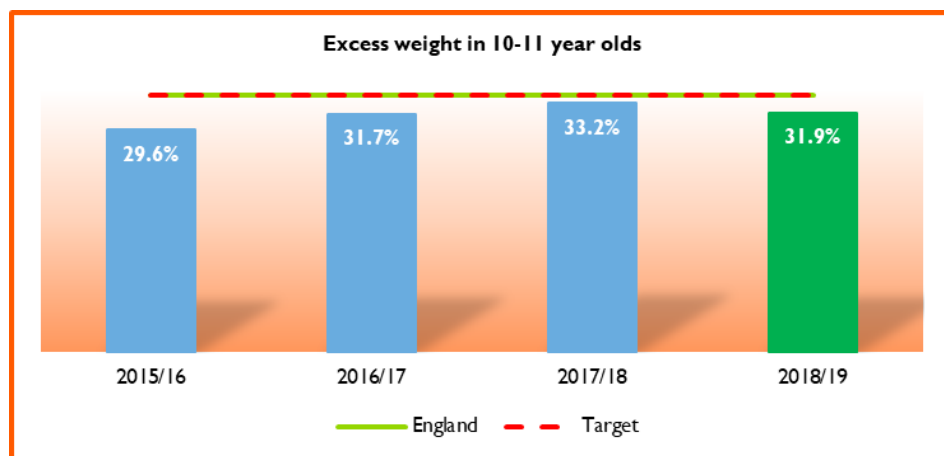
What needs to happen? We will continue to monitor social care and safeguarding activity via provider performance and assurance meetings. We will develop a refreshed ASC performance action plan and will work with the Community Safety Partnership and commissioners via contract management and provider forums to deliver the actions identified.

Reduce health inequalities

Excess weight in 10-11 year olds

What we measure: The prevalence of excess weight (including obesity) among children in Year 6 (aged 10 to 11 years old). The latest available data is for 2018/19, with the next national data release due in quarter three.

Why we measure it: Excess weight in childhood is a key risk factor for obesity and its associated illnesses in adulthood, as well as potentially having a negative impact on children's physical and mental health.



How have we done? 31.9%

Decrease of 1.3 percentage points from the previous year, which is a decrease of 3.9%.

Trend rating: **Green**

Target for 2018/19: 34.3%

The decrease in 2018/19 puts performance at 2.4 percentage points (7.0%) below the target.

Target rating: **Green**

What's working well? Levels of obesity in Year 6 pupils in Plymouth are significantly better than the England average. We continue to focus on giving children the best start in life, making schools health-promoting environments, managing the area around schools through fast food planning policy, and working with partners to raise awareness of the complexities associated with individual behaviour change where weight is an issue. The prevalence of overweight pupils seen in the reception years is reversed by the time these same pupils reach Year 6.

What are we worried about? Though levels are lower than England for Year 6, these levels are too high. Childhood obesity is closely linked to deprivation and therefore is a strong indicator of inequality. Being overweight and obese in childhood is a risk factor for overweight and obesity in adulthood and increased risk of diseases, such as Type II Diabetes, cancers, and cardiovascular diseases. Healthy weight can only be addressed through a whole system approach, where everyone works together to have an impact. The prevalence of overweight pupils in reception years is 25.9%, which is the highest seen since 2006/07.

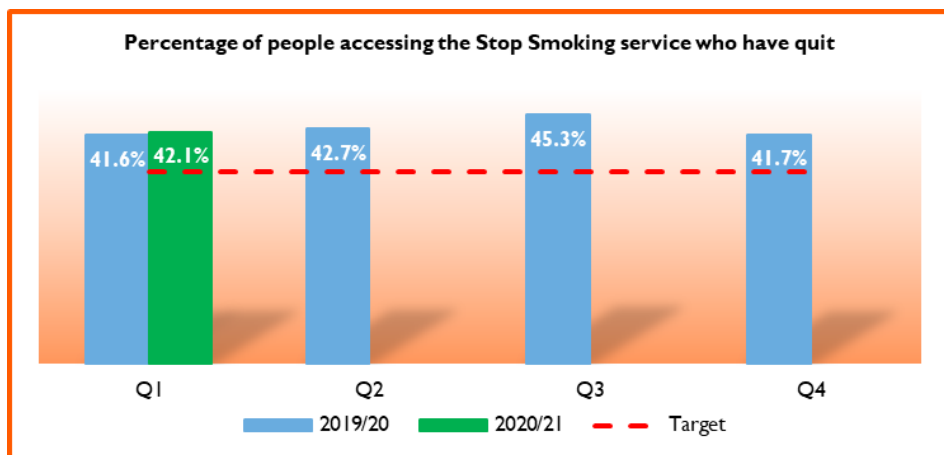
What needs to happen? There is a lack of a firm evidence base on the most effective interventions to reduce excess weight in children. We are therefore working on developing the current system offer to improve outcomes for children, young people and their families. We know that provision of prevention and early intervention measures are key in making a difference for families, along with an environment that supports healthy behaviour, and we will continue to work with our partners to create change. The National Child Measurement Programme was halted due to COVID-19, meaning that fewer children were measured in 2019/20. Guidance for the 2020/21 programme is due in the autumn and will align with relevant Public Health England and other government department COVID-19 guidance provided to schools, local authorities and NHS community services.

Reduce health inequalities

Stop Smoking Service successful quit attempts

What we measure: The number of people who engage with the Stop Smoking Service and set a quit date, with successful quit attempts measured at four weeks.

Why we measure it: Smoking is the leading cause of preventable ill health and premature mortality in the UK. Smoking is a major risk factor for many diseases, such as lung cancer, chronic obstructive pulmonary disease (COPD) and heart disease.



How have we done? 42.1%

Increase of 0.4 of a percentage point from the previous quarter, which is an increase of 1.0%.

Trend rating: **Green**

Target for 2020/21: 35.0%

The increase in quarter one puts performance at 7.1 percentage points (20.3%) above the target.

Target rating: **Green**

What's working well? Smoking cessation has remained a priority through delivery in specialist service and primary care due to the importance of respiratory health throughout the COVID-19 pandemic. Services have worked alongside national promotions to encourage people to quit smoking to reduce the risk posed by COVID-19. In quarter one 2020/21, 242 people accessed services and 102 successfully quit smoking (42.1%). Since 23 March 2020, smoking cessation advice and support has been available virtually through one to one sessions by phone or video call. This has been successful in the main but some people may not find this offer as appealing as face to face. In the 12 month period up to the end of quarter one 2020/21, 578 people have been confirmed to have stopped smoking, meaning the annual quit rate is 43%.

What are we worried about? People who smoke tend to be those with complex issues and are 'hard to reach', which presents a challenge and we are working to change our approaches to ensure that we engage with people and work with them in a way that works for them. National Institute for Health and Care Excellence guidance for stop smoking services sets performance guidelines, which states that good services should treat at least 5% of current smokers each year; we are currently not achieving this target.

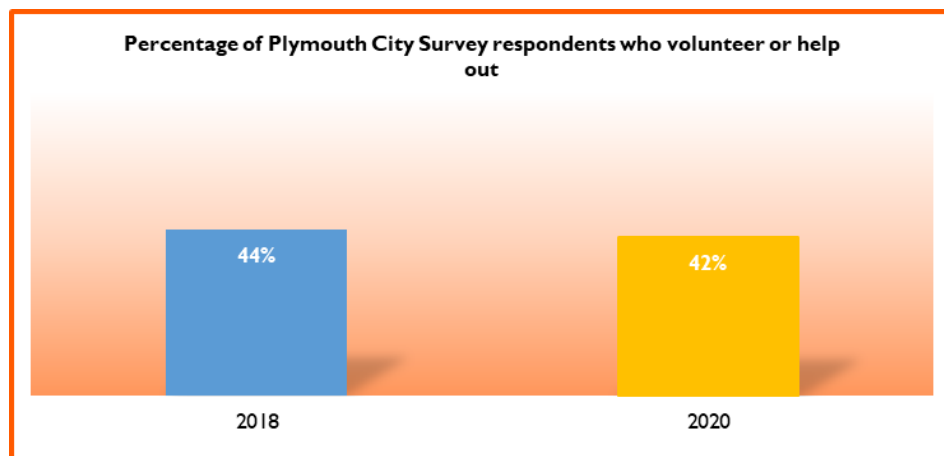
What needs to happen? We will continue to focus our resources on those with the most complex support needs and work with University Hospitals Plymouth to embed tobacco treatment in all of their pathways and 'making every contact count' (MECC) training within their organisation. We will also continue to take a system approach to tobacco control so that action takes place to disrupt and minimise the supply of illegal and illicit tobacco in the city, and to ensure that tobacco sales are appropriately restricted by age and advertising restrictions are adhered to.

A welcoming city

Percentage of residents who regularly do voluntary work

What we measure: The percentage of Plymouth City Survey respondents who volunteer or help out in the city, which includes formal volunteering (e.g. for a charity or community group) or informal helping out (e.g. a neighbour).

Why we measure it: Cities of Service is a volunteer work programme with the aim of increasing the number of volunteers, who volunteer at least once a month, by 1% per year for the next five years. This question helps to monitor the outcomes of this programme.



How have we done? 42%

42% of respondents either volunteer or help out. This is a decline of two percentage points from 2018.

Trend rating: **Amber**

Target for 2020: Trend increase

A high percentage of residents volunteering is desirable but no specific target has been set.

Target rating: **Amber**

What's working well? Since the outbreak of COVID-19, the number of informal volunteers involved with the Plymouth Good Neighbours Scheme (PGNS) reached a peak of 712. This is in addition to the many hundreds of volunteers working in mutual aid groups in communities across Plymouth. We have also trained 300 Mayflower Makers who have so far accumulated over 3,000 hours of activity supporting Mayflower events.

What are we worried about? Our Plymouth – whilst the platform is delivering the Mayflower Makers programme, it needs to deliver a much wider product for people who want to 'do their bit'. We continue to work with the software developers to improve the casual user experience and we have established a small internal working group to decide how we want to interact with Our Plymouth and what we need it to be to support the Council's ambitions.

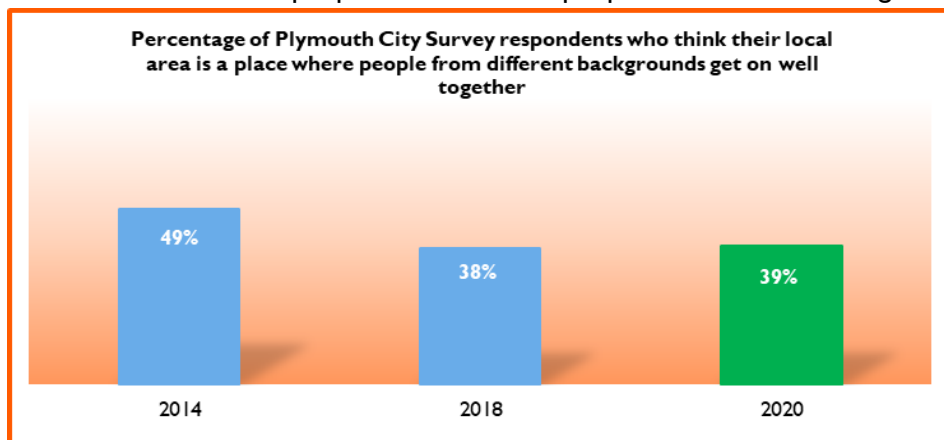
What needs to happen? There needs to be ongoing support for the mainstreaming of PGNS and a commitment to continue the closer working with the voluntary and community sector at grassroots level to support mutual aid groups in communities.

A welcoming city

Community cohesion

What we measure: The percentage of Plymouth City Survey respondents who agreed with the statement 'my local area is a place where people from different backgrounds get on well together'.

Why we measure it: This question gives a measure of community cohesion within Plymouth and assesses performance against the statutory equality objective to increase the number of people who think that people from different backgrounds get on well together.



How have we done? 39%

Increase of 1 percentage point from the 2018 Plymouth City Survey, which is an increase of 2.6%.

Trend rating: **Green**

Target for 2020: Trend increase

Whilst an increase is desirable, there is no specific target for these questions in the Plymouth City Survey.

Target rating: **Green**

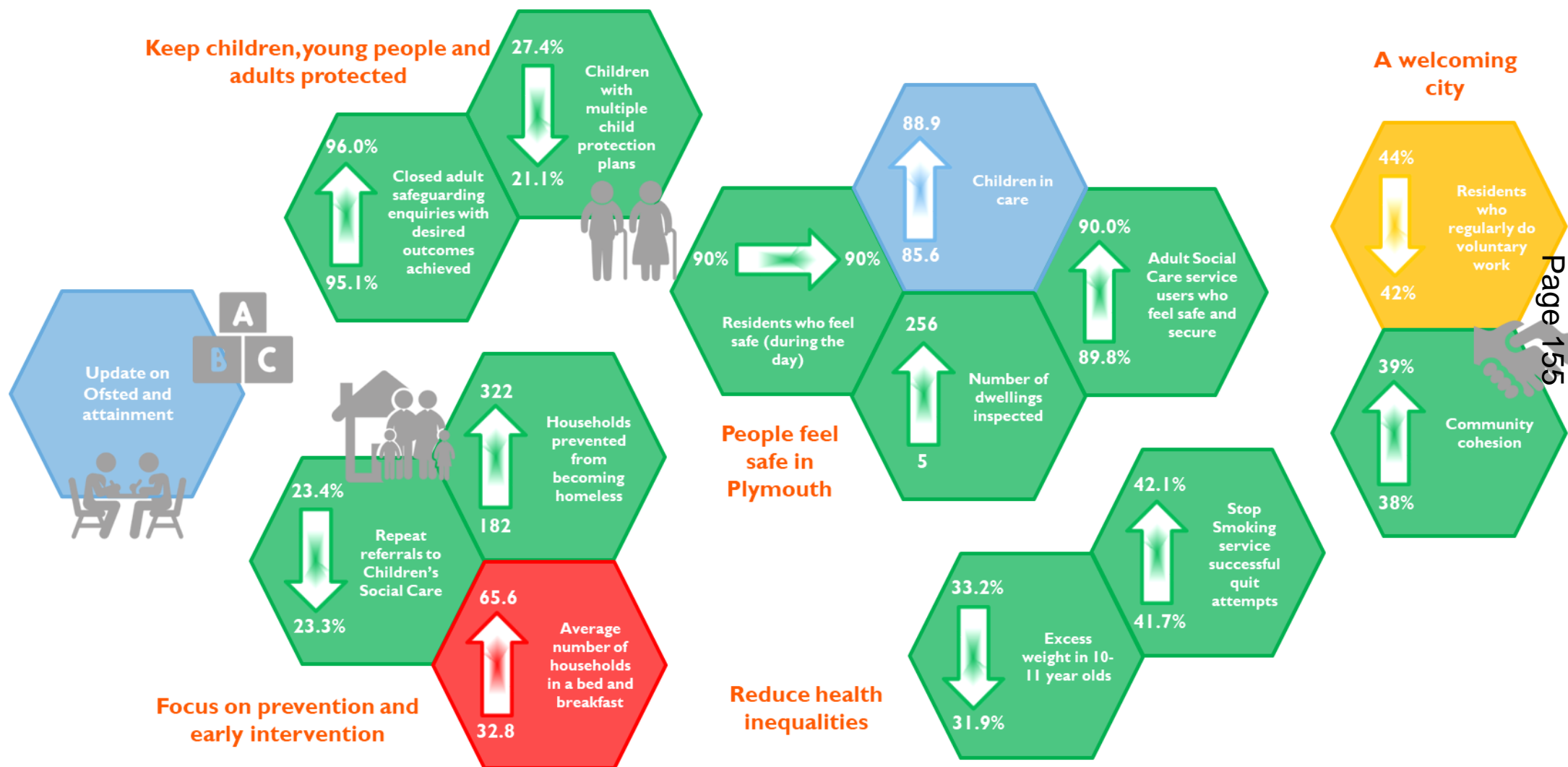
What's working well? 39% of respondents agreed that Plymouth is a place where people from different backgrounds get on well together which is made up 9% who 'strongly agreed' and 30% who 'tended to agree'; 14% disagreed and 47% answered that they 'neither agree nor disagree' or 'don't know'. Plymouth's cohesion score, which only takes into account those who agree and disagree with the statement, excluding the neutral options, is 73.8%, which is an increase from 71.7% in 2018. We have been successful in securing £506,000 from the Controlling Migration Fund (CMF) and this will be used to support work to increase community cohesion. Community Connections also continues to be a key partner in providing third party reports of hate crime directly to the Police, as well as providing advice and support to victims.

What are we worried about? The 2020 Plymouth City Survey score of 39% is below that seen for the same question in the 2014 Wellbeing Survey (49%) and is only a very small improvement on 2018 (38%). Younger people aged 25 to 34 years are less likely to agree that people from different backgrounds get on well together in their areas (22% disagreed), with those aged 75 and over most likely to agree (5% disagreed). The number of hate crimes reported to the Police increased by 8% in 2019/20 (570 recorded; 41 more crimes than in 2018/19). Racist incidents (65%) are the most prevalent type of hate crime recorded. However, it is important to recognise that hate crime covers a wide range of offences and in 2019/20 we saw the numbers of racist, homophobic, disablist and transphobic crimes increase. The number of hate crimes recorded by the Police in quarters one and two of 2020/21 show a trajectory towards a further increase this year. There also remains uncertainty regarding Brexit and any potential impacts that this may have on hate crime and community cohesion, such as Black Lives Matter and Extinction Rebellion protests.

What needs to happen? The rise of community tensions remains an operational risk for the Council, while hate crime is identified as a risk in both the Safer Plymouth Strategic Assessment and the Council's Operational Risk Register. A number of actions are in place to improve community cohesion including a proposed review of the Welcoming City Strategy, a Prevent action plan, and delivery plans in place for community cohesion and hate crime. We continue to work closely with the Police's Diverse Communities Team and maintain good relations with community leaders.

A Caring Council – Quarter Two Summary

The pages in this section have given a detailed overview of the latest performance for the individual key performance indicators for the six priorities of 'A Caring Council'. This is summarised below.



How We Will Deliver

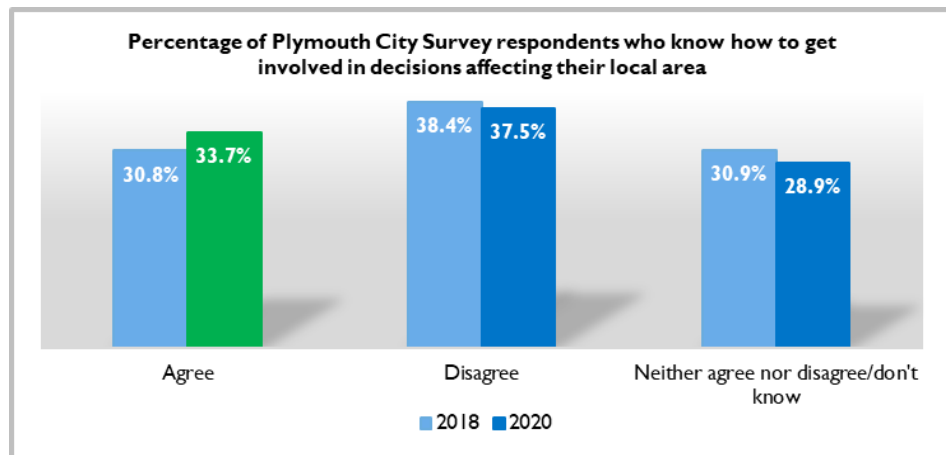
Corporate Plan priorities	Key performance indicators	Page number
Listening to our customers and communities	Residents who know how to get involved in decisions affecting their local area	39
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Listening to our customers and communities

Residents who know how to get involved in decisions affecting their local area

What we measure: The percentage of 2020 Plymouth City Survey respondents who agreed with the statement ‘I know how to get involved in decisions that affect my local area’.

Why we measure it: This question tells us the extent to which residents feel they are involved in decisions that affect their local area, which can inform the Council’s engagement activity.



How have we done? **33.7%**

A total of 33.7% of respondents either strongly agreed (7.5%) or tended to agree (26.2%), which is 2.9 percentage points more than when the question was asked in 2018.

Trend rating: **Green**

Target for 2020: **Trend increase**

A high level of agreement with the statement is desirable but no specific target has been set. However, we would like to see a year-on-year improvement.

Target rating: **Green**

What’s working well? These results tell us that a third (33.7%) of respondents are aware of how they can get involved in decisions in their local area. Councillors have different ways of engaging with residents in their wards, meaning that residents have direct access to their elected representative and the Council has an established mechanism for consulting on proposals, such as planning applications. We continue to use this to stream Council and Cabinet meetings in an attempt to reach broader audiences and improve the accessibility of Council decision-making.

What are we worried about? 37.5% of respondents disagreed with the statement, with a further 28.9% answering either ‘neither agree nor disagree’ or ‘don’t know’. For the second successive survey, the youngest age group was significantly less likely to agree that they know how to get involved, with 7.5% of respondents aged 16 to 24 years agreeing compared with 34.9% of those aged 25 years and older. This correlates with the results of questions in the survey on awareness of and involvement in local community activities and groups.

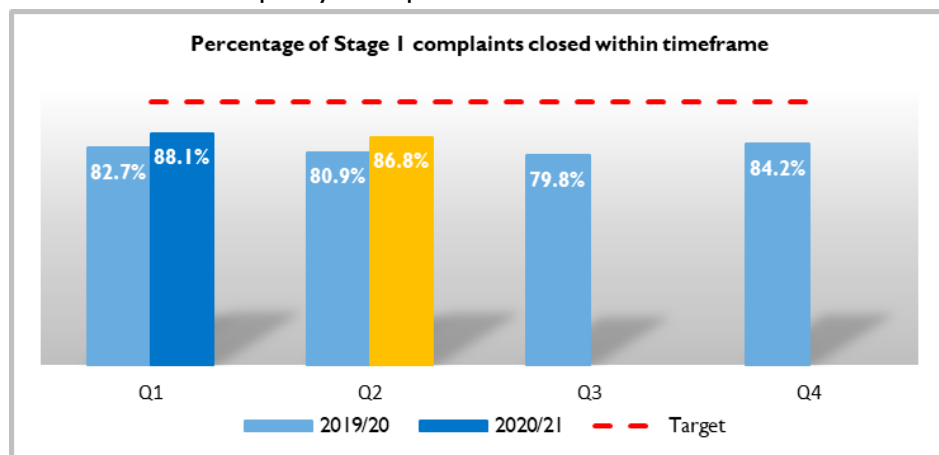
What needs to happen? We have been conducting ‘appreciative enquiries’, or conversations, with the users of our green spaces and parks, which has led to a greater understanding of how the community could be more involved. We will continue to build on this approach and have further conversations with communities about issues that matter to them. We are also developing the Community Engagement Strategy, which is due for completion and sign off in January 2021.

Providing quality public services

Customer complaints resolved at first and second stage

What we measure: The proportion of customer complaints that have been closed (resolved) within the timeframe of 10 working days. If customers are not happy with the response received to their complaint at Stage 1, they can submit the complaint again to be reviewed by a senior manager – this is known as a Stage 2 complaint.

Why we measure it: We want our customers to be satisfied with the service that they receive from us. However, when we do receive a complaint, we will seek to resolve the issue quickly. Complaints are also used to inform future service delivery where lessons can be learned.



How have we done? **86.8% (Stage 1)**

Decrease of 1.3 percentage points from quarter one.

Trend rating: **Amber**

Target for 2020/21: **100%**

The decrease in quarter two puts performance at 13.2 percentage points below the target of 100%.

Target rating: **Amber**

N.B. Previous numbers have been updated based on timeliness of responding to complaints closed in month, rather than received in month, to improve accuracy of reporting.

What's working well? The number of Stage 1 complaints received increased from 585 in quarter one to 1,548 in quarter two; the low number in quarter one was as a result of the COVID-19 lockdown, with several services turned off so that continued delivery of essential services, such as refuse collections, could be prioritised. As lockdown was eased across the country in June and July, services began to be turned back on and the number of complaints increased as a result. In quarter two last year, 1,612 complaints were received. The first half of 2020/21 has seen the Council face greater challenges than in previous years due to the global pandemic, so to be comparable to 2019/20 in terms of the number of customer complaints must be seen as a positive. Timeliness of responding to complaints decreased slightly from quarter one, with 86.8% of Stage 1 and 85.5% of Stage 2 complaints closed within 10 working days in quarter two, but this remains an improvement on performance from quarter two 2019/20. The proportion of complaints upheld at both stages has also reduced when compared to 2019/20. In particular, there has been a reduction in complaints upheld due to services not being delivered, which follows focused work on service standards, primarily in Street Services. Additionally, there has been an increase in the number of compliments received from customers in the first two quarters of 2020/21, with 270 received between 1 April and 30 September 2020 compared with 249 in the same period of 2019. Half of all compliments received so far in 2020/21 have been for Street Services (135).

What are we worried about? Although timeliness of closing complaints has improved from last year, this remains below the 100% target. The number of Stage 2 complaints received has also increased, from 70 in quarter one to 185 in quarter two 2020/21; this compares to 137 in quarter two 2019/20. The Customer Liaison Manager role was vacated at the end of quarter two, losing a role that specifically reviewed customer feedback.

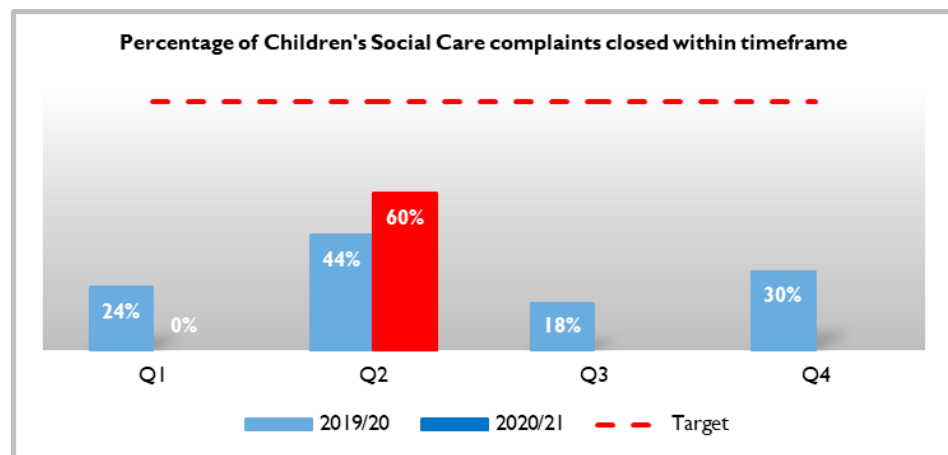
What needs to happen? The Transformation Architecture Manager, Information Governance Manager and Senior Performance Advisor are working together to identify a solution to the analytical gap identified around complaints following the departure of the Customer Liaison Manager.

Providing quality public services

Statutory complaints completed within timescales

What we measure: The percentage of Children's Social Care (CSC) complaints that are responded to within expected timescales (20 working days) and the percentage of Adult Social Care (ASC) complaints responded to within a timescale agreed with the complainant. Responses to CSC complaints are dealt with solely by Plymouth City Council whilst Livewell Southwest (LWSW) respond to ASC complaints.

Why we measure it: People accessing CSC and ASC services are some of the most vulnerable people in the city. For this reason it is extremely important that we respond to complaints in a timely manner. This indicator allows us to assess how well we are performing in this area.



How have we done? 60%

Increase of 60 percentage points from quarter one 2020/21.

Trend rating: **Green**

Target for 2020/21: 95%

Performance in quarter two now puts performance at 35 percentage points below the target.

Target rating: **Red**

What's working well? Between 1 April and 30 September 2020, 23 CSC complaints were received; this means that the service is on a trajectory to receive fewer complaints for the second successive year (55 in 2019/20). The percentage of complaints either fully or partially upheld each month is improving. In July and August performance was 40% compared to an average monthly rate of 75% between February and May 2020. Between 1 April and 30 September 2020, 24 ASC specific complaints were received and of those resolved during the period (12), 100% were resolved within the timescale agreed with the complainant. On average over the period it took 55 days for a complaint to have been fully dealt with, which is an improvement on the previous 12 month average of 58 days.

What are we worried about? The percentage of CSC complaints that were completed within timescales in quarter two was 60%; performance is improving and how we respond to these complaints will remain a priority for the service. Twelve ASC complaints were closed, seven (58.3%) of which were either fully or partially upheld; this is a reduction on last year but we will continue to engage with the provider regarding lessons learnt.

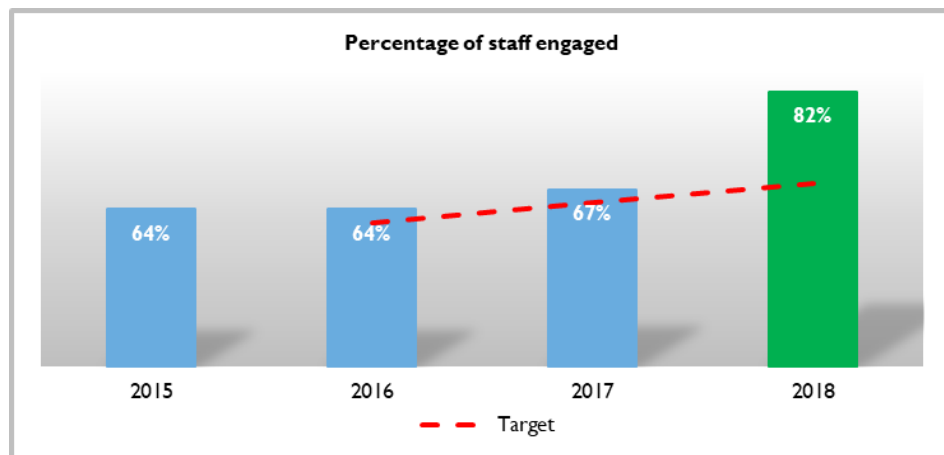
What needs to happen? The coordinating of complaints for the CSC service by a senior manager will continue and this has led to an upturn in performance. With regard to ASC complaints, regular monitoring meetings ensure that a robust process to deal with statutory complaints is in place.

Motivated, skilled and engaged workforce

Staff engagement

What we measure: Employees' level of engagement and general satisfaction with working within their service. This is derived from a subset of questions from the annual Staff Survey.

Why we measure it: We want our employees to be engaged as this is an indication of their happiness and wellbeing. Employees who are engaged are more motivated, committed and fulfilled with their work, and help to drive organisational productivity and better customer experience.



How have we done? **82%**

Increase of 15 percentage points from the previous survey in 2017. However, the response options were changed for 2018, making the results not directly comparable to previous years.

Trend rating: **N/A**

Target for 2018: **68%**

The increase in 2018 puts performance at 14 percentage points (20.6%) above the target.

Target rating: **Green**

What's working well? Since our last Staff Survey in 2018, we have improved communication with frontline staff who do not have access to a personal computer by issuing a pocket book, which provides key information about the Council. The commissioning model for training is now in place, ensuring that there are clear expectations for both employees and managers and training for Managing Sickness Absence and Managing Staff Remotely are being delivered remotely. In June 2020 we conducted COVID-19 wellbeing surveys to ensure that all employees felt supported at that time with both homeworking and the safe systems of work for frontline employees. As at 20 October, the proportion of this year's Annual Performance Reviews recorded that showed ratings of level four (very good performance) to five (exceptional performance) was at 56.6%. Those rated at level three (good performance) equated to a further 41.7%. The remaining 1.7% of recorded ratings related to those who showed improving performance or poor performance. Overall, these performance ratings demonstrate that we have a motivated and skilled workforce.

What are we worried about? Ensuring that we communicate regularly to staff about keeping safe, safe systems of working and new ways working.

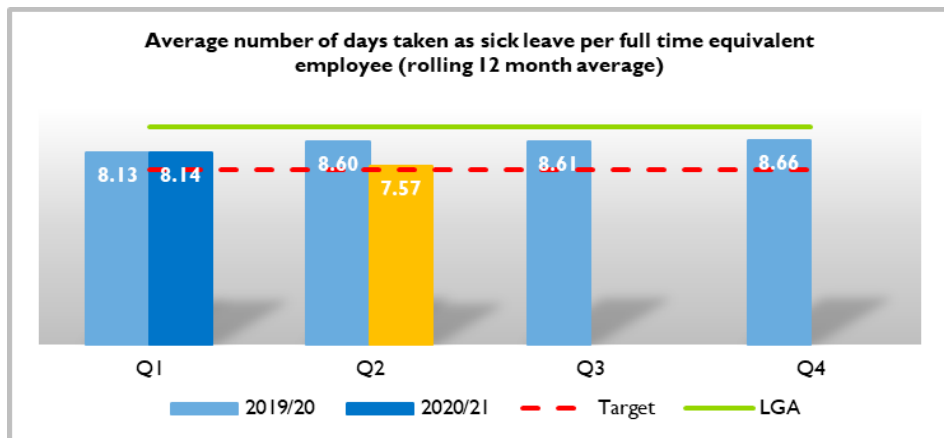
What needs to happen? Preparations are underway for a 2020 engagement survey, which is being commissioned externally. The engagement survey will be combined with the stress and resilience and wellbeing surveys. There will be comparable questions to enable analysis with previous years to take place. As part of workforce modernisation, we will be looking at a new 'employee deal', striving to become an employer of choice.

Motivated, skilled and engaged workforce

Days lost due to staff sickness

What we measure: The average number of sick days lost per full-time equivalent (FTE) employee, calculated as a rolling 12 month average. Sickness data includes days lost due to physical and mental ill health, as well as injuries, and both short and long term sickness absences.

Why we measure it: Sickness figures give an indication of the health and wellbeing of our workforce and should enable managers to implement timely and effective procedures to support the needs of employees. Any employee absence has a cost to the organisation and needs to be effectively managed.



How have we done? 7.57 days

Decrease of 0.57 days from quarter one 2020/21, which is a decrease of 7.0%.

Trend rating: **Green**

Target for 2020/21: 7.40 days

The decrease in quarter two puts performance at 0.17 days (2.3%) above the target.

Target rating: **Amber**

What's working well? A new improved, user friendly and business centric Managing Sickness Absence Policy and procedure was implemented from January 2020, emphasising return to work interviews with employees on their first day back at work. Training workshops were facilitated for managers from December 2019 up until the national lockdown and then further training has been delivered remotely since September. At the end of quarter two, the number of days lost due to sickness (rolling 12 months) had decreased to 7.57 days. This is slightly above our target of 7.40 days but better than the published average of 9.2 days for single/upper tier authorities (LGA Local Government Workforce Survey 2017/18). After increasing for more than a year, peaking in October 2019 at 8.71 days per FTE, this reflects a decrease of 1.03 FTE days when compared to the previous year (September 2019 = 8.60 days). Since March, the impact of COVID-19 has been minimal, with just 35 employees having 'COVID-19' as the reason recorded for sickness (1.4% of the workforce).

What are we worried about? Managers now need to manage and support their teams remotely, bringing a new dimension to the way we work. To enable this we have supported our employees and managers through initiatives including COVID-19 wellbeing pages on the staff room; referrals to the Occupational Health Service for medical advice to support the employee back to work; ongoing promotion of PAM Assist via screen savers; COVID-19 work, stress and resilience training, support and counselling; and the continued use of our wellbeing champions and Wellbeing Champion Network. As we continue to deliver services during the pandemic managers will need to continue to review the working arrangements for their teams.

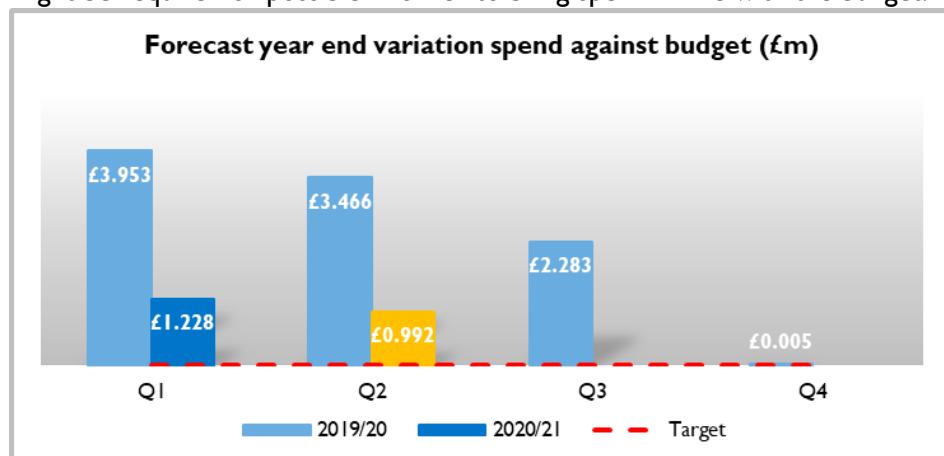
What needs to happen? The full benefit realisation of the new Managing Sickness Absence Policy is not fully apparent due to COVID-19 impacts, but the forecast for the end of this year shows a better position than 2019/20 (in normal circumstances). At the appropriate time, Strategic Directors will need to continue to scrutinise sickness absence cases in their areas and ensure that they are managed appropriately. As an organisation, we will continue to utilise our Occupational Health Service for medical advice to support our employees back to work and in the workplace. We will also continue to promote PAM Assist, our wellbeing champions and the Wellbeing Champion Network, as well as a number of other supporting services/initiatives. The flu vaccination programme is also underway.

Spending money wisely

Spend against budget

What we measure: The projected balance remaining against the budget at the end of the financial year, updated monthly.

Why we measure it: The projection helps to forecast whether the financial position at the end of the year for the Council is likely to be an overspend or an underspend on the budget. By reviewing service expenditure and forecasts regularly throughout the year, the expected outturn helps to highlight where corrective actions might be required or possible in order to bring spend in line with the budget.



*Q1 of 2020/21 shows the month 4 position

How have we done? **£0.992m**

The quarter two outturn is £0.306 million lower than at the end of month four (July). *Note: quarter one is not comparable due to COVID-19 costs.*

Trend rating: **Green**

Target for 2020/21: **£0.000m**

As the target is for spend to be equal to the budget, we ended quarter two of 2020/21 at £0.992 million above the target.

Target rating: **Amber**

What's working well? The estimated revenue overspend at the end of quarter two is £0.922 million. The overall forecast net spend equates to £194.600 million against a budget of £193.678 million, which is a variance of 0.48%. Whilst this is an overspend, the Council's budget for 2020/21 was approved in February, only a month before the country was placed into lockdown as a response to the COVID-19 pandemic. The Ministry for Housing, Communities and Local Government (MHCLG) has to date paid the Council an un-ringfenced grant in four tranches in response to the additional costs faced by Plymouth arising from the pandemic. A total of £23.046 million has been received, with £0.496 million used in 2019/20 (start of lockdown) and the remaining £22.550 million available for the 2020/21 costs. In addition to the grants set out above, the government announced an Income Compensation Scheme, which will partially offset the Council's lost income arising from sales, fees and charges (to date the Council has submitted a claim for £3.087 million). The application of these grants accounts for the significant decrease when comparing quarter two with quarter one.

What are we worried about? At the time of writing this narrative we entered a second national lockdown. It is too early to say what the actual impact will be but there is a risk that certain costs will increase and there could be a further adverse impact on income levels. Spend against budget is associated with a strategic risk of being unable to deliver services within the envelope of the resources provided, which is currently RAG-rated as **red**.

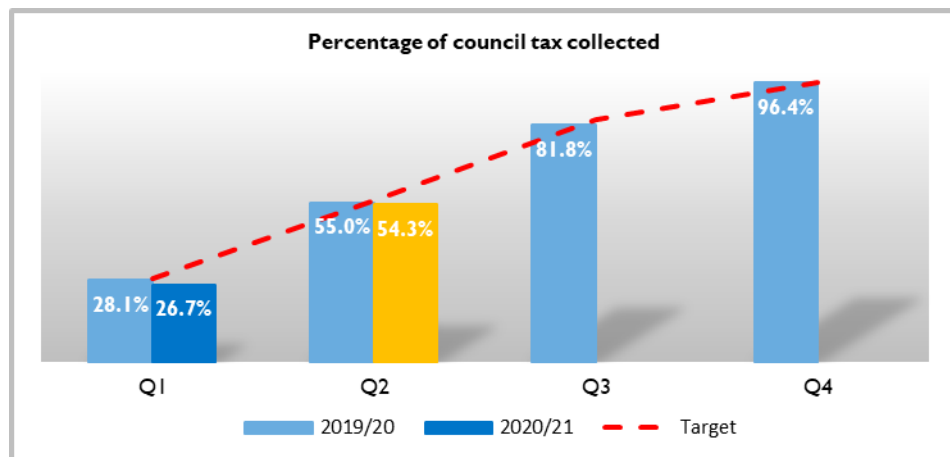
What needs to happen? Forecasts will be refined and updated over the coming weeks due to the second national lockdown (November) and the financial challenges facing the Council should not be underestimated. Managing them continues to be a principal priority for the Council both in the current year and over the duration of the Medium Term Financial Plan.

Spending money wisely

Percentage of council tax collected

What we measure: The percentage of council tax collected – this is a cumulative measure.

Why we measure it: The percentage of council tax collected shows whether or not the Council is on track to collect all council tax by the end of the financial year, which contributes to the amount of money that the Council has available to spend on its services.



How have we done? **54.3%**

The proportion of council tax collected is 1.7 percentage points less than the proportion collected by the end of quarter two 2019/20.

Trend rating: **Amber**

Target for 2020/21: 55.7% (cumulative target)

Performance for quarter two is 1.4 percentage points below the cumulative quarter two target of 55.7%.

Target rating: **Amber**

What's working well? Performance has been relatively stable for this indicator, with the percentage of council tax collected by the end of quarter two 2020/21 being slightly lower than the percentage collected by the end of quarter two 2019/20. In monetary terms, £74.862 million of council tax had been collected by the end of quarter two, which is 54.3% of all council tax that is due to be collected for the year; this compares to 55.0% at the same point last year. The collection rate dipped considerably at the start of lockdown but work implemented on recovery has seen the gap reduce and we are now predicting a reduction of £0.9 million in council tax collection by year end, rather than a reduction of £1.7 million, which was the prediction in May 2020. In addition, we administered the government's Local Hardship Fund, which reduced all Council Tax Support customers' bills by £150. We monitor the council tax collection rate formally once a week in performance meetings and informally on a daily basis. The end of year target of 96.5% relates to the total collected as billed and runs into the next financial year (2021/22).

What are we worried about? The end of quarter four saw the beginning of lockdown measures as a result of the COVID-19 pandemic, including huge redundancies across the city. Whilst the furlough schemes and other government support has helped many residents, those schemes are coming to an end and the future of many employers is not certain. We remain extremely concerned about residents' ability to pay council tax in 2020/21 and it is likely that collection rates will not recover.

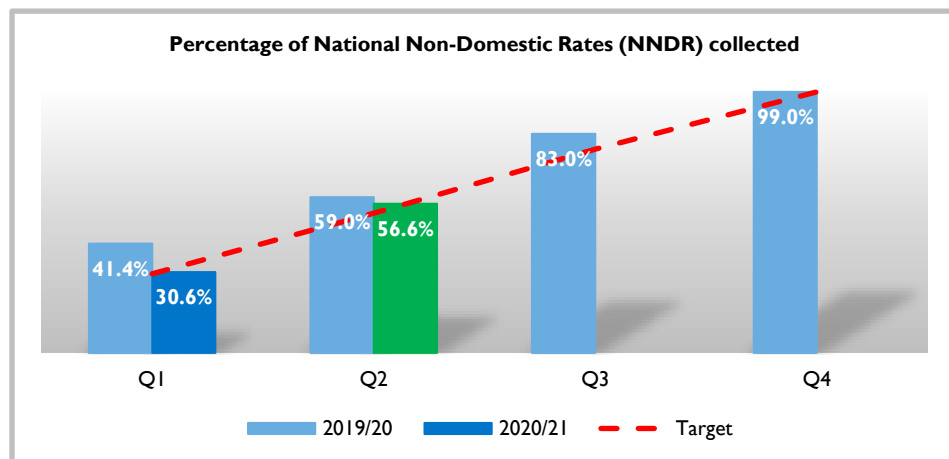
What needs to happen? We will continue to monitor all aspects of recovery action to ensure that we maximise the collection rate in the face of continuing economic challenges, in particular the impact of COVID-19. We continue to closely monitor any accounts that are in debt and work with advice agencies across the city to support customers who are struggling to pay.

Spending money wisely

Percentage of business rates collected

What we measure: The percentage of National Non-Domestic Rates (NNDR) collected against the amount due to be collected.

Why we measure it: NNDR is more commonly known as 'business rates' and charged on most properties that are used for non-domestic purposes, for example shops and offices. The collection of business rates represents approximately 61% of the Council's overall income (2017/18) so it is important that the collection of NNDR is monitored.



How have we done? **56.6%**

Decrease of 2.4 percentage points from the same period last year.

Trend rating: **Amber**

Target for 2020/21: 53.1% (cumulative target)

Performance in quarter two is 3.5 percentage points above the end of quarter two target of 53.1%.

Target rating: **Green**

What's working well? Much of the first six months of 2020/21 were spent administering the business rates grants scheme, which was introduced to provide financial support to local businesses through the COVID-19 pandemic. During this time, no formal recovery action for business rates payments took place, i.e. no reminder notices were issued. The decision was made to defer everyone's payments to start in June rather than April, making it difficult to judge how the collection rate compares to last year. Government relief schemes have also halved the total amount of business rates that we are due to collect. Despite this, collection rates seem to have been maintained. The grants scheme is now complete and the team are moving back to business as usual.

What are we worried about? We have now started to issue reminder and final notices to those people who are not paying business rates; this has prompted payment but has also led to businesses contacting us to explain the difficulties that they are having with payment. As a result, some businesses are entering into interim arrangements where they pay something now and the arrangement will be reviewed in a couple of months' time to see if they can increase payments. We are still waiting for the court service to agree a process so that we can take some non-payers to court, which is the formal recovery process for those who do not pay and do not contact us to discuss any problems that they are having. Any further restrictions or lockdowns imposed will impact on businesses' ability to pay their business rates.

What needs to happen? We will continue to monitor levels of payment, and in particular those businesses who are not currently paying. It is hoped that we can move to the next step of the recovery process during October and November as this will highlight any more problems that businesses are having.

A strong voice for Plymouth regionally and nationally

Offers and Asks

What we report: This is a narrative update on progress made regarding our 'Offers and Asks' for the first six months of 2020/21.

Why we report it: The Offers and Asks is our way of influencing the government on what we need for the city. The 'Asks' are updated regularly and are used to advise and inform Plymouth's three Members of Parliament (MPs). A multi-disciplinary approach draws in knowledge and experience from across the local authority. It is this approach that ensures that we have the best intelligence to enable us to identify key issues, in particular any impacts on local services.

What's working well? In the first quarter of this year the focus of the Council's public affairs activity has continued to be on raising vital issues with government as a result of the COVID-19 pandemic to seek corrections on national policy and plug gaps in the support measures introduced. Specifically, we have been lobbying ministers for increased support for the bus industry and home to school transport provision; the availability of personal protective equipment (PPE) for health and social care workers; free school meals eligibility, vouchers and food supply; improved provision of COVID-19 testing facilities; and support for renters and the homeless, as well as calling for an extension to the homelessness eviction ban. We have also been lobbying for increased support for the tourism sector and the Theatre Royal Plymouth, and working closely through the Local Government Association (LGA) for increased support for businesses in the city affected by the pandemic.

We have also continued to raise the wider issues that are important to the city. We have now received the £2.3 million of funding for the North Prospect Regeneration scheme and secured £381,780 Next Steps Accommodation Programme Funding to support rough sleepers and vulnerable people into accommodation in the city. We continue to lobby for initiatives that support our climate change ambitions, such as the Renewable Heat Incentive and Future Homes Standard. The Leader has also written to the Secretary of State for the Department for Environment, Food and Rural Affairs (DEFRA) to ensure that our fishing industry receives the support that it needs in a post-Brexit world and we continue to lobby for investment in port infrastructure to preserve existing trade routes as we leave the European Union.

We have hosted a number of notable visits including the Mayflower 400 celebratory event, which was attended by the First Sea Lord, Parliamentary Under Secretary of State for Sport, Tourism and Heritage, and ambassadors from the Netherlands and US. The Minister of State at the Department of Transport also visited the city to hear about the Brunel Plaza development at the railway station and to understand some of the connectivity issues faced by the city and region. More recently the Leader, alongside partners in the city, gave evidence to the House of Commons Defence Committee on the importance and impact of defence spending in Plymouth. The Council submitted evidence to the Integrated Defence Review call for evidence to continue to make the case for the defence sector in Plymouth.

What are we worried about? Whilst local government has received emergency funding from the government to deal with the pandemic, there is an imperative to ensure that government honours its commitment to fully cover the costs of responding to COVID-19 in terms of additional expenditure and lost income. The Leader wrote to the Prime Minister setting out the details of the cost pressures faced by the Council and detailed the in-year financial gap. The Council has continued to lobby government ministers on the factors that are contributing to this gap, and in particular to include our outsourced leisure services within the emergency reimbursement scheme and to cover the cost of providing the temporary mortuary as a separate item. The financial pressures faced by councils remain a concern and we have responded to HM Treasury's Comprehensive Spending Review call for evidence to highlight the fundamental changes that need to be made to the way that local government is financed going forward to ensure the continued viability of local councils.

What needs to happen? We are continuing to monitor the situation in relation to the COVID-19 pandemic and Brexit and will continue to highlight to government where national policy decisions have a detrimental impact on the city. Over the next six months we will be responding to the government's Planning White Paper consultation and the Devolution White Paper (yet to be published), and will continue to use our regional partnerships and national networks to amplify our voice and make the case for Plymouth, and for local government.

A strong voice for Plymouth regionally and nationally

Regional influence

What we report: This is a narrative update on progress made during the first six months of 2020/21 regarding our work with partners and neighbouring councils, as well as how we promote our regional leadership role.

Why we report it: We need to ensure that our area has a strong voice with government and does not lose out on any additional powers or devolved funding opportunities that other parts of the country have benefited from. As the largest urban area in the South West Peninsula, it is natural that Plymouth plays a leading role in promoting the region with government.

What's working well? The Heart of the South West (HotSW) Joint Committee has met twice since April, in virtual format. At the Annual General Meeting in June there was a change of Chair, with the Leader of South Somerset District Council becoming the Chair and Councillor Tudor Evans re-elected as Vice-Chair. There has been a great deal of focus on economic recovery to address the impact of COVID-19, working closely with the Local Enterprise Partnership (LEP) and reflecting local councils' recovery plans. The Housing Task Group has also reconvened during this period and has prepared a response to the Planning White Paper on behalf of the Joint Committee.

The HotSW draft Local Industrial Strategy was co-developed with government and was ready to publish in January; however, government appears to have stepped back from publishing any more of these strategies for local areas. It was recently agreed by the LEP and the Joint Committee to publish the document locally so that it can be used as the framework, setting out the key industrial strengths of the HotSW area. Plymouth's strengths are predominantly around high-tech engineering and marine, but also increasingly health technologies. Despite not getting to a published co-owned document with government, the Local Industrial Strategy will act as a focal point for conversations with government departments to secure future commitments and investment.

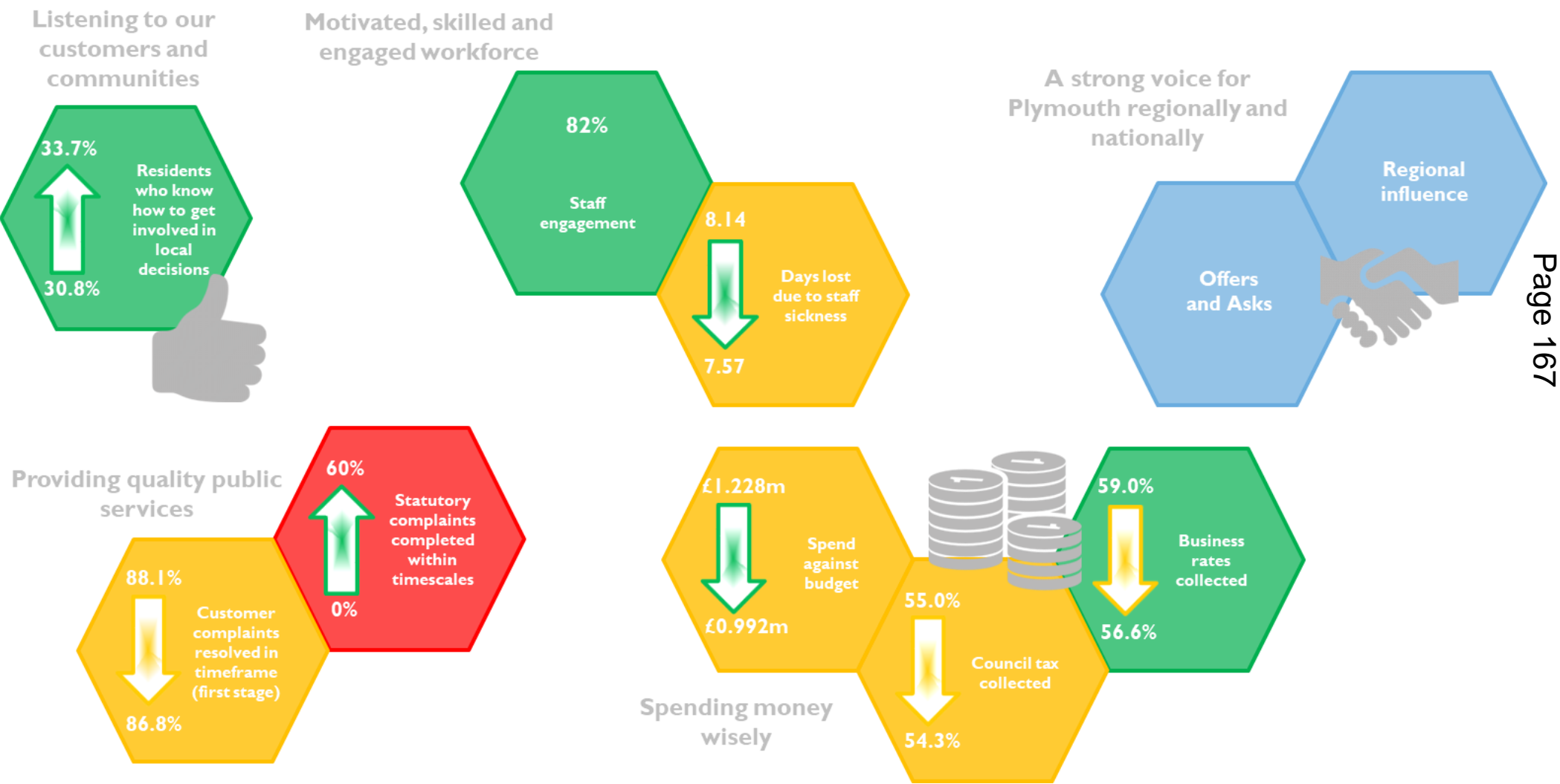
Over the last six months, leaders and chief executives from councils across the South West have been coming together more frequently to address the ongoing issues created by COVID-19. These meetings have been hosted by South West Councils, working closely with the Local Government Association. The group has jointly commissioned a piece of work looking at the impact of COVID-19 on the economy and modelling potential job losses. They have also collated evidence of the implications of responding to COVID-19 for local authority finances and the anticipated losses in income streams. This information has been shared with government to help inform emergency financial relief packages.

What are we worried about? There is a risk that Plymouth and the wider South West peninsula fails to get traction with government. Following the election in December 2019, the government committed to rebalancing the economy across the UK with a 'Levelling Up' agenda. With the significant challenges presented by COVID-19 and the impending final exit from the European Union in December, there has been little evidence of a more decentralised approach or any increase in investment for the South West. The Great South West partnership, which stretches from Cornwall to Dorset, has been campaigning to be recognised as a pan-regional partnership by government, similar to the Northern Powerhouse. However, government has yet to clarify what geography they would prefer to engage with the South West on. If the government decides that the whole of the South West is more appropriate, the distinctive needs and challenges of Plymouth and neighbouring council areas could become overshadowed by the larger municipalities around the Bristol city region.

What needs to happen? Plymouth should continue to work with partners in the Joint Committee and through other groupings and networks to push for more funding and recognition, based on the existing set of asks and strategic plans. There are likely to be a series of funding opportunities over coming months as the government tries to kick-start the economy. By having an agreed framework in the Local Industrial Strategy and associated plans, with a pipeline of projects, the area will be ready to take advantage of this.

How We Will Deliver – Quarter Two Summary

The pages in this section have given a detailed overview of the latest performance for the individual key performance indicators for the five outcomes under ‘How We Will Deliver’. This is summarised below.



Further Information

This report was produced by the Plymouth City Council Performance and Risk Team. For further information, please contact:

Robert Sowden

Senior Performance Advisor

Chief Executive Office

Plymouth City Council

Ballard House

West Hoe Road

Plymouth

PL1 3BJ

robert.sowden@plymouth.gov.uk

How We Responded to COVID-19

The outbreak of COVID-19 has been an exceptional challenge for everyone, and the Council is no different. Our staff have worked tirelessly to support the city of Plymouth in its response to COVID-19 and maintain services in these difficult times. This report describes some of the activity that has been undertaken to support the city and our partners to manage the impact of the pandemic and support the recovery. It is in addition to our regular report setting out how we deliver against the priorities set out in our Corporate Plan. Not all of the responses will be covered as there will be too many to mention; however, this report aims to provide a high level overview of some of the work that has gone on to help the Council and partners continue to deliver for the people of Plymouth.

In March, our Transformation resources responded with incredible flexibility and determination to ensure that the roll-out of Members' devices, staff devices (laptops and tablets), virtualisation of the Contact Centre and the speedy release of Microsoft Teams was significant in allowing our employees and Members to transition from office based to home based workers.

We continue to support the most vulnerable of Plymouth's residents through the setting up of Caring for Plymouth, a partnership between the Council, Livewell Southwest and a large number of voluntary and community sector organisations, which has provided a vital lifeline for people who are clinically extremely vulnerable to COVID-19. The outbreak of COVID-19 also brought about an amazing citizen response from the people of Plymouth, with more than 800 people registering to be part of the new 'Plymouth Good Neighbour Scheme', which was set up to respond to needs arising in the community to support individuals and businesses.

We have supported businesses via the administering of grant schemes designed to help those businesses impacted by the first and second periods of lockdown, whilst our Licensing and Public Protection Teams have been on hand to support businesses and individuals with advice and guidance on how to respond during the pandemic.

Our schools have been supported throughout and our Education, Participation and Skills department has been on hand to provide essential information for schools on national guidance from the Department for Education, as well as hosting a weekly virtual meeting for head teachers to ask questions of Council officers and fellow heads. These, amongst other support initiatives, have meant that our schools have been best placed to continue to provide the best possible education to the young people of Plymouth.

In the face of more household waste and recycling tonnages to collect and process as a result of people spending more time at home, our refuse collections have continued throughout the pandemic. As has street cleansing, with teams working hard to keep the streets clean and tidy with as little disruption as possible.

This has all been in the face of many challenges faced by the city. Organisations, including the Council, have faced staff shortages due to self-isolation (or staff being removed from front line services if in a vulnerable group). As a Council, we have had to change some of our working practices to ensure the safety of our staff and customers, for example by holding virtual visits instead of face-to-face with some of our most vulnerable children, and COVID-19 secure protocols for our refuse collection staff when sharing a vehicle.



Supporting Our Most Vulnerable Adults

What we have done: We have worked with partners to ensure that people continued to receive high quality care. We have established additional community capacity to support safe and timely hospital discharges, including a hotel being re-purposed as an additional care facility with 30 beds.

Our care homes support some of our most vulnerable residents and unfortunately during the pandemic a number of these had outbreaks. With partners, the Council provided 'wrap around' support in a coordinated way that ensured residents, care home management and staff were assisted during an outbreak. We have provided access to information on best practice, and supported through weekly bulletins and monthly webinars to ensure that our providers have access to the most up to date guidance. In partnership with Livewell Southwest, University Hospitals Plymouth and Devon Clinical Commissioning Group, we have provided dedicated infection control advice and training, supported with staffing and resources, delivered emergency Personal Protective Equipment (PPE) and stood up local testing arrangements for residents and staff in advance of national testing programmes being in place.



We set up the Caring for Plymouth Support Hub, which was the city's response to the government's Shielding Programme and was an alliance between the Council, Livewell Southwest and 12 Voluntary and Community Sector organisations. Through the dedicated partnership call centre, the service arranged support to ensure that the shielded cohort was provided with emotional support, shopping, medicine collection, and support with paying bills and accessing money. Over the course of the pandemic in excess of 5,655 people have been supported, 950 food packages were delivered and more than 800 prescriptions were collected.



Demand also increased on our homelessness prevention service, which has maintained an appointment based front door throughout to ensure that the most vulnerable can access the available support. Our Community Connections team, along with partners within the Alliance, identified and brought online 88 bed spaces of additional temporary accommodation, which helped to house 159 rough sleepers during the early stages of the pandemic. We also relaunched the 'Make a Change' campaign in October. In 2019, generous Plymouth residents donated over £1,500 over the three months that the campaign was running.



Looking forward: We will continue to support our clinically extremely vulnerable residents through our Caring for Plymouth approach. By working closely with partners, we will support all providers of care and support services to best meet the needs of our population. This will include remodelling and redesigning services in line with COVID-19 guidance; ongoing advice and information through interactive forums and bulletins; infection control training; and support during episodes of outbreak. We will continue to focus on meeting demand at the front door to prevent and relieve homelessness, in line with COVID-19 guidance in relation to social distancing. We will continue to work with the Plymouth Alliance to deliver new accommodation and services to meet the demand, as well as ensuring progress on the provision of more flexible emergency and temporary accommodation to meet the needs of all.

Supporting Our Most Vulnerable Children

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What we have done: In the early stages of the COVID-19 lockdown, our Children's Social Workers completed risk assessments for every child and young person in the service to make decisions about which children needed face-to-face visits. These assessments are updated weekly and during the first period of lockdown no social worker had issues relating to COVID-19, indicating that the safe way of working was effective. Our offices in Midland House were adapted to ensure safety for staff and members of the public; this enabled us to keep our reception open, meaning that we remained available to support the needs of children and families that sit at the heart of everything that Children's Services do.



During the first lockdown, good information sharing and liaison between our Children's Social Workers, Education, Participation and Skills and Virtual School teams helped to identify those children who were most vulnerable whilst schools were closed. This approach ensured that our services were able to respond to the needs of these children in a timely manner. During the lockdown we delivered around 800 laptops funded by the Department for Education to children, which supported us to have regular contact with our vulnerable children and young people but also helped them to manage their school work at times when they have not been able to be in school.



Our fostering service has been working hard to recruit new foster carers to support Plymouth children and we are on track to have recruited at least 16 new fostering households during the pandemic, which supports children who need to be looked after to stay close to family, school and friends.



Our Participation Team maintained impressive levels of contact with young people who they work with throughout lockdown. They supported a continuation of participation in virtual recruitment, training design, collaboration, and feedback, including the production of a *Life in Lockdown* report to inform the corporate parenting group's awareness of what this was like for children who use our services. The Virtual Youth Parliament, which supports youth democracy, was also maintained. The work of our Youth Offending Team ensured that young people were not delayed in completing their orders. The team supported ongoing reparation work that was nationally recognised, leading to other local authorities adopting our approach. This work included clearing graffiti across the city and making items, such as bird boxes and Christmas trees, which could be sold to raise money for local charities.



The Professional Development Team developed guidance to maximise the safety of all new social work colleagues joining the service who are required to complete academic work as part of their progression. This includes newly qualified social workers on the Assessed and Supported Year in Employment, as well as students from undergraduate, postgraduate and trainee social worker schemes. Plymouth was one of the leading authorities in this area, having inspired sufficient confidence for the early restart of programmes led by their academic institutions.

What we have done: Our services were exceptionally responsive in working together to identify vulnerable children, over and beyond the Department for Education's definition of a vulnerable pupil throughout the COVID-19 pandemic. A weekly 'Vulnerable Children's Group' was established in March 2020 to ensure that each child identified as vulnerable was then monitored to make sure that families were provided with direct support, either through the provision of Educare or through home visits by the Education Welfare Officers.



CaterEd also responded rapidly to the COVID-19 pandemic to ensure that free school meal (FSM) eligible pupils (vulnerable pupils and children of key workers) were able to access a school meal. In the first week of the school closure period, 3,793 meals were provided to FSM eligible pupils in Educare. This increased to an average of 10,700 meals per week when pupils began to phase return in June 2020, and throughout July 2020 this increased to an average of 13,835 meals per week. Since September, with the full re-opening of schools, meal numbers have increased to around 47,000 per week. Eligibility for benefit-based FSM in the city has increased significantly during COVID-19 and during October half term, 45% of eligible families applied for the holiday meal scheme.



Our dedicated school transport services (a service for pupils eligible for free school transport) responded efficiently and effectively to government guidelines, altering seating capacities within taxis and providing additional taxis to ensure that our most vulnerable pupils could still attend Educare safely. In addition, we have worked very closely with local bus companies to respond to the needs of pupils who required changes of routes and times, and provided additional buses to enable them to get to and from school safely from September 2020.

From the onset of the closure of schools, our Virtual School team provided a coordinated response to the new learning arrangements for looked after children and those with an Education, Health and Care Plan who were known to Children's Social Care. This included the provision of laptops to eligible vulnerable children. At its peak, and with support in place, 40% of vulnerable children still attended a school setting.

Looking forward: Primary and secondary head teachers have told us that they value our response to monitoring vulnerable pupils and we will therefore continue to operate the 'Vulnerable Children's Group'. We will also continue to share Children's Social Care data with them on a weekly basis. School attendance and absence rates will continue to be closely monitored, while children at risk of missing education are being closely monitored by the Inclusion and Welfare Service. Schools are once again actively reminding parents to complete FSM registration forms as some families do not realise that they are eligible due to universal free school meals for pupils at Key Stage 1. COVID-19 secure measures remain in place for school transport and more taxi firms are working with us to ensure that there is enough transport for our most vulnerable pupils.

Supporting Our Customers

What we have done: We have been working flat out to ensure that the most economically vulnerable get as much help as possible during the COVID-19 crisis. This year has seen the number of applications for Council Tax Support (a means tested scheme for people on low incomes to help them pay their council tax) increase considerably due to the large number of people in the city who have been affected financially by the pandemic. We were allocated £2.5 million from the *Local Hardship Fund* to support those in hardship in Plymouth, which has allowed us to implement discounts of £150 for people of working age who are in receipt of Council Tax Support.

One of our other key forms of financial support is Housing Benefit. Despite the increase in the number of applications, the team has worked hard to ensure that claims are processed in a timely manner to prevent delays in customers receiving their funds. Resources have been focused on the processing of new claims and after peaking at the beginning of the pandemic in April and May, the average turnaround time between applications being submitted and customers receiving payment has since been maintained comfortably below the target of 18 days. More recently, we have been implementing the Test and Trace Support scheme. This scheme will run until 31 January 2021 and works by offering financial support to working households on low incomes who are required to self-isolate in the form of a £500 payment. Through this scheme, we helped over 150 customers in October who would have otherwise struggled to stay at home and isolate.



In our Registration service, emergency changes to legislation meant that we could start to deal with death registrations over the phone. The team sorted this out seamlessly and switched to working from home for the first time in the history of the service, which helped to support bereaved families when they needed us the most. Coroner's inquests have also been carried out remotely using MS Teams and COVID-19 secure processes have been carefully implemented so that we could hold jury inquests safely. Families have welcomed these changes as they prevent further delays and allow them to start to grieve. The jurors also said that they felt very safe and we clearly had everything organised.

All libraries were closed throughout the first lockdown. However, this did not stop the team from continuing to provide the community with the valuable library service. As traditional outreach activities have not been able to take place, the team has taken to social media to deliver online book reviews, Rhymetimes and Storytimes, 'what I'm reading', 'how to' videos, and much more. Between 1 April and 31 October 2020, the libraries team had made 779 posts on social media, engaging with over 22,000 people. We continued to offer digital services and more than double the number of eBooks, audiobooks and digital magazines have been issued than during the same period last year. Two new digital services were also introduced from April – eComics and eNewspapers. In order to facilitate the reopening of libraries, we reintroduced services in a safe way, following the national guidance. This included operating a phased reopening of libraries across the city, starting with a *select and collect* service where people could reserve items online or by using our app and pick them up from the library. We then began to reopen the libraries for browsing and pre-booked PC use, with restrictions and reduced opening hours to ensure the safety of our staff and customers.



Looking forward: In the second period of lockdown, members of the Customer Services team have been calling customers on the NHS Clinically Extremely Vulnerable list to ensure that they have access to food, medicines and any other urgent needs. They have also been taking calls from worried customers and working with colleagues across the city to signpost them to any help that they need. We continue to deliver the Test and Trace Support scheme to support those who are self-isolating. The library service is continuing to provide its free online resources and social media outreach activities. Several libraries have also remained open during the second lockdown for *select and collect* and essential PC use, but no browsing.

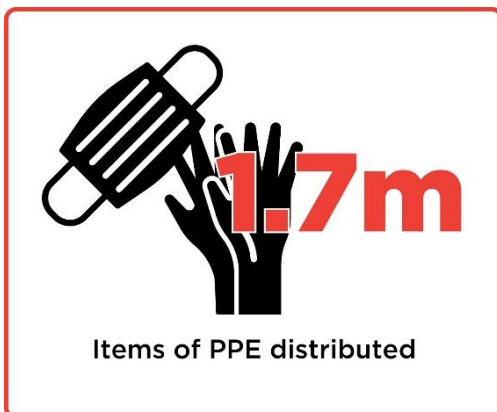
Supporting Our Partners

What we have done: During the COVID-19 pandemic there has been a fantastic local citizen response to needs arising in the community and the experience has demonstrated the importance of having the structure to support it effectively.

Recognising the need to provide some leadership and structure, we established the Plymouth Good Neighbours Scheme (PGNS). The scheme recruited over 800 Plymouth Good Neighbours, supported more than 70 small 'mutual aid' organisations that are rapidly developing in local communities, and provided 215 volunteers to our voluntary sector partners. These volunteers and organisations have helped to keep some of the most vulnerable people in the city safe during the pandemic.



The Council's decisive decision making in creating a Personal Protective Equipment (PPE) Cell at the beginning of the pandemic resulted in our PPE stores never running out and no individual or care provider went without. Plymouth was complimented on its response to the PPE crisis by the Military Advisory Team, which was providing logistical advice to the Local Resilience Forum. We tracked levels each day and applied a Red, Amber, Green rating to assess provision against need; action is being taken throughout the pandemic to maintain stores at the same level. Since the beginning of the pandemic, we have overseen the distribution of more than 1.7 million items of PPE, including more than 870,000 gloves, 450,000 aprons and 420,000 masks. Just short of 1.3 million items were provided to Plymouth's care homes and home care providers.



Looking forward: There needs to be ongoing support for the mainstreaming of PGNS and a commitment to continue the closer working with the voluntary and community sector at grassroots level to support mutual aid groups in communities. In September 2020, the national Personal Protective Equipment Strategy was launched, which includes the establishment of a new PPE portal that can be used by all Adult Social Care residential care homes, home care providers, Children's Social Care settings, GPs, pharmacies, dentists and optometrists. We will continue to oversee the provision of PPE to those partners who are ineligible to access PPE via the portal, as well as care providers who require Filtering Face Pieces (FFP3) type face masks.



We have started our planning ahead of the rollout of Lateral Flow Testing, which will eventually see our Public Health teams given approximately 20,000 tests weekly to roll out across the city. This is in addition to the regional PCR testing site at the old Seaton Barracks and the two local testing sites at the University of St. Mark and St. John and the Guildhall.

Supporting Our Local Businesses

What we have done: Our Finance, Place and Corporate Services colleagues stepped up and delivered the small business and retail grant scheme in an amazingly short period of time, making the first payment just five days after confirmation of the scheme. Staff used to collecting business rates and implementing recovery actions for non-payers were transformed overnight into a group setting up a system from scratch to pay grants to businesses and within days an online system was up and running. Processes were put in place to validate legitimacy and entitlement, payment mechanisms were devised, files created and anti-fraud checks established. Over £47 million of grants has been paid to Plymouth's small businesses. This was followed by a second discretionary scheme, and by the end of June a further £2.2 million in grants had been paid out.



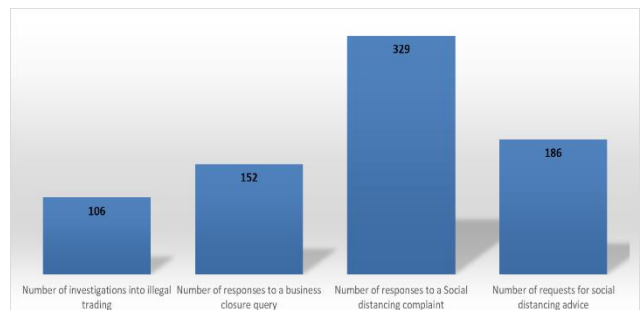
In July, we announced our intention to do all that we can to keep our pounds in Plymouth as part of the [Resurgam COVID-19 Economic Recovery Plan](#). The aim of *Spend 4 Plymouth* is to keep more spend local wherever possible and generate benefits through spending for the city's wider economy, society and environment (social value). Our Procurement Team has strengthened the 'buy local' agenda by reviewing our Contract Standing Order forms, making them more accessible for officers, Small and Medium-sized Enterprises (SMEs), and local suppliers.

The Business Rates Team suspended recovery action for unpaid rates until September and continue to make sensible and realistic payment plans with businesses, giving due consideration to those falling behind in their payments. The team has also continually signposted businesses to other support that is available to them. Meanwhile, the Finance department has arranged a number of meetings with the Devon Business Rate Pool to assist with forecasting the impact of COVID-19 on business rates collection and the Pool's gains/losses, as well as facilitated consultation responses to the government's Business Rate Review.

The Council also has a duty to ensure that businesses and venues are complying with the government guidelines during periods of lockdown. Our Licensing and Public Protection Teams continue to visit premises that are allowed to open to provide information and support on how to do this, as well as performing an enforcement role should any businesses not comply with guidelines.



Since April 2020 our teams have undertaken more than 100 investigations into reports of businesses trading illegally during restrictions; responded to more than 150 queries from businesses requiring advice; received and responded to 329 complaints regarding breaches of social distancing; and provided advice to nearly 200 businesses or individuals on how to facilitate social distancing.



Looking forward: We will be moving forward with the multi-team approach adopted to work on delivering an application process and payment mechanism for business grants to local businesses during the new lockdown. The Procurement Service is currently running monthly roundtable events with the private sector to co-design and consult on procurement; actively working with framework providers to encourage the inclusion of social value; supporting local suppliers to apply; and building a local supplier directory to enable local businesses to source local suppliers.

What we have done: The Street Scene and Waste team has been working hard to make sure that we have kept critical services running whilst following government guidance, listening to concerns from residents, and keeping our staff and the public safe. With all of the challenges faced by COVID-19, there has been a huge effort to keep things going, but also opportunities to do things differently.

Out of roughly 30,000 scheduled collections of household waste and recycling bins each day, we have continued to collect more than 99% on their scheduled day. This is a valued service and during the height of the lockdown, crews welcomed the claps, children's drawings and cakes that they were receiving from residents whilst they continued to work in challenging circumstances.



In the summer, we communicated with residents via our Facebook page, Plymouth Newsroom and Plymouth Live to let them know that there may be slight delays to their collections and on the whole customers were very supportive, leaving lots of positive messages for our colleagues. We have taken steps to bring in additional vehicles and staff to improve resilience, as well as provided refuse colleagues with access to additional welfare facilities to support COVID-19 vehicle protocols and reduce travel times, and as a result we have since seen improvements in our collection performance.



The rolling neighbourhood sweep has continued throughout the pandemic, delivering a deep cleanse to the neighbourhoods across the city. Despite staffing levels being low at times, the teams have managed to maintain a high standard of service delivery to keep our streets clean.

Nationally, there have been widely publicised concerns about fly-tipping and littering during lockdown and as lockdown eased. We have continued to proactively monitor hotspots and internal reporting mechanisms, and improved our approach to evidence searching and reporting for the Public Protection Service. During COVID-19, a new tri-service approach emerged that brought Plymouth Highways' rapid deployment CCTV capability to bear on hotspots, which has provided important evidence to investigations and acts as a deterrent to environmental crime. Enforcement activity for fly-tipping offences continued throughout the pandemic, with 55 Fixed Penalty Notices handed out between April and October 2020 for fly-tipping and 60 for litter left in the street.



Chelson Meadow recycling centre initially closed at the start of lockdown at the end of March, reopening on the 13 May with measures in place to keep our staff and customers safe. The refuse transfer station remained open throughout lockdown for commercial waste carriers so that those businesses could continue to operate. We have received a combined increase of garden waste volumes through Chelson Meadow and the commercial refuse station when compared with the same period in 2019. Garden waste collections were initially suspended in order to prioritise critical services, such as general and recycling waste collections, beginning again on the 24 August on a revised frequency of four weekly. This decision took into account the ongoing risks around driver numbers and the potential for increased volumes.

A small trial of an alternative approach to grass cutting regimes, as part of the climate emergency action plan, was 'supercharged' by COVID-19. We prioritised amenity areas in parks, cemeteries and sports pitches, with the approach being celebrated regionally by Devon Wildlife Trust and nationally by the National Trust and Buglife. Many residents continue to be in touch with positive comments and the number of customer reports of problems around grass cutting was one-third of 2019 volumes.

Supporting Our Workforce

What we have done: In March 2020, teams responded to the COVID-19 pandemic with incredible flexibility and determination. Transformation resources ensured that the roll-out of Members' devices, staff devices (laptops and tablets), virtualisation of the Contact Centre and the speedy release of Microsoft Teams to all employees was significant in allowing our employees and Members to transition from office based to home based workers. This was supported by our Facilities Management Teams who managed the distribution of display screen equipment so that staff can work safely from home, as well as managing all of our buildings to ensure that they remain safe for staff who need to come into work by ensuring that compliance is maintained in line with health and safety requirements.



Our Health, Safety and Wellbeing Assurance Team has developed and introduced new corporate measures to ensure, as far as reasonably practicable, that the Council continues to fulfil its duty of care in regards to the relevant regulations. Examples include communicating the government's key messages to employees on a regular basis; COVID-19 specific risk assessments; 'Safe Systems of Work' and 'Tool Box' talks; COVID-19 secure building assessments; and implementation of COVID-19 secure building controls.



Our Human Resources and Organisational Development department established the Workforce Bureau to enable staff to be redeployed to support the Council's COVID-19 response from service areas that closed during lockdown, and provided daily reporting of workforce availability to the Corporate Emergency Management Team.

All of our learning events were moved into virtual delivery, ensuring that staff received the training that they required without needing to go into a training venue. The department quickly commissioned and delivered a training event to managers on managing teams remotely. The department also reformed its support to the workforce through activities such as one-to-one support for staff encountering discomfort due to home working; a parent support group to discuss support and problems around home schooling and balancing work; and increased the communication for additional wellbeing support available, including a printed handbook for staff without *Intranet* access.

Looking forward: Transformation resources have returned to the delivery of its projects and programmes around accommodation, digital and business support. These are combining to enable a change in the way that the Council works and are fundamental in enabling a new normal to exist post COVID-19. In addition, Transformation colleagues continue to support wider teams across the organisation in responding to COVID-19 and are now actively working with Economic Development to deliver the new round of business grants.

Our Organisational Development team will build on the positive feedback from the managers' course and look to commission a course targeted at all staff who are now working remotely. We will also continue to review all of our learning materials and respond to requests from services as we continue to make ever greater use of the online tools that are now available to us.

Our Facilities Management colleagues will continue to ensure that buildings are available at all times, while looking to maximise all efficiency opportunities and support the Council's net zero carbon progress.

This report was produced by the Plymouth City Council Performance and Risk Team. For further information, please contact:

Robert Sowden
Senior Performance Advisor
Chief Executive Office
Plymouth City Council
Ballard House
West Hoe Road
Plymouth
PL1 3BJ

robert.sowden@plymouth.gov.uk

APPENDIX B STRATEGIC RISK MONITORING

October 2020



1.0 Introduction

- 1.1 The position with regard to the Strategic Risk and Opportunity Risk Register was last published with the Committee papers for the meeting held on 27 July 2020. This report provides a summary of the latest review covering the position as at 31 October 2020.

The position with regard to the Strategic Risk and Opportunity Risk Register was last considered by Corporate Management Team (CMT) on 10 November 2020.

2.0 Strategic Risk and Opportunity Register – Monitoring Summary

CMT, Senior Leadership Team and Risk Champions have reviewed the strategic risks to identify those that could impact the work directed towards the recovery and reinstatement of council services, including ensuring safe systems of work for staff and customers and the recovery of the economy. Risk owners were asked to update current mitigation and action plans with the results presented today.

3.0 Headline Issues

Four strategic risks have a risk rating of Red, these relate to Finance, demand on Children's Social Care services, Education attainment and Economic performance.

Two risks have been moved onto the Strategic Risk Register from the Operation Risk Register, these are 'Increased and sustained pressure on Adult Social Care budget due to increased numbers of people or increased complexity of need' and 'Risk of Market failure'. This has been done following a review with the Director of Adult Social Services.





4.0 Risk update table



The risks on the Strategic Risk register are identified in the table below alongside mitigation.




No.	Description	Mitigation	Risk Score	Current risk rating
1	The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2020-2022)	<p>EVRS scheme completed with in-year savings achieved and full year effect realised in 2021/22. Examine all opportunities to maximise areas of potential income.</p> <p>Ambitious capital programme and strategic investments from income earning assets to support the council in coming out of lockdown.</p> <p>Cross department strategy on grant maximisation.</p> <p>Deep dive review of all budgets to review current projected pressures. Implementation of strict recruitment controls with a CMT Panel created to authorise new posts.</p> <p>Established Programme Board with key Delivery Savings plans are in place. Attend Bank of England Monetary Policy Committee forecast briefings.</p>	25	Red
2	Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services	<p>Urgent work is underway Council-wide to find additional savings across the organisation which is being supported by a budget management group.</p> <p>Fostering Project Delivery Plan in place.</p> <p>Placement Review Project Delivery plan.</p> <p>Front door Project includes Adolescent Support Team Savings Delivery plan.</p> <p>Ongoing rigour in decision making to manage demand via Placement Panel which takes place weekly and overseen by a dedicated service manager with responsibility for reducing costs of individual placements and ensuring timely step down.</p> <p>Ensuring action plan milestones are reached via monthly monitoring at Programme Board/Finance DMT.</p> <p>All delivery plans have been reviewed and progress is being achieved to mitigate delays caused by COVID19 response.</p>	20	Red
3	Insufficient pupil attainment to achieve economic / quality of life outcomes across secondary cohort	<p>Plymouth Education Board (PEB) (and sub groups) will increasingly hold all schools to account.</p> <p>Development of an accountability and support model involving a number of partners.</p> <p>School improvement work will create a partnership of distinct interventions to drive improvement and raise achievement.</p>	20	Red

		<p>Cause for concern meetings.</p> <p>Inclusion strand of PEB work.</p> <p>Proposed Inclusion Mark for the City to celebrate inclusion.</p> <p>The Plymouth Standards Partnership Recovery & Improvement Plan: A key priority is work to support disadvantaged pupils. The work of the Plymouth Commission has been extended to focus on attainment for secondary aged pupils and school improvement.</p> <p>This has also focussed on the impact of the COVID19 response arrangements, and a survey of all secondary schools has been undertaken to inform priorities for re-engaging pupils in September. Schools are expected to have the capacity to offer immediate remote education for classes or groups who are required to self-isolate for a short period of time, or where there are local restrictions requiring pupils to remain at home. Plans are being developed to monitor the quality of home learning. Schools are being offered a catch up premium of £80 per pupils for most schools, to assist with programmes of learning to support pupils who require additional support. At this time, it is intended that subject to some adjustments to content and activity, all exams and assessments will take place in the summer 2021 for GCSE, AS and A level.</p>		
4	Insufficient economic performance to sustain the City's economy as a result of the ongoing impact of the coronavirus pandemic	<p>The impact of COVID19 on the economy has been sharp and has affected different sectors of the economy in different ways. We are focussing, through Resurgam, on 6 areas to help our economy to recover, to protect local jobs and to support our communities. These are:</p> <ul style="list-style-type: none"> • Spend 4 Plymouth – A massive focus on local procurement for local jobs. • Build 4 Plymouth – An ambitious capital programme and economic stimulus to support construction jobs, building a better and greener Plymouth. • Skills 4 Plymouth – Extensive new support for young people and retraining our workforce for future jobs through our skills launch pad. • City Centre Renaissance programme – support for our city centre and a regeneration plan. • Resurgam Beacons – A focus on our future. We will seek to create new jobs in the Blue and green economy. That is our amazing marine sector and a new green deal for jobs. • Sector Action Plans – a bespoke package of interventions lead by the private sector for our 11 key sectors, building on our Resurgam plans and innovating and collaborating together through our newly established Sector Hub. 	20	Red

		<p>Supporting our sectors whether they are in critical shock, stable, or capable of high growth. These sectors are:</p> <ul style="list-style-type: none"> o Construction and The Built Environment o Creative Industries o Digital o Defence o Health and Care o Fishing o Manufacturing o Marine o Retail o Tourism and Hospitality o Transport and Distribution <p>We have also established the cross cutting theme of inclusive growth. Our aim is to 'build back better' growing a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of all the people of Plymouth.</p>		
5	The risk of the Second peak of COVID-19 cases affects city's recovery / reset plans.	(1) Enhance data quality and analysis, (2) Refreshed Local Outbreak Management Plan (LOMP), and (3) Plymouth moves up from Tier 1 (medium risk) to halt the spread of transmission as a result of extra measures put in place.	20	<div>Red</div> <div>↑</div>
6	Failure to reduce Health Inequalities	<p>Persistent action across the Council is required at many levels to tackle inequalities by addressing the wider detriments of health. The public health team and partners continue to work with employers (year one focus) and schools (year two focus) to influence healthier lifestyles. The team continues to embed and promote the national One You campaign across the city. The 'five ways to wellbeing' has been adopted across the city as the single approach to improving mental wellbeing. The work that started in year five on 'people connecting through food' is ongoing with a number of new initiatives developed. The focus on arts, culture, heritage and health (using the Mayflower 400 commemorations) will continue throughout 2020 and 2021. The Thrive Plymouth Network will continue to meet on a quarterly basis to ensure delivery of the programme. As a result of the Covid-19 pandemic, the Public Health Team is developing a framework which provides an approach to assessing the broad health and wellbeing impacts and resulting inequalities on</p>	16	<div>Amber</div> <div>—</div>

		the population of Plymouth as a result of Covid-19. The work will aim to bring partners together via the Health and Wellbeing Board to contribute to a discussion on how these impacts can be mitigated. In addition to this, to support the work of the Council's cross-party Child Poverty Working Group, a high level review of the evidence of the impacts of the pandemic on the mental wellbeing of children and young people will be carried out. As already stated, the primary role of the ODPH and the Public Health Team in particular is now to try to prevent a resurgence of Covid-19 in the city therefore protecting most deprived communities from further negative impacts.		
7	The Council having insufficient workforce capacity and resilience to deliver the required range of services to meet statutory obligations and administration priorities	Develop online training programmes Implementation of 'The Way We Work' programme (technology, information management, accommodation) to enable the right conditions for success. Review of senior structure Review of business plans Possible remodelling of services Ongoing 1:1s Working towards Silver Wellbeing at Work Award Increase in number of Wellbeing Champions to 60 (from 44)	15	Amber 
8	The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 Regulations	Roll out staff awareness training to all staff. Implement greater reporting consistency within directorates. Implement improved incident analysis within the Service Desk. Improved contract management with partners. Implement greater reporting consistency within directorates. Implement improved incident analysis within the Service Desk. Standardised breach management processes distributed to key staff. Implement compliance requirements into Delt business as usual - This is a work stream of the information management project. Corporate Privacy Notice complete, service specific Notices being finalised.	15	Amber 
9	The Council is unable to fulfil its legal obligations regarding the safety of its citizens and service recipients	Statutory Post holders Commissioning and service Improvement plans Budgetary Management Revision of business plans	12	Amber 
10	The Council not meeting its legal obligations regarding the	Agree substantive future working arrangements according to worker type Follow up survey Delivery of 20/21 HS&W action plan	15	Amber 

	health, safety and wellbeing of its workforce.	Taking action on future Government guidelines in relation to COVID-19		
11	Departure from EU single market without a trade deal further decreases city economic output	Continued regional engagement to maintain strong influence. Continue to act promptly on government guidelines when issued. Continue to bid for additional funding from Central Government particularly around Port responsibilities. Keep no deal plans under review to ensure readiness is maintained until Dec 2020. Brexit Officer Group action plan shows programme of work identified leading up to Dec 2020.	12	Amber 
12	Risk of failing to deliver the range of housing to meet Plymouth's need	Strategic Land Review completed. Plan for Homes 3 has established a Housing Investment Fund that will help fund interventions in the market to unlock more delivery We will consider acquiring and lending to unlock direct delivery. Reviews of small and stalled sites complete with delivery strategies to be implemented. Development of bids to a number of Government funding programmes to support new homes e.g. Accelerated Construction, Housing Infrastructure Fund, Land Release Fund, Starter Homes and Care and Support Funding. Ongoing work with Homes England and MHCLG to unlock funding and making the case for a fairer allocation of national funding for homes. Ongoing innovation to improve the proactive and fast track approach to planning to deliver housing. Starter Homes Land Fund Partnership Authority to work with Homes England to bring forward a portfolio of stalled, lapsed and brownfield sites to unlock delivery and accelerate new homes. We will monitor closely development activity in the construction sector to understand the effect of Covid-19 on housebuilding. We will manage the 5 year land supply position to ensure that decisions on sites are taken using a balanced and objective assessment of market conditions. We will work with Project Resurgam to develop measures to support and boost housebuilding.	9	Green 

		<p>We will coordinate LPAs in Devon and Cornwall to write to MHCLG to request measures to protect established local plans from the effects of the recession.</p> <p>We will identify actions to get house building back on track, supporting Plymouth's economic recovery and other Resurgam activity.</p> <p>We will look to accelerate development where possible and identify opportunities to intervene in the housing market to build the homes we need.</p> <p>We will work with the Plymouth Housing Development Partnership to leverage their investment and move quickly to restart housing projects to stimulate affordable housing delivery, and support SME's to start building again.</p> <p>We will work with MHCLG and Homes England to maximised investment in new homes and infrastructure.</p> <p>We will work to unlock a number of stalled sites in the city.</p> <p>We are developing a Strategic Partnership with Homes England to help align Government funding with housing sites to help unlock and build the pipeline of future delivery.</p>		
13	Risk to vulnerable children and young people in the care system, by not delivering early intervention and prevention	Continue to drive forward change across the partnership in relation to whole family working, engagement with the Early Help Assessment Tool process, data exchange and achieving the outcomes required within the Troubled Families Outcomes Plan.	6	Green 
14	Increased and sustained pressure on Adult Social Care budget due to increased numbers of people or increased complexity of need	<p>Risk to be continued to be monitored and additional measures to be brought forward in year if risk materialises</p> <p>Consider mandatory requirement to respond</p> <p>Brief providers around risks</p> <p>Emergency Plan to cover need to prioritise critical services</p>	16	Amber 
15	Risk of Market or Provider failure	<p>Risk to be continued to be monitored through contract monitoring and market intelligence</p> <p>Supporting market wide workforce recruitment / retention across residential and domiciliary sector.</p>	12	Amber 

Audit and Governance Committee



Date of meeting:	21 September 2020
Title of Report:	Operational Risk & Opportunity Management Update Report
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Robert Sowden
Contact Email:	robsowden@plymouth.gov.uk
Your Reference:	AL/RS
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To support the delivery of the City's vision and to enable the provision of high quality services to the citizens and communities of Plymouth it is imperative that effective risk management arrangements are in place. A fundamental element of Corporate Governance, a risk managed approach to decision making will enable the council to achieve its objectives and deliver services more efficiently and cost effectively.

The management of risk principles and processes equally apply at operational level, supporting improved performance, integration with corporate planning, projects, change programmes and partnerships.

This report now outlines the continuing progress being made across Services in delivering Operational Risk and Opportunity Registers in line with the Council's shared vision and priorities.

The total number of operational risks now reported has increased from 112 to 114, comprising of three high (red) risks, 65 medium (amber) risks and 46 low (green) risks.

Recommendations and Reasons

The Audit and Governance Committee is recommended to: Note and endorse the current position with regard to operational risk and opportunity management

Alternative options considered and rejected

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Relevance to the Corporate Plan and/or the Plymouth Plan

Operational Risk and Opportunity Registers are aligned to Corporate Plan Performance Framework Outcomes. This ensures that appropriate links are identified with individual risks where control action contributes to delivery of a key corporate objective.

Implications for the Medium Term Financial Plan and Resource Implications:

None arising specifically from this report but control measures identified in risk and opportunity registers could have financial or resource implications.

Carbon Footprint (Environmental) Implications:

None arising specifically from this report.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

None arising specifically from this report but community safety and health and safety issues and risks are taken into account in the preparation of risk and opportunity registers.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Operational Risk Monitoring Briefing							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
Operational risk registers							

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Sign off:

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Originating Senior Leadership Team member: Giles Perritt											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 25/08/2020											
Cabinet Member approval: <i>[electronic signature (or typed name and statement of 'approved by email/verbally')]</i> approved by Councillor Lowry Date approved: 20/07/2020											

Appendix A – Operational Risk Monitoring Briefing**1.0 Introduction**

- 1.1 The position with regard to Operational Risk Register monitoring was last reported to this Committee on [9 December 2019](#) and this report now provides a summary of the latest monitoring exercise covering the position as at 31 August 2020.

2.0 Background

- 2.1 Plymouth City Council's Risk and Opportunity Management [Strategy](#) is reviewed each year and updated to ensure it remains fit for purpose. The latest version was endorsed by this Committee on 23 September 2019.
- 2.2 To comply with the Risk and Opportunity Management Strategy each Directorate must implement a robust process of managing risks to corporate, service, project and partnership objectives for which they have responsibility. To support the promotion and co-ordination of risk management each Directorate/Service has a dedicated Risk Champion.

3.0 Operational Risk and Opportunity Registers and Analysis of Risks Identified

- 3.1 The impacts of the Covid-19 pandemic have been felt across all sectors and communities. The initial emergency response phase in Plymouth and the UK has focussed since early March 2020 on taking action to deal with the immediate impacts of the pandemic on our communities, infrastructure and economy.
- 3.2 The Covid-19 situation is dynamic and subject to change in government advice and policy on a

weekly, if not daily basis. It has been necessary for staff to be redeployed to deal with the emergency response and this has had an obvious impact on business as usual activity.

- 3.3** In order for the Council to fulfil its legal obligations regarding the safety of its citizens and service recipients, revision of some business plans will be necessary to mitigate further risks. Services were asked to review their operational risks identifying areas that have been impacted by Covid-19.

4.0 Red Risks

- 4.1** Detail on the red risks reported is shown below:-

<p>Finance:</p> <p>The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2020-2022)</p>	<p>The main pressures are within Children's Services due to unprecedented demands within the Service. Other pressures include non-delivery of legacy savings within Customer Services and pressures within Street Services. The impact of Covid-19 is being assessed. Due to the lockdown the council has had to incur significant new costs e.g. the procurement of a temporary mortuary, and has lost significant sums of income e.g. car parking. The full impact is being continually assessed and reported.</p>
<p>Comments/Mitigation: Quarter one monitoring report will focus on Covid-19 related costs. Emergency budget planned for September Council approval. The full impact is being continually assessed and reported.</p>	
<p>Children, Young People and Families:</p> <p>Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services</p>	<p>Plymouth's position for Children's Services is similar to other parts of the country. There has been a significant increase in the cost of specialist residential placements and high cost care packages.</p> <p>'Hidden harm' consequences of Covid-19 infection control measures and safe systems of work limitations add to existing pressures on service. Financial savings targets will be harder to balance with increased service pressure.</p>
<p>Comments/Mitigation: The Service through business as usual have continued to hold expenditure wherever possible through the quarterly budget review exercise, holding vacant positions and grant maximization. The Service continue to keep the pressure on going into the new financial year by continuing with the following actions to address the pressure in the system.</p> <ul style="list-style-type: none"> ▪ Looked after Children – only one point of contact for all new entrants. ▪ Fortnightly placement review to ensure step down of high cost placements. ▪ Maximize contribution from partners including Health and Education. ▪ Maximize local residential placements to avoid higher out of area costs. <p>Ongoing work continues, all placements are reviewed regularly in order to reduce the pressure on cost and volume where appropriate.</p>	

<p>Transformation (Information Governance):</p> <p>Volume of Subject Access Requests (SAR) / Data Protection Act (DPA) / Freedom of Information (FOI) requests exceeds the capacity of the Customer Relations Team leads to a breach of DPA / FOI legislation</p>	<p>Information Governance Team requests have now increased by 53%.</p> <p>Overall Social care SARs have fallen by 75% for the year, however they dropped off considerably during lockdown, and are now increasing exponentially, with a 20% increase last month.</p> <p>Court orders are now at 214% increase.</p>
<p>Comments/Mitigation: Workload monitored by Information Governance Manager. Manager drawing up a business plan to meet excessive volume.</p>	

5.0 Risk and Opportunity Register Information

- 5.1** Operational Risk and Opportunity Registers record mitigation actions and controls for all risks identified together with a named risk owner in each case.
- 5.2** In line with the Council's risk appetite statement, operational risks scored 16 and above that are classed in the low risk appetite categories of 'Finance', 'Reputation' and 'Compliance, Regulation and Safeguarding' were presented to the Corporate Management Team on 25 August 2020. This approach ensures a high level of management oversight is focussed in the areas which could potentially be more damaging should the risk materialise.

6.0 Conclusion

- 6.1** Given the financial challenges facing the Council in the next financial year due to Covid-19, risk identification and monitoring will be more important than ever as the Council moves from recovery to the renewal phase, to help inform future decision making to support our communities.
- 6.2** The vision, values and priorities set out in the Corporate Plan 2018-22 are at the core of the recovery and renewal framework and will continue to form the basis of renewal and recovery planning.
- 6.3** The corporate risk management process to enable service level Operational Risk and Opportunity Registers to be linked to the Corporate Plan is embedded across the Council.
- 6.4** The next operational risk report will be presented to Audit and Governance Committee in March 2021.

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Performance, Finance and Customer Focus Overview and Scrutiny Committee



Date of meeting:	25 November 2020
Title of Report:	Workforce Report
Lead Member:	Councillor Peter Smith (Deputy Leader)
Lead Strategic Director:	Andy Ralphs (Strategic Director of Customer and Corporate Services)
Author:	Kim Brown (Service Director for Human Resources and Organisational Development)
Contact Email:	Kim.brown@plymouth.gov.uk
Your Reference:	KB20
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To appraise members of the Performance, Finance and Customer Focus Scrutiny Committee about the workforce and management of the workforce.

Recommendations and Reasons

To note the report.

Alternative options considered and rejected

N/A

Relevance to the Corporate Plan and/or the Plymouth Plan

Enabling the council to have a motivated, skilled and engaged workforce, providing quality public services.

Implications for the Medium Term Financial Plan and Resource Implications:

N/A

Carbon Footprint (Environmental) Implications:

Current and ongoing work supports the Corporate Carbon Reduction Plan.

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

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

Ensuring safe systems of work are in place for the workforce.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Work Force Report							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

Fin	pl.20. 21.15 9	Leg	3566 5.ag.1 7.11.2 0	Mon Off		HR	AM17 1120	Asset s		Strat Proc	
Originating Senior Leadership Team member: Kim Brown (Service Director for Human Resources and Organisational Development)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 17/11/2020											
Cabinet Member approval: Councillor Peter Smith (Deputy Leader) - approved by email											
Date approved: 17/11/2020											

WORKFORCE REPORT AS AT 30 SEPTEMBER 2020

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT



INTRODUCTION

The People Strategy (<https://www.plymouth.gov.uk/peoplestrategy>) underpins the work of Human Resources and Organisational Development, enabling our workforce to be adaptable and agile for the challenges of the future - "Our people will feel welcome, aspire to be the best, we will attract and keep the right people and we will be well led".

The Council:

- Employs people on a number of national local government terms and conditions
- Participates in national collective bargaining for pay
- Adopts the principles of the Foundation Living Wage

The Council's management team (CMT) consider workforce reports on a monthly basis to monitor the composition of the workforce and spend. Departmental managers receive sickness absence reports on a monthly basis, providing them with the information to ensure that sickness absence is managed appropriately.

Recruitment panels consisting of representatives of CMT are held weekly to consider and approve any requests to advertise vacancies.

WORKFORCE COMPOSITION

The workforce is made up of a core workforce of employees, with a peripheral workforce of temporary/seasonal employees and agency workers through a coordinated corporate contract.

EMPLOYEE HEADCOUNT AS AT 30 SEPTEMBER					
	Males 2020	Females 2020	Total 2020	Total 2019	Difference
People	75	235	310	325	-15
Customer and Corporate Services	152	286	438	347	+91*
ODPH	38	44	82	90	-8
Place	495	269	764	750	+14
Executive Office	21	61	82	91	-9
Children's Services	111	631	742	773	-31
Finance	28	52	80	212	-132*
Council wide	920 36.8%	1578 63.2%	2,498	2,588	-90

* Reflects the transfer in September 2020 of Soft FM, Hard FM, and Strategic Projects from Finance to Customer and Corporate Services (HR&OD).

AGENCY SPEND BY DIRECTORATE	April- Sept 2020	Full 2019/20 year	Forecast to year end 2020/21
People	£ 36,715.16	£ 333,249.95	£ 60,209.27
Public Health	£ 109,469.40	£ 149,042.03	£ 286,078.22
Place	£ 647,942.29	£1,642,499.31	£ 1,082,361.91
Children's Services	£ 453,851.40	£1,097,490.16	£ 845,226.89
Executive Office	£ 52,214.31	£ 100,223.17	£ 131,165.56
Customer & Corporate Services	£ 68,936.95	£ 259,119.08	£ 129,388.20
Finance	£ 7,743.81	£ 244,497.46	£ 13,230.74
Grand Total	£1,376,873.32	£3,826,121.16	£2,547,660.79

Agency spend has reduced significantly in recent years with stringent monitoring now in place and tighter contract monitoring.

HR AND EMPLOYMENT POLICIES

A review of the Council's key HR and employment policies and procedures has taken place to ensure they are fit for purpose. This policy schedule includes:-

People Strategy
Trade Union Facilities Agreement
Managing Sickness Absence
Managing Performance
Probation
Recruitment and Selection
Disciplinary
Grievance
Use of Personal Devices (Bring your own device)
New Ways of Working
Sustainable Green Staff Travel Plan
Annual review of the Plymouth Book and Employee Handbook
Apprenticeship Strategy

New Payroll and HR System

The Council has been working alongside Delt, the Council's IT and Payroll provider, to deliver a new Payroll and HR system. The system has gone live this November, with much improved engagement for all employees as everyone can now access the system when they wish.

EQUALITY AND DIVERSITY

The Senior Leadership Team and Members have been using the Equality Framework for Local Government (EFLG) to explore best practice in relation to:

- the delivery of accessible and responsive services to customers and residents in their communities including those from protected characteristics
- employing a workforce that reflects the diversity of the area they are serving
- provision of equality of opportunity for all of the workforce
- meeting the requirements of the Public Sector Equality Duty

91.8% (with computer access) have completed the Equalities in the Workplace eLearning module. A review of Diversity and Inclusion across the Council is currently being undertaken and new training will be commissioned as a result of this.

RECRUITMENT AND RETENTION

Establishment and vacancy control measures are in place, which include the approval of a recruitment panel, prior to filling any post.

There continue to be services or occupations across the Council which have roles that are difficult to fill. The pay for posts across the Council are set by using an objective job evaluation scheme.

Occasionally, the internal rate for a role does not compete with the market rate and it is hard to fill specialist role. Market factor supplements can then be considered and these apply to some roles in the following professions:

- Surveyors
- Lawyers
- Category Leads (Procurement)
- Social Workers

In Children's Services, there are dedicated resources for the recruitment of children's social work practitioners which has resulted in our vacancy rate being well under the national average for a number of years. More information about how the Council recruits and supports this cohort is available on a dedicated website:

<https://www.plymouth.gov.uk/adultsandchildrensocialcare/childrensocialcare/academysocialworkplymouth>

INDUCTION

When an employee joins the Council, there is a corporate induction checklist supplemented with any local departmental requirements. This is in place to ensure that they are able to undertake their role safely and effectively, with any additional learning needed. There are specific eLearning courses that all employees are required to complete within their first weeks with the Council and local managers will support any employees who do not have access to the Council's systems to cover what they need.

Much of the new starter information is digitalised on Staff Room where there is a range of resources and helpful guides for the new entrant, including an Employee Handbook. Every new employee is invited to a virtual Welcome Event, hosted by the Chief Executive. This session gives them an overview of the Council and connects them with our mission, our values, our political setting and the relationships between services.

MANDATORY TRAINING

Compliance with mandatory training is tracked on a monthly basis through the balanced scorecard, with Department Management Teams responsible for ensuring all employees are up to date. This includes:

- Data Protection
- Equality and Diversity
- Fraud Awareness
- Health and Safety
- Information Security

In addition, monthly data is published on Staff room by department, in relation to compliance with health and safety mandatory training, with a target rate of 100%. Data does not include employees without computer access (this is captured locally), on career breaks, maternity or adoption leave, unpaid leave, vacant posts or people on long term sickness absence (over 4 weeks).

Compliance rates as at 31 October

Name of course	Target	Number in scope	% compliance
Introduction	All employees	2488	93.2%
Intro for managers: e-learning	All managers with direct reports	401	94.3%
Intro for managers: taught course		401	93.5%
IOSH Managing Safely and IOSH for Senior Executives	All managers J grade and above and SLT	72	72.2%

Where completion rates drop below 90% action is taken by the Service Director for HROD to ensure individuals are actively managed to complete their required training.

APPRENTICES

Apprenticeships are available as programmes of learning for new starters to the Council, and for current employees to undertake learning associated with their current occupation as part of their continued development. The apprenticeship target for 2020/21 is 58 and 21 internal and external apprenticeships have started between 1 April and 30 September 2020. There are 19 new apprenticeships in the pipeline, including care work, customer services (Information Governance and Libraries), Landscaping, Horticulture, Arborist, Garage Maintenance (HGV) and Project Management (Low Carbon team). The apprenticeship levy is being spent, and based on the current level of spend, the expiry date is April 2021 (the first point we could lose levy). Government incentives have now started and the Council has put in its first claim for £6000 for 3 apprentices in Finance who are under 25 and started since 1 August 2020, with a further two claims being prepared.

At the end of the 2019-20 financial year, there were a total of 101 apprentices. During 2019/20 there were 62 new apprenticeships, made up of 28 (45.2%) new starters and 34 (54.8%) existing employees. This exceeded our 2.31% target for the year.

We have a wide range of apprenticeship occupations ranging from Animal Care, Chartered Surveyor, Customer Services, Paralegal and Residential Childcare. Out of the 62 new apprenticeships in 2019/20, 27% studied Business Administration and this was across all directorates, and 14.5% were LGV drivers based in Street Services. The qualifications ranged from Levels 2 to 7.

DEVELOPMENT

An employee is supported during their employment life with the Council. This starts with new starter induction, regular performance reviews and the regular identification of training needs.

DEVELOPMENT OPPORTUNITIES

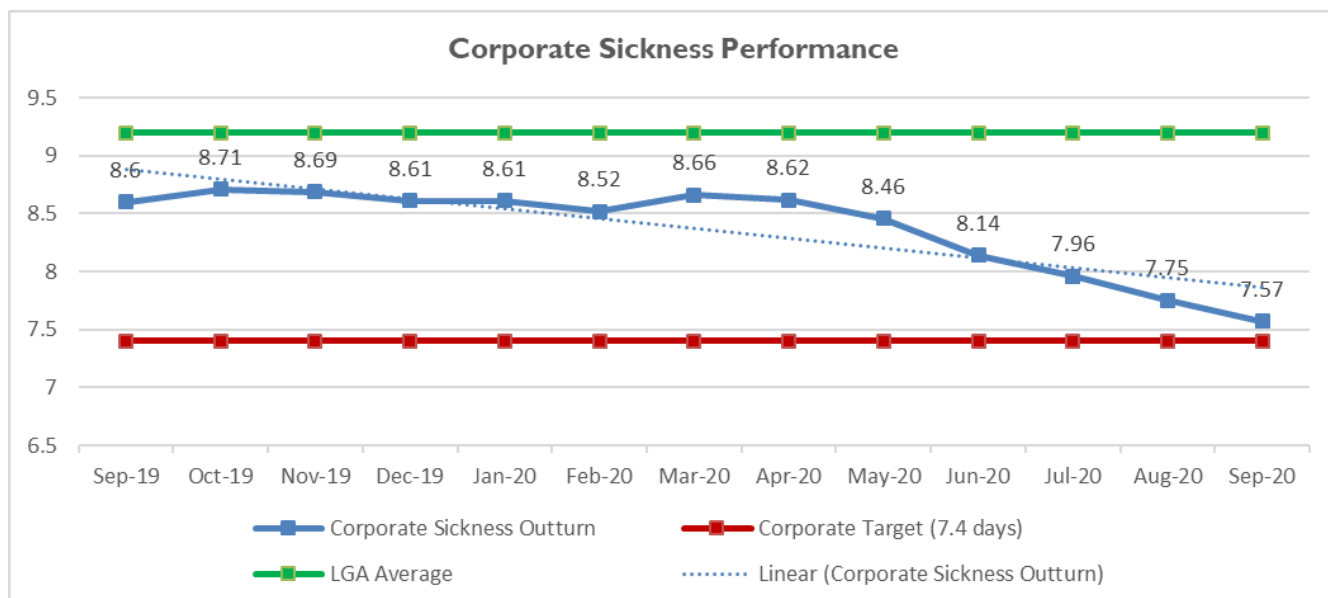
There is a range of different ways to develop our workforce, whether for an individual, team, department or across the whole of the Council. Whilst the majority of in person learning and development activity is currently paused, a broad range of development opportunities are being delivered in different ways. We currently have 82 different eLearning courses live on our Learning Zone, covering subjects such as health and safety, management skills and information security. We commission training sessions and workshops on specific subjects. Recent topics have included Managing Remotely and Managing Sickness Absence, both of which were effectively delivered online. Where it is appropriate and necessary, some training and learning activities are delivered directly. This includes specific training around using a corporate computer system, including our social care system CareFirst. Other development may be focused on supporting leadership development or adapting to change. Through the MacNet coaching network, employees can access a coach to support their development, and Staff room provides a wealth of materials for self-led development for employees to access as and when required. For frontline services where employees do not have access to the system, managers provide regular toolbox talks to ensure colleagues receive the development needed for their role.

PERFORMANCE REVIEW

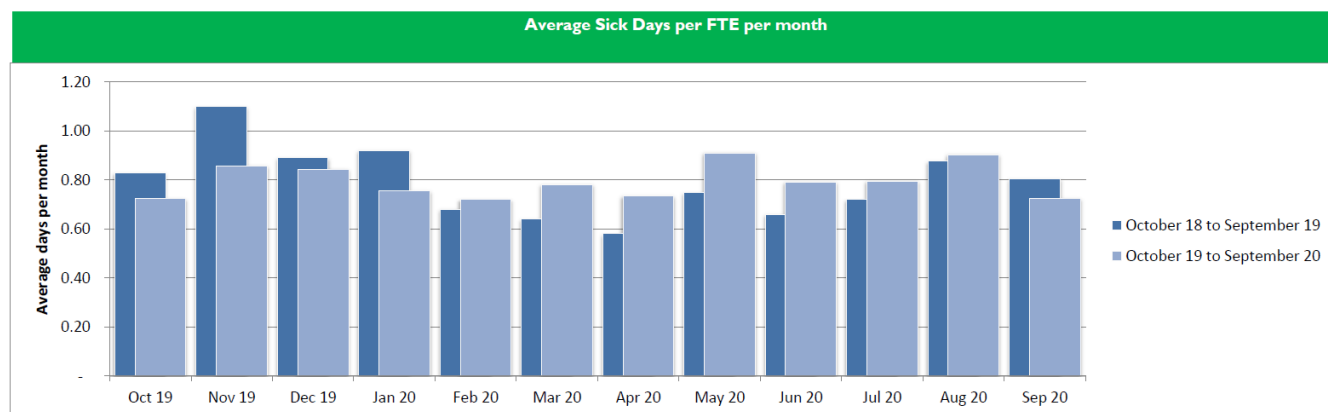
The Council has a performance review framework with regular performance discussions and an annual review, to connect each employee with the purpose of their role and to ensure that objectives are kept “live”. Everyone is encouraged to take responsibility for their own outcomes and self-development and line managers receive training to lead performance discussions effectively. We are currently showing that just over 80% of all employees have completed this years’ APR. Performance improvement plans are introduced to support those employees who have an outcome which needs improvement.

SICKNESS ABSENCE

The Council monitors sickness absence levels on a monthly basis and this is reported to management teams to enable action to be taken as required.



Comparison of average days/FTE each month



Number of employees with a sickness absence record	Short term (4 weeks or less)	Long term (more than 4 weeks)
September 2019 (rolling year)	1,333	233
September 2020 (rolling year)	1,151	196

Top reasons for sickness absence during September 2020:

Short term - Stress/Depression/Psychological

Long term - Musculoskeletal, and Stress/Depression/Psychological.

Tools available to manage sickness absence

- Proactive Managing Sickness Absence Policy and Procedure
- Occupational health provision
- Employee Assistance Programme, promoted on screen savers
- Training
 - Management training – Managing sickness absence policy

- Management training – Managing teams remotely
- Health and safety training across all health and safety standards
- Stress and resilience training
- Mental health first aider training
- Counselling support through Employee Assistance Programme

WELLBEING

The Council had previously been awarded the National Wellbeing Charter, sponsored by Public Health England. This no longer exists, but a new local scheme for the city has been developed by Livewell South West, called [Wellbeing at Work](#).

The Wellbeing at Work Award scheme is a successful programme aimed at Plymouth businesses encouraging health and wellbeing to be part of the culture of an organisation.

The Council achieved the bronze wellbeing at work award in 2020 and is now working towards the silver award.

To be awarded the bronze level award we had to demonstrate our commitment to wellbeing through having an active steering group, wellbeing champions, a workplace health needs assessment, a health and safety assessment and wellbeing action plan. Some examples include:

- comprehensive signposting on our wellbeing pages on a variety of subjects
- a parent support group during the pandemic for parents to discuss support and problems around home schooling and balancing work
- wellbeing and resilience training to support employees and managers
- one to one support on stress, wellbeing and resilience where identified
- an increase in the communication for additional wellbeing support available including a printed handbook for colleagues without intranet access.
- wellbeing drop in sessions twice a week for everyone to access.

The wellbeing champions work together and within their departments to:

- help promote national and seasonal health and wellbeing campaigns
- use health promotion materials to support positive interventions
- be available to advise and support colleagues (and clients/customers where appropriate) about health and wellbeing and be able to signpost to relevant information and support

They are trained mental health first aiders and have also had training to improve their understanding of how lifestyle behaviours and environmental factors affect wellbeing.

FLU VACCINATION PROGRAMME

Ten clinics were arranged at various locations for front line employees to book their flu vaccination, if not eligible for a free NHS vaccination. Final numbers are still awaited from Well Pharmacy, however 427 appointments were booked.

Due to the increased interest in flu vaccinations due to COVID-19 (having flu reduces your immunity and makes you more susceptible to COVID-19), a further offer has been made to employees, who can now seek to obtain a vaccination from their local pharmacy and will be reimbursed £9 towards the cost by the Council. This offer excludes anyone who is eligible for a free NHS vaccination.

It is likely that employees seeking to take up this offer, may not be able to access a flu vaccination until much later in the flu season due to the way PHE is prioritising distribution of the flu vaccination. This is out of the Council's control, and employees have been advised of this.

RESPONSE TO THE PANDEMIC

The pandemic has required an intense and focused effort over the last nine months to protect our employees, as far as reasonably practicable from contracting and transmitting COVID-19 whilst undertaking their work activities. This work still continues in line with our Local Pandemic Management Plan and includes:

- daily briefings and collaboration with our recognised Trade Union representatives
- communicating the government key messages to employees on a regular basis via Staff room and various information cascades introduced as part of the emergency operations centre.
- prioritising colleagues to continue to work from home if they are able to do so
- initiating a reset sign off process for the re-introduction of services post first lockdown
- expecting COVID-19 specific risk assessments, safe systems of work and tool box talks for any service provision and work activity; regularly reviewed to ensure controls are working and in accordance with any new government guidelines
- delivering COVID-19 secure building assessments and implementation of COVID-19 secure building controls
- producing, reviewing and updating a PPE Policy: providing the right level of PPE to teams in accordance with government guidelines
- producing a RIDDOR and infection control process for managers to report in the event of an employee developing symptoms of COVID-19.

The corporate Health, Safety and Wellbeing professionals and TU Health and Safety Representatives have supported service areas and schools during their remobilisation and reopening to ensure that all services are providing COVID secure environments for our workforce and our services users, clients, pupils, teachers and members of the public. These have included:-

- some 60 building surveys due to reopen, to set occupancy levels, and determine secure environments
- support to maintained and controlled schools through the pandemic on partial and full opening, providing advice, guidance and reassurance visits, receiving positive feedback from the HSE on our joint approach, including our special schools
- worked closely with colleagues in Facilities Management (FM) on cleaning and ventilation best practice
- supported the continuation of essential services to keep our workforce as safe as possible
 - waste collection
 - household waste recycling centres
- worked closely with our Public Health colleagues on intricate and complex situations arising from the Government guidance to ensure the safety of employees, clients, service users, pupils in critical areas, such as school transport and legally directed contact
- monitored our buildings regularly with our FM colleagues to ensure that COVID secure arrangement are in place and being followed
- provision of Flu Clinics in a COVID secure environment to help protect vulnerable staff
- modified our incident management process to capture potential work related COVID exposure in line with HSE guidance
- one to one support for discomfort at home for colleagues using display screen equipment and arranging equipment with our FM colleagues, often reducing pain and keeping people at work
- a point of contact working alongside Public Health for monitoring, interpretation and application of Government guidance and Council policy
- corporate assurance through risk assessment and safe systems of work monitoring
- continuing compliance with existing Health and Safety legislation to ensure a culture of safety across the Council

- delivered and supported remote training on IOSH managing safely, safe lifting techniques, ladder safety, conflict resolution, health and safety training for new managers

ORGANISATIONAL DESIGN

To meet the future needs of the Council, both financially and service delivery, the workforce needs to be agile, with regular consideration of the design of the organisation and service reviews.

Enhanced Voluntary Release Scheme (EVRs)

The EVRS scheme is offered to employees in certain circumstances, and normally prior to a restructure. It is a discretionary scheme that allows employees to leave the Council by mutual agreement.

During 2019/20, EVRS was offered to employees in Education, Participation and Skills (Children's Services) and Customer and Corporate Services. 12 employees left Children's Services in January 2020 and 7 left Customer and Corporate Services at the end of April 2020.

EVRs was opened council wide during quarter 2 of 20/21 (excluding Education, Participation and Skills, registered social workers and managers where registered a social work qualification is a requirement). There were 64 leavers in September 2020 from this exercise, with further leavers by the end of the year.

Directorate	Leavers through EVRS April - September 2020	EVRs Leavers 2019/20
Children's Services	4	12
Customer & Corporate	31	0
Executive Office	2	0
Finance	3	0
ODPH	1	0
People	16	0
Place	14	0
Grand Total	71	12

This has minimised the need for compulsory redundancies with 10 compulsory redundancies during 2019/20, and 2 occurring during 2020/21 to date.

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Cabinet



Date of meeting: 10 November 2020

Title of Report: **Brexit update for Cabinet with Scrutiny Recommendations**

Lead Member: Councillor Darren Winter

Lead Strategic Director: Giles Perritt (Assistant Chief Executive)

Author: Kevin McKenzie

Contact Email: kevin.mckenzie@plymouth.gov.uk

Your Reference: DW/CAB/001/11/2020

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

Cabinet are asked to review the report and the recommendations made by the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee.

Recommendations and Reasons

Cabinet should ask government to:

- Lay out in detail what plans they have to mitigate the loss of EU funding to the city.
- Detail the priorities they have for the marine and maritime research sectors post-Brexit, and what they will do to mitigate the loss of EU funding in the sector.
- Detail how the government plans to reform the fishing quota system, and how Plymouth fishing fleets will be adequately protected by fishery protection vessels that are based in Portsmouth.
- Encourage agricultural employers to improve the wage offer for agricultural labour so that it is more attractive career path for young people.

Cabinet should ensure: -

- That Plymouth City Council and our key suppliers review our business continuity arrangements against the negative impacts of Brexit as identified in the risk register, and have robust plans in place to mitigate service delivery interruption.
- Large Capital projects are reviewed with contractors, and assessed for any impact that tariffs may have on the supply of goods. Payments should be considered for the advance supply of goods before any tariff impacts are felt.
- We consider the budgetary impact of the identified risks on the Medium Term Financial Plan.
- We continue to make a proactive offer to any foreign based businesses that may be considering leaving the City due to Brexit impact.
- We are successfully locating and communicating with EU citizens in Plymouth who have not yet applied for settled status, and that
- A needs assessment is conducted to identify vulnerable EU citizens and the support we can offer to assist them to apply for settled status.

Cabinet should: -

- As far as reasonably practical, ensure Plymouth City Council is proactive in communicating Brexit information to the wider city to enable preparedness of organisations and businesses, and is positive where possible in its Brexit communications where opportunities have been identified.
- Require the Director of Place to appoint an officer to act as a single point of contact for business to access post transition period support.
- Ensure that Plymouth City Council works with appropriate partners with a view to agreeing a planned schedule improving landing facilities at the fishing quay.

Alternative options considered and rejected

BILCO considered the appended report and members of the committee proposed these recommendations which were then accepted by the Chair on a without dissent (nem. con.) basis.

Relevance to the Corporate Plan and/or the Plymouth Plan

Our delivery of the Corporate Plan and Plymouth Plan will need to take account of emerging policy and legislation picture relating to the end of the transition period.

Implications for the Medium Term Financial Plan and Resource Implications:

In line with the recommendation of this report these implications will be considered and if there are new costs pressures they will be set out as part of in year monitoring and/or next year's budget.

Carbon Footprint (Environmental) Implications:

No implications are anticipated.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed. An EIA will be conducted against these recommendations as they are agreed by Cabinet.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Brexit update for Cabinet with Scrutiny Recommendations.							
B								

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

Sign off:

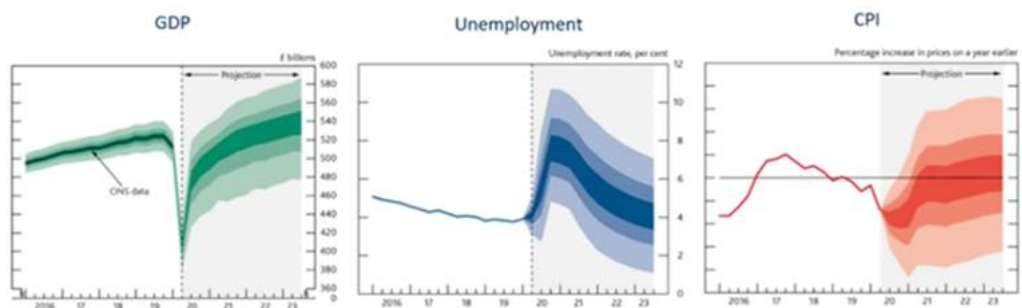
Fin	pl.20. 21.1 36.	Leg	MS.2 /06/1 1/20.	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 06/11/2020											
Cabinet Member approval: [electronic signature (or typed name and statement of 'approved by email/verbally')]											
Date approved: 06/11/2020											

Brexit update for Cabinet with Scrutiny Recommendations.**1. Introduction**

- 1.1 This report provides an update for Cabinet about our Brexit related risks. Its content has been subject to pre scrutiny by the Brexit, Infrastructure and Legislation Overview and Scrutiny Committee and the recommendations are those made by that committee. These are addressed in a separate report which makes recommendations to Cabinet about how to respond.
- 1.2 This report sets out the current strategic context as at the end of October 2020, we anticipate that by the 10th November when this report is received at Cabinet we will know whether or not a trade deal with the EU has been agreed in principle. In the interim we continue to assume that the reasonable worst case scenario is an 'Australian Style deal'. We will review our assessment in the event a deal is agreed.
- 1.3 The report will set out our identified strategic risks and opportunities in the medium to long term as well as the actions we need to take now to prepare for the end of the transition period keeping in mind that this may coincide with a local or national COVID 19 lockdown.

2.0 Strategic Context

- 2.1 The Withdrawal Bill received royal assent on 23 January 2020, 9 days before the UK left the European Union. The UK is now in the transition phase until the end of the year, with trade negotiations ongoing. The purpose of the transition period is to allow the negotiation of a comprehensive free trade agreement. The withdrawal agreement specifies this period will end on 31st December 2020.
- 2.2 The political framework which was published alongside the withdrawal agreement sets out the heads of terms for the free trade agreement. Whilst negotiations are ongoing a number of points of difference remain to be resolved. These concern: -
 - The extent of the rules governing, state aid, and employment and environmental protection
 - The right of the EU fishing fleet to continued access to UK waters
- 2.3 The UK Internal Market Bill aims to rely on the principles of mutual recognition and non-discrimination to ensure there are no new barriers for businesses trading across the UK. However, there is widespread concern that the bill breaks international law and the European Commission, has referred the matter to the European Court which has jurisdiction.
- 2.4 The UK government has made it clear that if no agreement is reached the UK will revert to trading under World Trade Organisation (WTO) rules.
 - COVID 19 continues to have a significant impact on our collective capacity to respond to a crisis, should we be subject to additional restrictions as we reach the end of the transition period, many of the impacts identified could be exacerbated.
 - Economic climate - we are now officially in a recession, with employment weakening due to increases of economic inactivity. There are approximately 35,000 people furloughed in Plymouth as of June 2020, many of whom have been away from work for over 3 months.
 - Unemployment and at risk sectors- a number of sectors which have been impacted by COVID 19 are at risk of further impacts from Brexit, particularly the hospitality and tourism sector and manufacturing sector. We estimate unemployment may reach 16,000 by Christmas, it is likely that many people on furlough will not have jobs to return to and numbers will be further swelled by school leavers who choose not to attend university.



- 2.5 The Bank of England Monetary Policy Committee (MPC) expects the direct economic impact of COVID 19 to fall away over its forecast period. The lightly shaded fantails in the graphs represent a high degree of uncertainty around the central forecast which assumes a comprehensive free trade deal with the EU. The impact of a smooth transition to WTO rules is now included as a downside risk and the graphs suggest the impact would be higher unemployment for longer and a deeper and longer recession. The next MPC quarterly report is due on 11 November 2020.

STRATEGIC RISKS AND OPPORTUNITIES (ORGANISATIONAL)

- 3.1 Our key risks, mitigations and residual risk are set out in brief in the appended table, the narrative below provides a deeper analysis.

Economic impact (EU/EI02)

- 3.2 Most economists agree that the economic impact of Brexit is likely to be negative and this may mean that we experience short term direct impacts such as contract price increases. In the medium to longer term we may also see indirect impacts such as a loss of business rates due to business closure or relocation. A larger number of families will be pushed into poverty and debt, potentially becoming more reliant on Council services and increasing Council Tax arrears. The impact of EU citizens choosing to leave the UK may reduce Council income from Council Tax and grants which are calculated on a per capita basis.
- 3.3 We have tried to mitigate contract price increases by requiring new contractors to build in exposure to increased costs, we maintain a regular dialogue with businesses and we routinely discuss Brexit exposure we are engaging with our business community to better understand their preparedness for the end of the transition period. We are already responding to the economic impact of COVID 19 and our resources are stretched to the limit, it will be challenging to respond to Brexit related economic impacts as well.

Coordinating planning and preparedness (EU/S01)

- 3.4 Our assumptions are based on our reasonable worst case scenario (RWCS). Our Corporate Emergency Management Team (CEMT) will receive regular updates by exception about our preparedness and we will bring a further update to the December Cabinet meeting.
- 3.5 Staffing is in place to maintain a (virtual) Brexit Office until 31st December 2020. We have reappointed our Assistant Chief Executive as Brexit Lead Officer and we will be able to deploy additional Civil Protection resources from 01 November which will support a review of our business continuity arrangements. Our capacity is very stretched around communications due to the ongoing demands of COVID and normal business.
- 3.6 We have agreed a protocol for engagement with the Local Resilience Forum which will streamline normal procedures given the capacity limitations imposed by the ongoing COVID response. We have yet to be advised of Government reporting requirements. The LRF EU transition group will meet monthly and keep these arrangements under review. Given our

capacity limitations our internal emergency planning arrangements will be conducted as a combined COVID and Brexit response wherever possible.

Failure to respond to new burdens relating to new port responsibilities (EU/S02)

- 3.7 From 01 January 2021, we will be expected to issue Catch Certificates and to meet requests for Export Health Certificates, which we estimate will increase by 300%. From April we will be required to make documentary checks on products of animal origin entering the port. A quarter of the freight entering the port is likely to require a check. From 01 July we will have to operate a fully staffed Border Control Post to undertake documentary and physical checks on products of animal origin entering the port.
- 3.8 Checking Catch Certificates and issuing Export Health Certificates is cost recoverable, but the impact on our capacity will be immediate, taking staff away from other food safety work. We have submitted a bid to government for an additional £30k which will mainly be required to pay for staff overtime and training.
- 3.9 The government has announced a funding package for border infrastructure, jobs and technology to ensure GB border systems are fully operational after the end of the transition period. Whilst there are still many unanswered questions about delivering the necessary infrastructure within such tight deadlines, we are engaging with government and local stakeholders over the infrastructure required in Plymouth.
- 3.10 The port owners ABP have submitted a bid to the Port Infrastructure Fund to build the port infrastructure needed to ensure compliance with new customs procedures and controls including a Border Control Post we anticipate a decision by mid November and if this is positive ABP will contract for the works in December.
- 3.11 We have been advised that government does not intend to use its recently announced Special Development Order to develop border infrastructure inland anywhere in the South West region, we do not envisage needing to provide a temporary traffic management facility to provide lorry holding capacity.

Failure to advise stakeholders due to ongoing uncertainty (EU/I01)

- 3.12 A Trade Bill is currently transiting parliament and trade negotiations with the EU are ongoing at the time of writing. Government publicity campaigns are aimed at encouraging business to prepare for an Australia type deal. In practical terms this will mean trading under World Trade Organisation (WTO) arrangements.
- 3.13 We have published advice provided for business through the Heart of the South West Local Enterprise Partnership Growth Hub webpage and in partnership with Plymouth and Devon Chamber of Commerce we have re-established a Plymouth Business Brexit Group. Meetings will be scheduled regularly. A briefing on statutory trade provisions was delivered at a meeting on 7 October.
- 3.14 In September the Road Haulage Association expressed concern about UK business preparedness for the end of the transition period. In a letter to the Chancellor of the Duchy of Lancaster, they suggested that business had been mainly focussed on COVID 19 impacts and that a national survey of their customers revealed that only around 23% were fully prepared for new border controls and customs arrangements.
- 3.15 Following a recommendation of the Brexit, Infrastructure and Legislation Overview and Scrutiny Committee (BILCO) we will be engaging with local businesses to determine their state of preparedness and we will bring a report covering this back to BILCO and to Cabinet on 8 December.
- 3.16 The Home Office recently rejected a bid to provide additional advice and support for vulnerable EU migrants submitted by Advice Plymouth on behalf of the Devon network of

Citizen's Advice Bureaux despite there being no other providers in Devon. EU Migrants have until the 01 July 2021 to apply for settled status. The limited provision at our First Stop Shop is currently not available as the service is closed due to COVID 19, we will update our web based advice pages when communications team capacity is available.

Brexit impacts drive increased service demand (EUEI03)

- 3.17 We are already seeing an increase in the number of families surviving on a reduced income as a result of COVID. Any direct Brexit related price increases, as a result of tariff imposition, or indirect impacts on our domestic supply, such as a shortage of migrant labour, will therefore impact a larger cohort of people.
- 3.18 In September national intelligence suggested that we could see increases in food and ingredient costs of up to 20% along with seasonal shortages of some items. We have been monitoring prices and to date we have only seen small average increases of around 1.76%, although some individual staple items are risen by around 10% to 12%. The impacts on prices from Brexit are unlikely to be felt until post-January when the transition period ends.
- 3.19 Our food security group will continue to monitor prices. In the meantime families of children entitled to free school meals can apply for a payment over half-term to help cover the cost of additional food.
- 3.20 There has been some concern in the media about the extent of medical stockpiles. Stockpiles built up over time to respond to Brexit may in some operationally critical aspects have been exhausted by our COVID 19 response, e.g. latex gloves needed by care home staff. The Government has recommended stockpiling 6 week's total stock of medicines on UK soil and has awarded £76m to UK ferry companies to ensure capacity for medical supplies and goods of strategic importance to the UK economy. We will give further consideration to all of these risks as part of our Business Continuity Review.
- 3.21 We may see British Citizens returning from residence in the EU in significant numbers. We lack any robust data about the number of people who may be considering returning to the UK who have local connections. This makes it very difficult to plan a response and we are further constrained by the pressures we are already facing on relation to homelessness provision. It is likely that UK citizens returning from an EU country with a high incidence of COVID would be required to quarantine for 14 days.

4. STRATEGIC RISKS AND OPPORTUNITIES (CITYWIDE)

Brexit impacts on our local labour market (EU/W01)

- 4.1 If EU citizens decide to leave the UK, the loss of a proportion of our current workforce could have an impact on industrial sectors which have historically relied heavily on migrant labour, e.g. academia, advanced engineering, manufacturing, construction, health and social care and tourism/hospitality. This continues to be a cause for concern for some local employers.
- 4.2 The Immigration and Social Security Co-ordination Bill which is still transiting parliament will end free movement and include provisions for a new Australian- style points-based Immigration system. Applicants with job offers who meet minimum skill levels and language requirements are likely to qualify providing their earnings will exceed the general salary threshold of £25,600.
- 4.3 The impact of COVID 19 on the labour market is likely to mitigate labour market pressures associated with a reduced ability to recruit and retain EU migrant workers. We may be less reliant on EU migrant labour in sectors we have previously considered vulnerable, the impact on sectors with a higher skills entry requirement may still be significant as workers displaced from other sectors would need to be retrained.
- 4.4 The Migration Advisory Committee (MAC) have recommended adding Senior Nurses/Care staff and Butchers, Bricklayers and Welders to shortage occupation list. The Home Secretary has

advised the MAC that the Government has decided not to immediately accept these recommendations. They want to assess the labour market impacts of our recovery from COVID 19, new immigration rules and the effect of recently launched policies. These include the new Health and Care visa which is aimed at ensuring individuals working in eligible health occupations are incentivised to come to the UK.

- 4.6 The EU Settlement Scheme (EUSS) allows eligible EU, EEA and Swiss citizens to continue living in the UK post-Brexit. By the end of June 2020, of an estimated 10 -13,000 such citizens currently resident in our City, 7,690 people had applied, an increase of 510 since March 2020. Data for the July to September quarter was due to be published on 8th September but to date only headline national figures are available on the Home Office website.
- 4.7 The Home Office decision to reject the Advice Plymouth bid leaves the Somerset based Institute of International Organisation for Migration as the only provider of advice to vulnerable EU citizens within the Great South West area. Under Home Office rules vulnerable migrants may be able to apply after the July deadline if they have reasonable grounds.

Loss of Foreign Direct Investment (FDI) into the city (EU/EI03)

- 4.8 The retention of FDI supported businesses is incredibly important for Plymouth, as these companies are some of the largest employers in the city, employing roughly 7,900 people. Historically many of these companies were originally located in Plymouth to take advantage of grant funding that followed the downsizing of Devonport Dockyard in the 1980s. They have always been able to rely on their UK based operations having access to the EU single market.
- 4.9 With parent companies located overseas, often in Japan and the US and in a climate of global contraction in demand for manufactured goods many companies are looking to downsize. There is a significant risk they may consider closing or relocating their UK operations as they become less economically competitive outside the single market and potentially liable to trade tariffs on supply chains and finished goods.
- 4.10 We have been in regular contact with as many FDI supported businesses as possible in order to understand their post 2020 plans. There have been no indications from those that have engaged in conversation recently that they intend on withdrawing from the city due to the UK leaving the EU. The financial year, 2019/20 was a high point in terms of foreign led investment with 12 new projects, which indicates their intention to maintain local operations by actively improving their capabilities to remain competitive.
- 4.11 The total value of the investment projects is lower than previous years, at circa £94m which suggest that the assumptions underlying MPC forecast that companies are holding off making major investment decisions are accurate. This may indicate that their prediction of a bounce back in business investment is accurate although this may well depend on whether future trade arrangements include tariff free access to the EU single market.
- 4.12 It is difficult to accurately assess the risk of losing these businesses until the outcome of the trade negotiations is known. Early intervention can be the differentiating factor as was demonstrated recently through the support we were able to give to the Barden Corporation and continued engagement and dialogue will be imperative. In the case of FDI supported businesses this is more complicated as parent companies that aren't based in the UK are harder to engage.
- 4.13 The Heart of the South West LEP is considering a bid into the anticipated free port offer from Government. We have been exploring with them the potential benefits it might offer in terms of retaining businesses that conduct a significant amount of trade within the EU single market, as well as possibly acting as an incentive to attract new enterprises and FDI. We responded jointly with them in July this year to a government consultation and the outcomes from this were recently published. Some of the proposed criteria mitigate against the plans we had discussed in principle and we are proposing to seek clarification around these points.

Brexit Impacts on Higher Education, Research and Development (EU/EI04)

- 4.14 UK membership of the future EU fund for research, Horizon Europe, remains undecided. This represents a significant risk to our research capacity and reputation as a centre for the leading edge of Marine scientific research. The Marine Biological Association for example has about 20% of its current research funding coming from the EU. For the University of Plymouth EU funded schemes represent 16% of its research income over the last 3 years.
- 4.15 For Plymouth Marine Laboratory this figure is 21.7% and in addition there is a distinct funding stream – the Copernicus Earth observation programme, which represents a further 8% of their income. UK involvement in Copernicus is at risk and a significant number of SMEs in the UK participate.
- 4.16 The UK government has committed to continue funding for all existing EU projects until their conclusion if the UK leaves the EU on 30 January 2020 without a withdrawal deal. It is hoped the UK will have 'Associate Country' status for Horizon Europe (Framework 9 - 2021 -2027) but if a trade deal is not agreed between the EU and UK then the UK would at best have 'Third Country' status, which means UK organisations may not be able to participate in certain programmes or lead on projects.
- 4.17 The UK government has been putting in place large and very competitive funding programmes to mitigate the effect on UK of potentially not being able to participate in Horizon Europe but there is no quantifiable information as yet as to whether the mitigation will be sufficient for the marine science sector. A key area for research across all three of our organisations is Blue Growth. This has been a key part of EU strategy for more than a decade, but is not central to UK priorities.
- 4.18 The sector continues to be concerned about the loss of opportunity for collaborative research with EU institutions and the potential for this to make it more difficult to attract the best academics. Around 7% of existing staff at the University of Plymouth are from the EU and some academics have recently left the University citing Brexit as a factor in their decision. The Global Talent route introduced in February 2020 is designed to attract top scientists and researchers. They will be able to benefit from a quicker endorsement process as part of a fast track STEM scheme however this is a relatively expensive programme.
- 4.19 The MBA Deputy Director has recently authored a paper detailing the key risks for the marine science sector in Plymouth which we have drawn on for this report. He points out that Plymouth marine science is globally recognised and as such requests all endeavours be made to support the marine research community in Plymouth.

Economic impact on the city due to loss of direct support from the EU (EU/EI05)

- 4.20 EU structural and infrastructure funding has significantly benefited the city over recent years. On top of the £12.9m in EU funding allocated to us through the HotSW LEP we have secured £78m in local growth funding. We recently secured £3.2m ERDF funding for Oceansgate Phase 2.
- 4.21 In July Central government started to announce its capital plans as a response to Covid-19 aligned to its 'levelling up' agenda. £900M was allocated nationally for 'shovel ready' projects. This has evolved in to the Getting Building Fund, with £35.4M allocated to HotSW LEP. Plymouth has approximately £10M allocated from this pot. Business Cases are in the works, ready for submission by 1st September.
- 4.22 The UK government has guaranteed to underwrite EU funded schemes which are in delivery by December 2020 but we still do not have any details about the proposed UK Shared Prosperity Fund that is anticipated will replace EU funding streams. This leaves a funding gap in our capital projects pipeline that has only partially been filled by Getting Building Fund.

5.0 EMERGENCY PLANNING ISSUES

- 5.1 Given the lack of robust data about the number of British Citizens we might expect to return to the UK from residence in the EU we are not able to assess the risk. This may require an Emergency Planning response in the event that these numbers are significant locally and our resources may be stretched especially if there other complicating factors such as COVID 19, flu pandemic or other extreme winter weather conditions.
- 5.2 As the UK takes back control of its international waters fishing may present an opportunity for the City. If our fishing fleet is awarded a greater share of the allowable catch, and any trade deal with the EU allows continued tariff free access to continental markets, it may offset some of the predicted economic impact from Brexit. However where our fishermen gain others will lose and French fisherman have been becoming increasingly militant. Recent incidents have included hostility between boats and UK fishermen have been threatened. There is also a threat to blockade the channel ports. We understand that the new fisheries protection vessels ordered by the UK government are based in Portsmouth.
- 5.3 Plymouth is the port of entry for the region's fuel supplies. There is no reason to expect these to be disrupted as they do not come via the EU and protests at the port are unlikely. Nationally we do have multiple community cohesion risks in the context of increasing far right activity, rising numbers of asylum cases and public protest around COVID restrictions however there are no current signs of community tension around Brexit. We already have emergency plans in place covering fuel shortages and civil unrest.

6.0 Pre Scrutiny

- 6.1 BILCO considered the key risks, mitigations and residual risks set out in this report and made recommendations for Cabinet to consider which are set out on the front sheet of this report.

APPENDIX – SUMMARY OF ORGANISATIONAL AND CITYWIDE RISK

Organisational risks

Ref	Risk Description	Mitigation	Residual Risk
EU/EI02	<p>Description: Economic impact increases financial impacts the Council is already experiencing as a result of Covid19</p> <p>Cause: Sterling devaluation and supply and demand pressures increase major contract delivery costs Economic impact on business reduces NNDR and rental income to the Council</p> <p>Impact: Council's ability to balance budget compromised</p> <p>Mitigated score 20</p>	<p>Planned mitigation of COVID impacts will also address some Brexit risks, e.g. contract costs.</p> <p>Current engagement with business community does not suggest imminent risk of business relocation and FDI currently holding up.</p> <p>LEP has allocated additional resources to provide business advice and support for 3 months.</p>	<p>Contracts tend to be held within departments and we do not have corporate oversight of cost increases unless departments advise our procurement team.</p> <p>Situation could change quickly, parent companies that aren't based in the UK are hard to engage.</p>
EU/S01	<p>Description: Failure to co-ordinate/respond to no-deal planning and preparedness demands</p> <p>Cause: Insufficient/non-provision of appropriate staffing resources Failure to address competing organisational demands Lack of clarity from government about planning scenarios</p> <p>Impact: Insufficient staff to cover information demands/provide strategic and tactical leadership/provide and analyse data/deliver mitigation actions</p> <p>Mitigated score 12</p>	<p>Assistant Chief Executive appointed as lead officer and Virtual Brexit office re-established until 31 December.</p> <p>Additional Civil Protection resources in place from 01 November.</p> <p>Internal emergency planning arrangements to be combined Covid/Brexit response.</p>	<p>COVID continues to stretch organisational capacity.</p> <p>RWCS adds normal winter pressures, e.g. Flu pandemic and extreme weather events.</p>
EU/S02	<p>Description: Failure to respond to new burdens relating to new port responsibilities</p> <p>Cause: Insufficient staffing resources to prepare for likely Port Health</p>	<p>Border Operating Model published and Port Health responsibilities clarified.</p>	<p>Bid for BCP costs may not be successful and commercial model is not viable on current volumes.</p>

	<p>responsibilities/lack of clarity about specific responsibilities for import/export port health role and likely volume of work</p> <p>Impact: Breach of legislation Reputational damage</p> <p>Mitigated score 12</p>	<p>Cost of providing Border Control Post included in ABP bid to be submitted on Friday.</p> <p>Bid already made for additional officer resources to issue Export Health Certificates and Catch Certificates from 01 January.</p>	<p>Trained staff for Port Health functions will have to be diverted from Food Safety inspections which are a statutory duty and we are already expecting a negative report from the FSA.</p>
EU/I01	<p>Description: Failure to manage stakeholder Brexit information, advice and guidance due to ongoing uncertainty</p> <p>Cause: Large volume of enquiries from Businesses, EU nationals, tourists, expats and hauliers</p> <p>Impact: Lack of information availability to stakeholders Businesses unable to make adequate preparation for business continuity prior to Brexit Wrong advice given Impact on internal capacity (may struggle to meet increasing demand due to continuing uncertainty)</p> <p>Mitigated score 12</p>	<p>Advice provided for business on Growth Hub webpage.</p> <p>Government publicity campaigns are aimed at encouraging business to prepare for an Australia type deal.</p> <p>Meetings with Plymouth Business Brexit Group re-established, briefing of current trade developments delivered to last meeting 7 October.</p>	<p>Many of the issues affecting business are still unclear e.g. Trade Bill and Immigration Bill are still transiting parliament.</p> <p>Government has yet to publish customs arrangements because trade talks are ongoing.</p> <p>PBBG concerned about lack of clarity and recruitment of EU staff from 01 January and immigration rules.</p>
EUEI03	<p>Description: Brexit impacts worsen economic impacts of COVID 19 and drive increased service demand</p> <p>Cause: Cost of living increases drive poverty</p> <p>Impact: Greater demand on needs assessed services</p> <p>Mitigated score 12</p>	<p>Brexit food, medicines and group met and concluded we were duplicating the COVID response which is currently a stronger driver. We will feed Brexit issues into COVID food security group.</p> <p>No current signs of community tension around Brexit.</p>	<p>Bank of England MPC assessment of a failure to agree a trade deal with the EU could lead to a deeper recession and slow the economic recovery from COVID in the medium term.</p>

Citywide Risks

Ref	Risk Description	Mitigation	Residual Risk
EU/W01	<p>Description: Loss of proportion of current EU workforce, particularly in academia, advanced engineering, manufacturing, construction, tourism and care.</p> <p>Cause: Brexit related factors reduce EU nationals amongst workforce</p> <p>Impact: Economic growth forecasts adversely affected. Shortfall in Council Tax collection and Business rates.</p> <p>Mitigated score 12</p>	<p>Risk of labour shortages mitigated by the impact of COVID now expecting 16,000 people to be unemployed compared with previous near full employment.</p> <p>MAC have added Senior Nurses/Care staff and Butchers, Bricklayers and Welders to shortage occupation list.</p>	<p>Locally 7,690 EU citizens had applied for settled status in June 2020, an increase of 510 since March 2020 September figures pending.</p> <p>Our estimated numbers are between 10,000 and 13,000 but they still have until July 2021 to decide.</p> <p>Advice Plymouth Bid to provide advice to vulnerable EU citizens rejected. Home Office considering extension to July deadline for vulnerable people in extenuating circumstances.</p>
EU/EI03	<p>Description: Loss of Foreign Direct Investment (FDI) into the city</p> <p>Cause; Imposition of tariff barriers creating adverse economic environment</p> <p>Impact; Negative impact on the economy of the city (employment, project delivery)</p> <p>Mitigated score 15</p>	<p>FDI business engagement gives no current indication of likely withdrawal from the city due to the UK leaving the EU. Financial year, 2019/20 saw the highest number of foreign led investment projects land in the city ever with 12.</p> <p>We are monitoring the progress being made in trade talks the deal remains elusive.</p>	<p>The total value of the investment projects is lower than previous years, at circa £94m, suggesting companies may be holding off making major investment decisions.</p> <p>Situation could change quickly, parent companies that aren't based in the UK are hard to engage.</p>
EU/EI04	<p>Description: A reduced ability to attract the number of EU Academics and researchers and difficulties in accessing EU grants</p> <p>Cause: Lack of access to EU funding</p>	<p>Treasury guaranteed EU funding under the Horizon programme so funds issued up to December 2020 are protected.</p>	<p>Speaking at PBBG the MBA advised the sector is very worried about funding under the new Horizon programme for 2020 –</p>

	<p>and immigration controls on Tier 2 migrants.</p> <p>Impact: Loss of reputation and research capacity.</p> <p>Mitigated score 12</p>	<p>EU academics can apply to come in through the global talent route.</p>	<p>2027 as around 16% - 20% of their current funding is sourced from the EU.</p> <p>Alternative UK arrangements not yet announced.</p> <p>Global talent route seen as an expensive option.</p>
EU/EI05	<p>Description: Economic impact on the city due to loss of direct support from the EU</p> <p>Cause: Removal of EU funding</p> <p>Impact: It is difficult to quantify the full extent of funding but funding allocated on this basis may still significantly benefit the City whether through the direct allocation of funds or through some other benefit within the projects</p> <p>Immediate impacts somewhat reduced by Covid19 funding for Spade ready projects.</p> <p>Residual risk 12</p>	<p>Plymouth has approximately £10M allocated from the Getting Building Fund, with £35.4M allocated to HotSW LEP. Business Cases are in the hand.</p>	<p>Details of UK SPF still not published pipeline of capital projects could be affected by funding shortfall.</p>
New risk	<p>British Citizens returning from residence in the EU</p>	<p>This is noted as a high risk on the LRF risk register.</p>	<p>Lack of any data on likely numbers makes addressing the issue difficult. We have no homelessness capacity.</p>

Cabinet



Date of meeting: 10 November 2020
 Title of Report: **Cabinet response to Scrutiny Brexit recommendations**
 Lead Member: Councillor Tudor Evans OBE (Leader)
 Lead Strategic Director: Giles Perritt (Assistant Chief Executive)
 Author: Kevin McKenzie
 Contact Email: kevin.mckenzie@plymouth.co.uk
 Your Reference: CAB/002/091164
 Key Decision: No
 Confidentiality: Part I - Official

Purpose of Report

To respond to the recommendations made by the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) in its report Brexit Update for Cabinet including Scrutiny Recommendations. Cabinet is asked to endorse the recommendations subject to the amendments set out below.

Recommendations and Reasons

Cabinet should ask government to:

- Lay out in detail what plans it has to mitigate the loss of EU funding to the city. (Proposal accepted)
- Detail the priorities it has for the marine and maritime research sectors post-Brexit, and what will be done to mitigate the loss of EU funding in the sector. (Proposal accepted)
- Explain why the government thinks that the South West fishing fleets will be adequately protected. (Proposal amended)
- Encourage agricultural employers to improve the wage offer for agricultural labour so that it is a more attractive career path for young people through the Heart of the South West Local Enterprise Partnership. (Proposal amended)

Cabinet should ensure: -

- That Plymouth City Council and our key suppliers review our business continuity arrangements against the negative impacts of Brexit as identified in the risk register, and have robust plans in place to mitigate service delivery interruption. (Proposal accepted with qualification)
- Consider the merits of reviewing large capital projects with contractors given capacity of project managers to engage contractors within the short timeline available. (Proposal amended)
- We consider the budgetary impact of the identified risks on the Medium Term Financial Plan. (Proposal accepted)
- We continue to make a proactive offer to any foreign based businesses that may be considering leaving the City due to Brexit impact. (Proposal accepted)
- We are successfully locating and communicating with EU citizens in Plymouth who have not yet applied for settled status, and that; (Proposal accepted)

- A needs assessment is conducted to identify vulnerable EU citizens and the support we can offer to assist them to apply for settled status. (Proposal accepted with qualification)

Cabinet should: -

- As far as reasonably practical, ensure Plymouth City Council is proactive in communicating Brexit information to the wider city to enable preparedness of organisations and businesses, and is positive where possible in its Brexit communications where opportunities have been identified. (Proposal accepted)
- Consider whether the resources already deployed to support business e.g. account managers are able to respond to all enquiries via a single contact number. (Proposal amended)
- Ensure that Plymouth City Council works with appropriate partners with a view to agreeing a planned schedule improving landing facilities at the fishing quay (Proposal Accepted)

The rationale for accepting these recommendations is given in the table appended to this report.

Alternative options considered and rejected

The following proposals made by the Brexit, Infrastructure and Legislation Overview and Scrutiny Committee were considered and amended as above. The rationale for these changes is recorded in the table appended to this report.

Cabinet should ask government to:

- Detail how the government plans to reform the fishing quota system, and how Plymouth fishing fleets will be adequately protected by fishery protection vessels that are based in Portsmouth. (Proposal amended)
- Encourage agricultural employers to improve the wage offer for agricultural labour so that it is more attractive career path for young people. (Proposal amended)

Cabinet should ensure: -

- Large Capital projects are reviewed with contractors, and assessed for any impact that tariffs may have on the supply of goods. Payments should be considered for the advance supply of goods before any tariff impacts are felt. (Proposal amended)

Cabinet should: -

- Require the Director of Place to appoint an officer to act as a single point of contact for business to access post transition period support. (Proposal amended)

Relevance to the Corporate Plan and/or the Plymouth Plan

Our delivery of the Corporate Plan and Plymouth Plan will need to take account of emerging policy and legislation picture relating to the end of the transition period.

Implications for the Medium Term Financial Plan and Resource Implications:

There are no significant implications for the Medium Term Financial Plan arising from the recommendations in the report save that it is recommended we consider them. If there are new cost pressures they will be set out as part of in year monitoring and/or next year's budget and fed into Budget Scrutiny.

Carbon Footprint (Environmental) Implications:

No implications are anticipated.

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

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed. An EIA has been conducted against these recommendations and is appended.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Cabinet response to Scrutiny							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
Brexit update for Cabinet with Scrutiny Recommendations.							

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 06/11/2020											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader) Date approved: 10/11/2020											

1. Introduction and background

- 1.1 This report responds directly to the report Brexit Update for Cabinet with Scrutiny Recommendations.
- 1.2 The appended table sets out the rationale for the recommendations.
- 1.3 Trade negotiations between the EU and the UK are continuing this week and time is rapidly running out for a deal to be agreed and in place by 31 December 2020.

2. Scrutiny recommendations and Cabinet response.

- 2.1 See appended table.

Recommendation	Accept, Reject or Amend	Cabinet Response
Cabinet should ask government to:-		
Lay out in detail what plans they have to mitigate the loss of EU funding to the city.	Accept	These plans should fully mitigate the loss of European Structural Investment Funds, European Technical Co-operation Funds and set out a timeline for implementation of the UK Shared Prosperity Fund. They should include a commitment to at least maintaining the current value of Local Growth Funding adjusted for inflation.
Detail the priorities they have for the marine and maritime research sectors post-Brexit, and what they will do to mitigate the loss of EU funding in the sector.	Accept	Our globally recognised research institutions risk losing up to 20% of their income and our reputation for first class marine research and development will be at risk if this is not addressed. If we are no longer able to collaborate with EU partners it may be difficult to attract the very best scientists.
Detail how the government plans to reform the fishing quota system, and how Plymouth fishing fleets will be adequately protected by fishery protection vessels (FPVs) that are based in Portsmouth.	Amend - <i>Explain why the government thinks that the South West fishing fleets will be adequately protected by fishery protection vessels (FPVs) that are based in Portsmouth.</i>	<p>We have responded to Government consultation about fishing quotas drawing on our local expert knowledge base and direct engagement with Fishermen. If we do not know the outcome ahead of the December cabinet meeting we will urgently lobby DEFRA.</p> <p>Given recent incidents between British and French fishermen have tended involve fishermen from the fishing ports at Plymouth and Brixham we will raise the question of whether the FPVs are able to offer adequate protection for the fishing fleet.</p>
Encourage agricultural employers to improve the wage offer for agricultural labour so that it is more attractive career path for young people.	Amend (add at end) - <i>through the Heart of the South West Local Enterprise Partnership</i>	This is a good suggestion which might help young people to find work that is fairly remunerated in a difficult economic climate and which may help alleviate any food shortages. We will seek the views of our farming community and their representatives the National Farmers Union.
Cabinet should ensure:-		

That Plymouth City Council and our key suppliers review our business continuity arrangements against the negative impacts of Brexit as identified in the risk register, and have robust plans in place to mitigate service delivery interruption.	Accept (qualify)	We will consider the links with the supply chain work we are already doing around our Resurgam plan and where necessary ask our Business Continuity Group to review again the work we conducted in March and October last year when we contacted over 500 suppliers to ensure they had robust plans in place to respond to the threat of a no deal Brexit. We will seek to confirm that key suppliers have been able to maintain these plans in spite of the impact of COVID 19 over the intervening period and act as may be necessary to ensure that any risk to our ability to maintain vital public services is mitigated.
Large Capital projects are reviewed with contractors, and assessed for any impact that tariffs may have on the supply of goods. Payments should be considered for the advance supply of goods before any tariff impacts are felt.	Amend– <i>Consider the merits of reviewing large capital projects with contractors given capacity of project managers to engage contractors within the short timeline available.</i>	It is not clear at the moment whether there will be any tariff payments to make as Government has not yet concluded negotiations with the EU and even if a trade deal is not reached the tariff regime that follows may not impose a burden on construction materials. There may be some merit if it can assist projects to be 'shovel ready' by avoiding the anticipated delays at the channel ports.
We consider the budgetary impact of the identified risks on the Medium Term Financial Plan.	Accept	<p>We already assess and estimate the financial implications as far as we are able given the continued uncertainty about the scope of any trade deal and consequent lack of clarity about likely economic conditions.</p> <p>This picture has been recently enhanced by the Bank of England Monetary Policy Committee report for November which sets out the short term impacts from Brexit :-</p> <ul style="list-style-type: none"> • 1% loss of GVA in first quarter • Sterling exchange rate index had fallen by around 2% • Economic activity has been somewhat lower in the UK relative to other advanced economies • Brexit-related uncertainty is also likely to have weighed on firms' plans for investment. • Stock building is costly, and firms can reduce those costs by minimising the period for which goods are stored.

		The implications of these impacts will be considered alongside those identified in the scrutiny report and if there are new costs pressures they will be set out as part of in year monitoring and/or next year's budget and fed into Budget Scrutiny.
We continue to make a proactive offer to any foreign based businesses that may be considering leaving the City due to Brexit impact.	Accept	<p>We are already operating proactive account management with a focus on businesses we have already identified as at risk, however:</p> <ul style="list-style-type: none"> • We cannot deal direct with parent companies who are located outside the UK and local management may not be advised until late on. • Our support offer may be insufficient to deter companies from relocating if the tariff regime operates as a significant disincentive to maintain a UK manufacturing base.
We are successfully locating and communicating with EU citizens in Plymouth who have not yet applied for settled status, and that;	Accept	<p>EU residents have until July 2021 to apply for settled status we know that 7,690 had already applied as at June 2020.</p> <p>At the last Census in 2011 there were around 7,500 EU residents. Between 2011 and 2019 7,902 National Insurance (NI) Numbers were issued in Plymouth to people whose country of origin was within the EU.</p> <p>We signpost EU migrants to the EU settlement scheme via our corporate web pages.</p>
A needs assessment is conducted to identify vulnerable EU citizens and the support we can offer to assist them to apply for settled status.	Accept (qualified) It is very difficult to identify the number of vulnerable EU citizens, we currently have limited provision and we would need financial support from the Home Office to make it more comprehensive.	<p>We have sought to provide a level of support through our first stop shop however this is currently closed down due to COVID 19.</p> <p>We collaborated with Advice Plymouth and the HotSW LEP to submit a bid to the Home Office over the summer to support an advice service to vulnerable EU migrants to be delivered through the Devon Citizens Advice Bureaux Network. Unfortunately this has been rejected. This means there is still no provision within Devon. We will raise this again with the Home Office.</p>

Cabinet should:-		
As far as reasonably practical, ensure Plymouth City Council is proactive in communicating Brexit information to the wider city to enable preparedness of organisations and businesses, and is positive where possible in its Brexit communications where opportunities have been identified.	Accept	The Council will relaunch its Brexit advice pages for residents, and businesses, and will ensure that information is made available locally as soon as decisions are made by government on the detail of arrangements post 31 December 2020.
Require the Director of Place to appoint an officer to act as a single point of contact for business to access post transition period support.	Amend Consider whether the resources already deployed to support business e.g. account managers are able to respond to all enquiries via a single contact number.	The appointment of an officer to fulfil this function might create a single point of failure both in terms of capacity and detailed knowledge covering specialist areas. We already have a team of officers providing support and advice across a range of disciplines to businesses that will be affected by the cessation of EU regulations and the changes that will be needed to meet new UK requirements.
Ensure that Plymouth City Council works with appropriate partners with a view to agreeing a planned schedule improving landing facilities at the fishing quay.	Accept	We have already committed to upgrading our quayside facilities in our Sustainable Fishing Strategy. We are not the owners of the quay and we need to secure their agreement and identify funding to support improvements

Cabinet

Date of meeting: 08 December 2020
 Title of Report: **Economic Impact and Business Preparedness**
 Lead Member: Councillor Darren Winter
 Lead Strategic Director: Giles Perritt (Assistant Chief Executive)
 Author: Kevin McKenzie
 Contact Email: kevin.mckenzie@plymouth.co.uk
 Your Reference: BILCO/006/12/2020
 Key Decision: No
 Confidentiality: Part I - Official

Purpose of Report

To outline the work completed by the Committee in identifying the economic impact of Brexit and to ensure that research is undertaken and made available to the public as set out in the Council's Pledge 11. To draw to the attention of Cabinet the current preparedness of the City's business sector for the end of the Brexit transition period.

Recommendations and Reasons

1. That Cabinet notes: -
 - a) The report of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) on economic impacts and business preparedness.
 - b) The appended presentation given by Sarah Holmes, a legal director of solicitors Womble Bond Dickinson
 - c) The additional evidence presented at the BILCO meeting held on 2 December 2020 relating to business preparedness
2. That Cabinet considers whether the terms of reference of the Committee should be amended in the light of the end of the Brexit transition period.

Alternative options considered and rejected

The above recommendations reflect the terms of reference of BILCO and the appropriate preparation for the end of the Brexit transition period.

N/A

Relevance to the Corporate Plan and/or the Plymouth Plan

The report has significant implications for the delivery of the Corporate Plan and the Plymouth Plan in particular : -

- Our growing city pledge to deliver economic growth that benefits as many people as possible
- Our Plymouth Plan commitment to actively work to promote Plymouths as an international city.

Implications for the Medium Term Financial Plan and Resource Implications:

There are significant implications for the Medium Term Financial Plan arising from the evidence presented in this report these are anticipated in the associated entry on our strategic risk register.

Carbon Footprint (Environmental) Implications:

Significant environmental implications are identified in the report, in particular the stated intention of Government to diverge from the currently applicable statutory provisions for environmental protection which are derived from EU law.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed.

No EIA has been conducted on the report as Cabinet has yet to respond to its recommendations. An EIA will be conducted on the Cabinet response.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Cabinet response to Scrutiny							
B	Scrutiny Report – Economic Impact and Business Preparedness							
C	PABC report							
D	Brexit, Business and Brute Facts							
E	BILCO Agendas, minutes and Papers from June 2018 until December 2020.							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 03/12/2020											
Chair of Scrutiny approval: <i>Councillor Darren Winter</i> Date approved: 04/12/2020											

I. Introduction and background

- 1.1 The appended report summarises the work of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) as it relates to the Council's Pledge 11.

Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

- 1.2 The report also details the committee's examination of the extent of business preparedness for the end of the Brexit transition period.
- 1.3 The committee asks that Cabinet reviews BILCO's terms of reference in the light of the end of the transition period.

2. Economic Impact

- 2.1 The report collates and updates the evidence received by BILCO since its first meeting in June 2018. It is organised in two parts, the first part concerns the themes set out below:-

A Brexit overview

Trade negotiations are ongoing; if no agreement is reached the UK will revert to trading under World Trade Organisation (WTO) rules when the transition period ends on 31 December 2020.

The Bank of England Monetary Policy Committee (MPC) report for November suggests trading on WTO terms will mean higher unemployment for longer and a deeper recession.

The economic contribution from trade with the EU

The EU, taken as a whole, is the UK's largest trading partner. Plymouth's international exports in goods were valued at £742m in 2019.

FDI supported businesses are incredibly important to our city, as these companies are some of our largest employers, employing roughly 7,900 people.

Public Spending and fiscal impacts

The 'divorce payment' is estimated to be £35bn; the Monetary Policy Committee predicts short term impacts from Brexit will be a 1% loss of GVA in the first quarter and a 2% fall in sterling.

Even under the more optimistic models, the average citizen will be £356 per year poorer. Using the Government's figures, the loss of growth to the local economy would be £400m by 2035.

EU Funding and the shared prosperity fund (UKSPF)

The Government will create a United Kingdom Shared Prosperity Fund using the UK contribution to the EU budget to match current levels of EU funding as a minimum.

It will be important that the distribution mechanism to allocate funds should be sensitive to sub-regional economic geography and priorities.

Research and development

Our research institutions across the city including the MBA, PML and the University of Plymouth have historically relied heavily on EU funding for their research.

From January 2021 EU and EEA students will be as classed as international students and lose their eligibility for home funding.

Regulatory environment

- The UK regulatory framework will gradually diverge from EU law covering the environment, product safety and labour standards.

- The UK will seek 'adequacy decisions' from the EU to maintain the continued free flow of personal data from EU to UK.

Workforce and skills

- The route for skilled workers will require that applicants must have a sponsored job offer, speak English and earn the relevant salary threshold of either £25,600 or the going rate.
- Plymouth has a relatively low wage economy and some of the industrial sectors most dependent on migrant labour disproportionately employ the lower paid, e.g. hospitality and social care.

Ports and borders

- The UK will operate a full, external border from January 2021, introducing new border controls in three stages up until July 2021.
- There will be a significant increase in requests for Export Health Certificates and the resource required to issue them will have an impact on the Council's Food Safety team.

HMRC excise and VAT

- The Taxation (Cross-border Trade) Act 2018 will allow the Government to create a stand alone Customs regime.

Business continuity

- Civil contingencies planning is focused on the potential immediate impacts of leaving the EU and is coordinated across the sub-region by the Local Resilience Forum (LRF).
- The impacts on prices from Brexit are unlikely to be felt until post-January; to date we have only seen small average increases of around 1.76%, although some individual staple items have risen by around 10% to 12%.

3. Business Preparedness

3.1 The second part of the report provides evidence of the Committee's examination of business preparedness.

Plymouth Business Brexit Group (PBBG) was established to ensure that Plymouth does not just survive Brexit but continues to deliver our vision to be 'one of Europe's most vibrant cities, where an outstanding quality of life is enjoyed by everyone'. Its members met to consider the economic impacts report and to discuss some of the themes on 25 November 2020.

Trade

- Of PBBG members consulted, all conducted trade on some level with the EU.
- There was a degree of reliance on supply chains into the EU and most were concerned about the constraints and hold-ups at ports, and increased bureaucracy.
- The overwhelming concern was to maintain current trading links with Europe, and the lack of port infrastructure for testing was also flagged as a concern.
- There was a significant concern about tourism and reference was made to the combined passenger and freight (ROPAX) model which allows freight into the country cheaply but relies on tourism to work.

Workforce and skills

- Of those present (PBBG) only the tourism sector reported any difficulty in recruiting staff as many of the workers in the visitor based economy do not meet new immigration requirements.
- It was noted that there was a significant EU workforce in manufacturing but the sector representative was not present to comment.

Regulatory Frameworks

- There was concern about the capacity of the system to provide advice and support, and a need for more specialist advice; examples were cited such as trademarks and domain names.
- Government plans to recruit more trade advisors lacked credibility given a restricted pool of suitably experienced people.

Business Investment

- The Foreign Direct Investment (FDI) pipeline remained buoyant despite the slight fall in value over the preceding 12 months.
 - No-one present (PBBG) discussed plans to invest over the next 12 months or disclosed any current EU funding support.
- 3.2 A meeting of Plymouth Area Business Council held on 2 December 2020 and attended by 62 delegates was invited to consider similar themes and to indicate using electronic voting whether they agreed with statements covering a range of possible states of preparedness.
- 13% of respondents were currently exporting to the EU and 33% had supply chains that extended into the EU.
 - A majority of respondents (82%) said less than 10% of their workforce was from the EU, 6% said that more than 20% were from the EU.
 - A quarter of respondents had faced, or expected to face, difficulty recruiting qualified staff.
 - Only 8 % of respondents felt well prepared for the end of the transition period.
- 3.3 Plymouth Manufacturing Group were invited to attend the BILCO session on 2 December but were unable to attend, they did however submit some written evidence from a PMG meeting held the preceding evening.
- In response to our request businesses who export to the EU were asked how well prepared did they feel as we approach the end of the Brexit transition period?
- Responses included the following: -
- Members responded that it was still unclear what they were preparing for and that they frequently had to learn something new – the so-called ‘unknown unknowns’.
 - Treatment of VAT both overseas and back in the UK was a particular concern.
 - Having customers in Northern Ireland is problematic with a current lack of clarity in what is required. In such cases, customers are taking additional ‘buffer’ stock. Ironically, in many respects the situation is simpler when trading with EU countries.
- 3.3 The committee also received a presentation given by Sarah Holmes, a legal director of solicitors, Womble Bond Dickinson, a legal specialist in European legislation especially that covering the chemical sector, waste sector and environmental law. The presentation entitled Brexit, Business and Brute Facts covered: -
- The known knowns - the basis on which the UK will leave due to the Withdrawal Agreement.
 - The known unknowns – whether we would have a trade deal, a data adequacy agreement and common welfare standards.
 - The unknown unknowns – the unpredictable impacts, which it was suggested should be few given nearly 4 years of close scrutiny.
- 3.4 A copy of the presentation and the full results of the PABC survey are appended to the main report.

ECONOMIC IMPACT AND BUSINESS PREPAREDNESS

Brexit Office



INTRODUCTION AND BACKGROUND

In 2017 we set out a four year programme to deliver against 100 pledges, by March 2022, for a better, greener and fairer Plymouth.

Pledge 11

Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

The due date for the delivery of this pledge is December 2020.

Part D of the constitution sets out the Council's Overview and Scrutiny arrangements. The terms of reference of BILCO include :-

Reviewing the impact of Brexit on the city

Proposing measures that Government should take to provide stability for the council and partners in light of Brexit

Exploring powers could be devolved from the EU directly to local authorities

BILCO has met on 15 occasions since its first meeting on 6 June 2018 and considered 23 reports, providing evidence to members of the committee about Brexit related risks and opportunities. The written evidence to the committee has been supplemented by evidence from 17 expert witnesses. Archived webcasts, agendas, minutes and reports from all the BILCO committee meetings are available on our [corporate web pages](#).

At its 21 October 2020 meeting BILCO agreed to hold an additional meeting to scrutinise the preparedness of a diverse range of local businesses for the end of the transition period.

To facilitate engagement with the Business Community part 1 of this report was circulated in draft at the Plymouth Business Brexit Group on 25 November 2020. It will also be made available at the Plymouth Area Business Council on 2 December 2020.

Invitations have been extended to representatives of the Business Community, including Plymouth and Devon Chamber of Commerce, Plymouth Manufacturing Group and the Federation of Small Business to attend a special BILCO meeting on 2 December 2020.

The report seeks to respond to Pledge 11 by collating and summarising the evidence of economic impact considered by BILCO, and to add value to it by relating it to the current preparedness of local business for the end of the transition period and a new trading relationship with the EU.

EXECUTIVE SUMMARY (PART 1)

- Trade negotiations are ongoing, if no agreement is reached the UK will revert to trading under World Trade Organisation (WTO) rules when the transition period is ends on 31 December.
- The UK has negotiated 25 trade agreements and continues to pursue trade agreements with another 13 countries. Where no agreements are reached trade will take place on WTO terms.
- The Government will not negotiate any arrangement in which the UK does not have control of its own laws and political life.
- Any trade agreement must allow the UK to adopt or modify its labour laws and to set its environmental priorities and the UK will not be bound by the dispute resolution mechanism.
- COVID 19 continues to have a significant impact on our capacity to respond to a crisis.
- The Bank of England Monetary Policy Committee (MPC) report for November suggests trading on WTO terms will mean higher unemployment for longer and a deeper recession.

The economic contribution from trade with the EU

- The EU, taken as a whole, is the UK's largest trading partner. Plymouth's international exports in goods were valued at £742m in 2019.
- FDI supported businesses are incredibly important to our city, as these companies are some of our largest employers, employing roughly 7,900 people.
- Foreign Direct Investment (FDI) reached a high point in the financial year 2019/20 with 12 new projects but the value of the investment projects is lower than previous years, at circa £94m
- Globally, the flow of FDI is reducing as while investors see the UK as a good destination to invest into, they are currently postponing any major decisions.
- Early intervention and dialogue will be imperative to retaining businesses. However, some parent companies that aren't based in the UK are harder to engage.
- Plymouth continues to provide high value employment opportunities across the city related to the marine sector.

Public Spending and Fiscal Impacts

- The 'divorce payment' is estimated to be £35bn, the Monetary Policy Committee predicts short term impacts from Brexit will be a 1% loss of GVA in the first quarter and a 2% fall in sterling.
- The government's own analysis forecasts that a no-deal Brexit would reduce UK GDP by 7.6%, after 15 years a free trade agreement (FTA) with the EU would lead to a 4.9% decline.
- Economists for Brexit predict a long term gain of 4% GDP if the UK unilaterally abolishes all its import tariffs, no industrialised country has ever implemented full unilateral liberalisation.
- Even under the more optimistic models, the average citizen will be £356 per year poorer. Using the Government's figures, the loss of growth to the local economy would be £400m by 2035.
- Tariff and non-tariff measures on agriculture and food and the ending of farm subsidies may increase food prices.
- Structural unemployment may result from employees being displaced from negatively impacted industries putting additional pressure of public finances.

EU Funding

- Programmes funded by European Structural and Investment Funds (ESIF) under the 2014-2020 funding cycle which were worth £5.3bn to the UK have been guaranteed by the Treasury.

- Around £120m of ESIF is allocated to the Heart of the South West LEP area, according to the DWP the European Social Fund has provided £26m across Devon for 2014-2020.
- The Government will create a United Kingdom Shared Prosperity Fund using the UK contribution to the EU budget to match current levels of EU funding as a minimum.
- Funding for the UK Shared Prosperity Fund will at least match receipts from EU structural funds, on average reaching around £1.5 billion per year.
- It will be important that the distribution mechanism to allocate funds should be sensitive to sub-regional economic geography and priorities.

Research and Development

- Our research institutions across the City including the MBA, PML and the University of Plymouth have historically relied heavily on EU funding for their research.
- The UK Government published its Research and Development Roadmap, if the UK does not formally associate to Horizon Europe, “ambitious alternatives” will be implemented.
- EU staff represent 7% of total core University of Plymouth staff and in 2019/20, the UoP had over 500 EU students.
- There is encouragement for the UK research community to recruit internationally via the Global Talent Visa. However, this is a relatively expensive programme.
- From January 2021 EU and EEA students will be as classed as international students and lose their eligibility for home funding.

Regulatory Environment

- The EU Withdrawal Act (2017) repealed the European Communities Act 1972 and converted the body of existing EU law into domestic law.
- The UK regulatory framework will gradually diverge from EU law covering the environment, product safety and labour standards.
- The UK will consider participation in Horizon Europe in line with other non-EU Member States.
- The UK will seek ‘adequacy decisions’ from the EU to maintain the continued free flow of personal data from EU to UK.
- The UK government will cease to follow EU rules on state aid at the end of the transition period in favour of the less restrictive WTO rules.

Workforce and skills

- Free movement will end in January 2021, a points-based immigration system will be introduced and employers will need to register to sponsor EU citizens.
- The route for skilled workers will require that applicants must have a sponsored job offer, speak English and earn the relevant salary threshold of either £25,600 or the going rate.
- Plymouth has a relatively low wage economy and some of the industrial sectors most dependent on migrant labour disproportionately employ the lower paid, e.g. hospitality and social care.
- The Government declined recommendations from the Migration Advisory Committee to include senior care workers and bricklayers on the Shortage Occupation List.
- COVID 19 is likely to mitigate the labour market pressures but structural factors may still impact on sectors with a higher skills entry requirement.
- The Global Talent route will open to EU citizens to attract recognised global leaders and promising individuals in science, humanities, engineering, the arts and digital technology.

- In September, over 3.8m people nationally had applied for the EU Settlement Scheme (EUSS). Of an estimated 10-13,000 such citizens currently resident in Plymouth, 8,040 had applied.
- Many of the EU migrant workers resident in Plymouth have limited English language skills and the Home Office do not offer advice and support in community languages.

Ports and Borders

- The UK will operate a full, external border from January 2021, introducing new border controls in three stages up until July 2021.
- The key categories of goods and the processes for moving goods between GB and the EU are set out in the Border Operating Model.
- Traders will be able to move goods into the UK under the Common Transit Convention (CTC) however a Kent Access Permit will be mandatory for HGVs crossing the short straits.
- Plymouth has received some additional funding to prepare the port for Brexit from the Food Standards Agency and DEFRA.
- There will be a significant increase in requests for Export Health Certificates and the resource required to issue them will have an impact on the Council's Food Safety team.

HMRC Excise and VAT

- The Taxation (Cross-border Trade) Act 2018 will allow the Government to create a standalone Customs regime.

Millbay, ABP and Brittany Ferries

- Plymouth is the only operational roll on roll off ferry terminal in the South West region and with no Border Control Post (BCP) our continental trade routes would be at risk.
- Associated British Ports (ABP) have submitted a bid covering all work being carried out within the port which is eligible for funding, including a BCP.
- There is potential to attract new business and relieve pressure on South East ports by accepting high risk cargo at peak times.
- Brittany Ferries will be doubling the capacity of their Plymouth to Santander route from March 2021 but there will be no sailings to, or from, Plymouth until then.
- The hiatus in services means that we will have no immediate need for a lorry park and hauliers will have three months to become accustomed to new border controls.

Sutton Harbour- Fish Quay

- Our fishing fleet will be allowed to catch more fish and the Government recently sought views about the distribution of new fishing opportunities and a strengthened 'economic link'.
- Landing more fish in the UK because of a change in the rules will not of itself produce a major uplift in the economic return from our fish stocks.
- Converting an increased quota into a viable economic concern requires suitable landing facilities, an efficient processing and distribution system and access to markets.
- Our fish quay is of national importance with an annual turnover approaching £20m and an electronic auction that facilitates the sale of fish landed across the SW peninsula.
- The last major investment in the city's fishing port facilities was 1992. A major upgrade is needed to improve productivity, regulatory compliance and to remain competitive.
- We have published a draft Plan for Sustainable Fishing, safeguarding the industry for the future within the Plymouth and South West Devon Joint Local Plan.

Cattewater Harbour

- There is potential for considerable growth in international trade and the harbour commissioners are actively pursuing new contracts.

PART I ECONOMIC IMPACT

BREXIT OVERVIEW

In June 2016 Plymothians voted by a clear majority (60%) to leave the European Union (EU). Following the national vote the Prime Minister triggered Article 50 commencing the leaving process on 29 March 2017. The leave date, set into UK law by the EU withdrawal Act was the 29 March 2019, which would be followed by a transition period that was set to end on 31 December 2020 to allow the UK and the EU to negotiate their future trading relationship.

In practice the transition period was shortened by 10 months when the leave date was first postponed until 31 October 2019 and then until 31 January 2020, when the UK finally left the European Union following a General Election. The Government declined to seek an extension of the transition period refusing to take up an option to request one that expired in June 2020.

The political framework which was published alongside the withdrawal agreement sets out the heads of terms for the free trade agreement. Negotiations are ongoing and a number of points of difference remain to be resolved. These concern: -

- The extent of the rules governing state aid, employment and environmental protection
- The right of the EU fishing fleet to continued access to UK waters

The UK government has made it clear that if no agreement is reached the UK will revert to trading under World Trade Organisation (WTO) rules.

Whilst most EU rules and regulations continue to apply throughout the transition period the UK is free to enter into independent trade negotiations provided that any agreements reached do not come into force until it ends. In addition to membership of the Single European Market covering the EU member states and EFTA the UK benefits from 40 trade deals negotiated by the EU covering 70 countries that are not EU member states.

The UK has negotiated 25 trade agreements that will come into force on 1st January 2021¹. The UK-Japan Comprehensive Economic Partnership Agreement (CEPA) was signed on 23 October 2020 and is expected to come into force at the end of the transition period. The UK government continues to pursue trade agreements with another 13 countries, if an agreement is not reached by 31 December 2020, trade with other World Trade Organisation (WTO) members will take place on WTO terms.

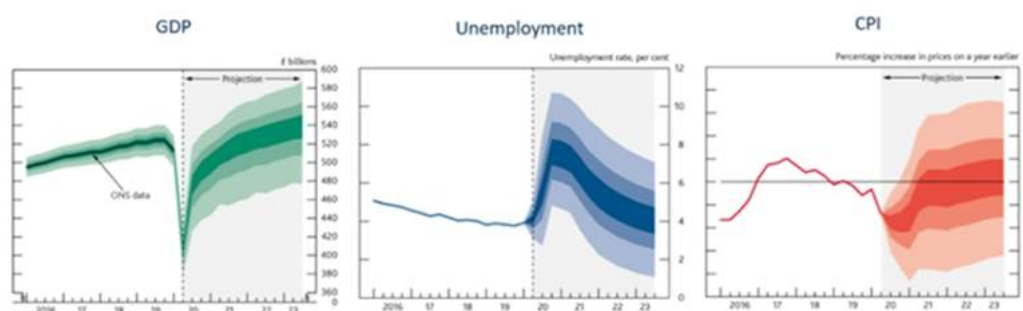
The WTO agreements are lengthy and complex because they are legal texts covering a wide range of activities. They deal with: agriculture, textiles and clothing, banking, telecommunications, government purchases, industrial standards and product safety, food sanitation regulations, intellectual property, and much more. A number of simple, fundamental principles run throughout all of these documents.

- Countries cannot normally discriminate between their trading partners. If a lower customs duty rate is offered to one WTO member the same rate applies for all the other WTO members.
- Imported and locally-produced goods should be treated equally after the foreign goods have entered the market. The same should apply to foreign and domestic services, and to foreign and local trademarks, copyrights and patents.
- Lowering trade barriers through “progressive liberalisation” policies as a means to encourage trade.
- In the WTO, when countries agree to open their markets for goods or services, they “bind” their commitments. For goods, these bindings amount to ceilings on customs tariff rates. A country can change its bindings, but only after negotiating with its trading partners, which could mean compensating them for loss of trade.

¹ See appendix I for a list of countries covered by trade agreements with the UK which will come into force on 1 January 2021.

COVID 19 continues to have a significant impact on our collective capacity to respond to a crisis. Should we be subject to additional restrictions as we reach the end of the transition period, many of the impacts we have identified could be exacerbated.

- Economic climate - we are now officially in a recession, with employment weakening due to increases of economic inactivity. There are approximately 9,600 people furloughed in Plymouth as of August 2020, many of whom have been away from work for over 5 months.
- Unemployment and at risk sectors- a number of sectors which have been impacted by COVID 19 are at risk of further impacts from Brexit, particularly the hospitality and tourism sector and manufacturing sector. It is likely that many people on furlough will not have jobs to return to.



The Bank of England Monetary Policy Committee (MPC) expects the direct economic impact of COVID 19 to fall way over its forecast period. The lightly shaded fantails in the graphs represent a high degree of uncertainty around the central forecast which assumes a comprehensive free trade deal with the EU. The impact of a smooth transition to WTO rules is now included as a downside risk and the graphs suggest the impact would be higher unemployment for longer and a deeper and longer recession.

THE ECONOMIC CONTRIBUTION FROM TRADE WITH THE EU

The EU, taken as a whole is the UK's largest trading partner. In 2019, UK exports to the EU were £294 billion (43% of all UK exports). UK imports from the EU were £374 billion (52% of all UK imports). The share of UK exports accounted for by the EU has generally fallen over time from 54% in 2002 to 43% in 2019. Until the 31 December 2020 the UK continues to be covered by trade agreements negotiated by the EU.

Plymouth generated £5.23bn real GVA in 2018. This represented a 1.5% increase from 2017 and an 11% increase since 2011 slightly less than the UK economy as a whole which grew by 14.5% over the same period. Real GVA, however, has seen weaker growth in Plymouth due to slow growth in employment since 2013. Plymouth's productivity gap with the national average has narrowed given strong economic growth in the last 4 years; GVA per hour worked stood at 87% of the UK average in 2018, the highest on record, and up from 81.5% 10 years earlier.

Plymouth's international goods exports were valued at £742m in 2019. This represents 14.2% of the city's Gross Value Added (GVA). In 2019, 489 Plymouth businesses exported goods to the EU (8.3% of all Plymouth businesses). 12.8% of Plymouth's businesses imported from EU countries (757 businesses). Regionally, 4.6% of SW businesses exported goods to the EU markets, with the value of collective exports representing 7.0% of the region's GVA.

Our concern is not just about reduced new Foreign Direct Investment (FDI) investment but also retaining our existing FDI businesses in the City. The retention of FDI supported businesses is incredibly important for Plymouth, as these companies are some of the largest employers in the city, employing roughly 7,900 people. They have always been able to rely on their UK based operations having access to the EU single market. A number of Plymouth firms are dependent on larger European supply chains and of the 20 largest employers, which collectively contribute nearly £1 billion to Plymouth's GVA, three quarters have parent companies outside of the UK.

The financial year, 2019/20 was a high point in terms of foreign led investment with 12 new projects. The pipeline for FDI flows into Plymouth at the end of Q2 of the 20/21 financial year was strong with multiple projects due to land within the current financial year, and more expected to emerge and convert in time. The total value of the investment projects is lower than previous years, at circa £94m which suggest that the assumptions underlying MPC forecast that companies are holding off making major investment decisions are accurate.

Globally, however, the flow of FDI is reducing. This combined with both the Covid-19 pandemic and the uncertainty caused by the Britain transitioning out of the EU suggests that the FDI flows into Plymouth may reduce compared with the last year's figures. Intelligence indicates that while investors see the UK as a good destination to invest into, they are currently postponing any major decisions until more certainty can be provided.

It is difficult to accurately assess the risk of losing these businesses until the outcome of the trade negotiations is known. Early intervention can mitigate the risk, as was demonstrated recently through the support we were able to give to the Barden Corporation, and continued engagement and dialogue will be imperative. In the case of FDI supported businesses this is more complicated as parent companies that aren't based in the UK are harder to engage.

Plymouth continues to provide high value employment opportunities across the city related to the marine sector, with Oceansgate nearly at full occupancy for both phase 1 and 2. Through the Sector Hub Pillar of the Resurgam Economic Recovery Plan we have worked with our external Sector Stakeholders to support the development of individual action plans for each of our 11 key economic sectors to help stabilise the sector and to support recovery and growth.

Our fish quay at Sutton Harbour is of national significance for landing and exporting fish and its operators Plymouth Trawler Association already have an annual turnover approaching £20m. Its electronic auction facilitates the sale of fish landed across the SW peninsula and the fishing industry adds over £15m in Gross Value Added (GVA) to our local economy each year.

PUBLIC SPENDING AND FISCAL IMPACTS

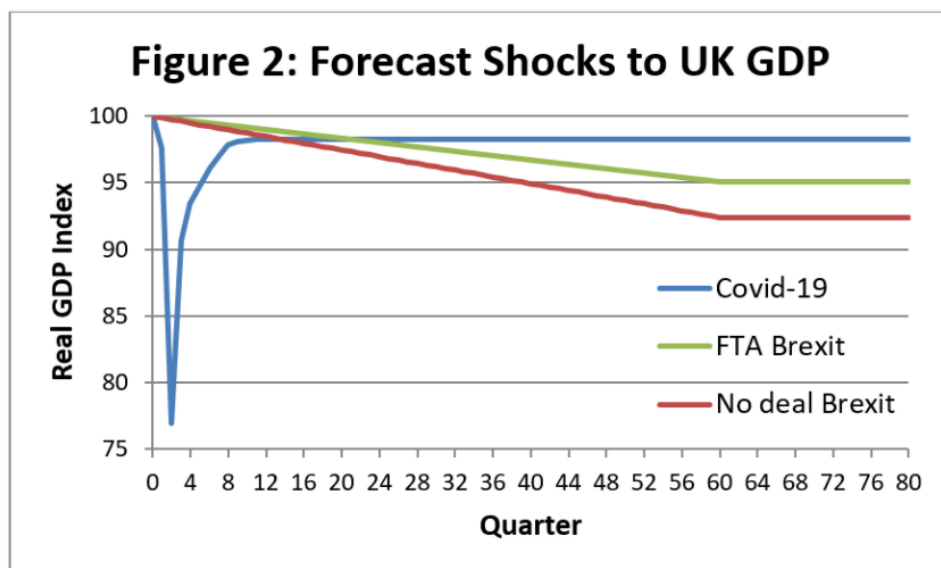
Nationally the cost of financing the 'divorce payment' over and above the savings we will accrue from no longer having to contribute to the EU budget is estimated by economists at between £35bn and £40bn, a sum equivalent to around 7 years of UK contributions to the EU budget.

This picture has been recently enhanced by the Bank of England Monetary Policy Committee report for November which sets out the short term impacts from Brexit :-

- 1% loss of GVA in first quarter
- Sterling exchange rate index had fallen by around 2%
- Economic activity has been somewhat lower in the UK relative to other advanced economies
- Brexit-related uncertainty is also likely to have weighed on firms' plans for investment.
- Stock building is costly, and firms can reduce those costs by minimising the period for which goods are stored.

However, it is important to recognise should that 1% of lost growth continue into the medium term it would have significantly greater impact on the public finances than the one off total cost of the divorce settlement.

The government's own [analysis](#) forecasts that a no deal Brexit would reduce UK GDP by 7.6% after 15 years, while reaching a free trade agreement (FTA) with the EU would lead to a 4.9% decline.



There is a degree of consensus among economists that Brexit will make us worse off. The disagreement is mainly over the degree of impoverishment. The exception is work by Economists for Brexit who have predicted a long term gain of 4% GDP. The group led by Sir Patrick Minford have used an economic model, the Liverpool Model, which relies on certain underlying assumptions, including:

- The UK unilaterally abolish all its import tariffs and simply pay the tariffs imposed by other countries on UK exports.
- Prices paid by UK consumers for manufacturing and agricultural goods would fall by 10 per cent.

Other economists have critiqued this view saying that no industrialised country has ever implemented full unilateral liberalisation, principally because then would be no incentive for other countries to agree a trade deal.

The model predicts that the policy would cause the 'elimination' of UK manufacturing and a large increase in wage inequality. Standard economics would suggest there could be some gain from trading under WTO rules with no tariffs by comparison with trading under WTO rules with tariffs, but it would be marginal and overall the impact of Brexit on household incomes would still be negative (-2.3% rather than -2.6%).

Plymouth has a gross disposable household income per head of £15,515, 79.5% of the UK average, so that even under the more optimistic Economists for Brexit model the average Plymothian would be £356 per year poorer and using the Government's figure of 7.6% of GDP the loss of growth to the local economy would be of the order of £400m by 2035.

Net payments to the EU budget currently amount to 0.4% of UK GDP. This could be redirected to fund greater UK public spending, however the UK may have to continue to contribute to the EU budget in return for a closer relationship.

In the longer term food prices may rise as a result of tariff and non-tariff measures on agriculture and food and the ending of farm subsidies. Food price rises impact disproportionately on low income families and older people for whom they represent a larger share of household expenditure.

We anticipate structural unemployment as employees displaced from negatively impacted industries will not necessarily have the skills to meet the demands of those experiencing more positive growth conditions. This could be exacerbated by the loss of skills funding much of which is underwritten by EU funds.

EU FUNDING AND THE SHARED PROSPERITY FUND UKSPF

Overall European Structural and Investment Funds (ESIF) are worth £5.3bn to the UK over the period 2014 to 2020. In December 2017 the EU/UK negotiating teams agreed in principle that the UK would continue to have access to EU funds until the end of this funding cycle in 2020. The draft withdrawal agreement between the UK and the EU published in March 2018 anticipates that the UK will continue to participate until programmes end in 2023.

According to government estimates EU funding from ESIF and other funding streams is worth €1.495bn to the South West region, nearly 20% of the UK total. However this figure is significantly inflated by the allocation to Cornwall which alone in England has 'less developed' status. The allocation of EU Structural Funds to the Heart of the South West LEP area of which we are part is a more modest £120m. There are currently no open programmes in the Heart of the South West but the European Social Fund has provided £26m across Devon through the 2014 – 2020 funding cycle.

Within these figures it is quite difficult to establish the total allocated amount from which Plymouth benefits as many projects are funded on larger geographies and the distribution of funds applied to Local Authority geographies are generally not specified. Nevertheless funding allocated on this basis may still significantly benefit the City whether through the direct allocation of funds or through some other benefit within the project.

Current ERDF funded projects deliver business support and growth, develop social enterprises as well as provide support for new business start-ups and exporters. Another initiative enables businesses to work with the University of Plymouth's electron microscopy centre. The city's residents also benefit from skills development and training opportunities through EU funding.

Treasury guarantees to honour EU funding commitments regardless of the outcome of the trade negotiations have been given in relation to all activity funded through the EU budget for 2014 to 2020. This will apply to all programmes in delivery before the transition period ends, some of which may continue as late as 2024. However as yet we have no details of the proposed UK replacement for either EU programmes; the Horizon research and development program; the Interreg program or the EU funded Copernicus programme.

The Government has said it will use the structural fund money that comes back to the UK following Brexit to create a United Kingdom Shared Prosperity Fund. This will be specifically designed to replace the EU programme with one that is fairer and better tailored to our economy and to ensure that the people of the UK do not lose out from the withdrawal of EU funding. Within the overall figure £500 million of the UK Shared Prosperity Fund will be used to give disadvantaged people the skills they need to make a success of life.

A recent letter from the Co-Director, Local Government and Communities at the Ministry for Housing, Communities and Local Government recognises the importance of reassuring local areas on the future of local growth funding and of providing clarity on the UK Shared Prosperity Fund. We are advised that the UK Shared Prosperity Fund will be driven by domestic priorities and that as a minimum, it will match current levels of funding for each nation from EU structural funds. The Government has been clear that a final decision about the design of the fund will follow a cross-governmental Spending Review.

Where other budget lines are clearly aligned to the aims and objectives of the UK Shared Prosperity Fund (UKSPF) it might be appropriate to 'roll in' these funds. However, there is a risk that these might be used to maintain the overall value of the UKSPF at the current ESIF level leading to a net cut in the overall value of funds. Rolling other funds in may help to avoid projects having to satisfy multiple funders' requirements. However, if other budget lines are rolled into UKSPF any requirement for match funding would need to take into account the limited availability of alternative sources.

ESIF funding aims to support regeneration of disadvantaged areas and ultimately eradicate structural disparities between regions and improve cohesion. It is important that the future mechanism to

allocate funds is also sensitive to sub-regional economic geography to ensure that less prosperous areas continue to receive the level of funding that their specific needs require.

On 25th November 2020 the Chancellor of the Exchequer announced that funding for the UK Shared Prosperity Fund (UKSPF) will ramp up so that total domestic UK-wide funding will at least match receipts from EU structural funds, on average reaching around £1.5 billion per year. In addition, to help local areas prepare over 2021-22 for the introduction of the UKSPF, the government will provide additional UK-wide funding to support communities to pilot programmes and new approaches. There are no further details of how the Shared Prosperity Fund will be allocated.

RESEARCH AND DEVELOPMENT

The UK Government has published its Research and Development Roadmap, which sets out the UK's vision and ambition for science, research and innovation. The Roadmap restated the UK's ambition to fully associate to Horizon Europe, subject to agreeing a fair and balanced deal. In this scenario, if there were any gaps before the UK becomes formally associated, the Government would implement short-term alternative funding arrangements through proven, attractive UK schemes. It would also provide funding to UK partners who are successful in bidding to programmes open to third country participation. In the event the UK does not formally associate to Horizon Europe, the Government has stated that it will implement "ambitious alternatives" from January 2021 to address the funding gap. However, there is little further information as to what these may be.

Our research institutions across the City have historically relied heavily on EU funding for their research. The University has traditionally received up to 20% of its research income from European sources, which have supported many important collaborations in primary research strengths. In 19/20 the University of Plymouth also received 3.3m ERDF/ESIF funding. The Marine Biological Association (MBA) still has about 20% of its current research funding coming from the EU (including three ERC grants). For Plymouth Marine Laboratories (PML) this is 21.7%, but in addition there is a distinct funding stream – the Copernicus Earth observation programme, which represents c. 8% of income for PML Group.

EU staff represent 7% of total core University of Plymouth staff, predominantly in academic and research roles. The EU Settlement Scheme incorporates a simplified system to allow research mobility for UK-based academics which will enable them to take up extended placements overseas without affecting their entitlement to status. In addition, there is encouragement for the UK research community to recruit internationally via the recently introduced Global Talent Visa programme. It has been pointed out however this is a relatively expensive programme, which could represent barriers for international employees.

The Student Visa route opened on 5 October 2020. The route treats all students equally with international students. There will be no limit on the number of international students who can come to the UK to study but students will require a total of 70 points to be granted leave.

If the EU does not adopt an adequacy decision to cover the UK, EU-UK data transfers will breach GDPR and therefore could potentially cease after January 2021. The UK Government has confirmed that transfers of data from the UK to EU will not be affected. However, there is currently no guidance about transfers of data from the EU to the UK as the EU will become a "third country" for data protection purposes.

An alternative mechanism would then be required, likely to be the addition of EU Standard Contractual Clauses to a contract between the parties transferring the data. Even then EU Standard Contractual Clauses do not cover all situations, for example, where a data processor based in the EU needs to transfer data back to UOP in the UK. Currently there is no solution to this issue.

The success and vibrancy of our Higher Education institutions contribute hugely to the city's economy with student spend estimated to be worth over £120m to our local Gross Valued Added (GVA). In 2019/20 over 500 University of Plymouth students were from the EU. From January 2021 EU and EEA students will be as classed as International students and will no longer be eligible for home funding.

The impact of this is uncertain however the increase in fees² may lead to a reduction in EU/EEA students studying in the UK.

REGULATORY ENVIRONMENT

The EU Withdrawal Act (2017) repealed the European Communities Act 1972 and converted the body of existing EU law into domestic law. This includes relevant instruments such as EU regulations, decisions and tertiary legislation, and international agreements such as the Treaty on European Union, the Treaty on the Functioning of the European Union, the Euratom Treaty, and the EEA agreement. This means that there will be very limited change in the regulatory environment on 1 January 2021 and the European Court will remain the ultimate arbiter until that date.

The political framework which was jointly published alongside the withdrawal agreement sets out the heads of terms for the free trade agreement and contained a commitment from both sides to 'a level playing field' for future competition. Whilst negotiations are ongoing a number of points of difference remain to be resolved. These concern: -

- The role of the European Court in dispute resolution
- The extent of the rules governing state aid, and employment and environmental protection
- The right of the EU fishing fleet to continued access to UK waters

The UK Regulatory framework will gradually diverge from that applying in the EU as time goes on and in the longer term there will be an impact on legislation in particular the laws relating to employment, procurement, health and safety and the environment. The government has made it clear that whilst it remains committed to high standards, laws for the environment, products and labour standards will diverge from the EU. Prior to the last general election the position adopted by the UK government was of non-regression on existing EU regulations, implying that any regulatory framework the UK government implemented post Brexit would least the same level of protection as the EU. At the outset of the trade talks the UK government set out its negotiating position.

- The Government will not negotiate any arrangement in which the UK does not have control of its own laws and political life. We will not agree to any obligations for our laws to be aligned with the EU's, or for the EU's institutions, including the Court of Justice, to have any jurisdiction in the UK.
- The Agreement should include reciprocal commitments not to weaken or reduce the level of protection afforded by labour laws and standard. The Agreement should recognise the right of each party to set its labour priorities and adopt or modify its labour laws.
- The Agreement should include reciprocal commitments not to weaken or reduce the level of protection afforded by environmental laws in order to encourage trade or investment. The Agreement should recognise the right of each party to set its environmental priorities and adopt or modify its environmental laws.
- In neither case will the UK be bound by the Agreement's dispute resolution mechanism.
- The UK will consider a relationship in line with non-EU Member State participation with the following programmes: - Horizon Europe, Euratom Research and Training, and Copernicus. The UK will consider service access agreements for the following programmes: EU Space Surveillance and Tracking, and the European Geostationary Navigation Overlay Service.
- The UK will consider options for participation in elements of Erasmus+ on a time limited basis, provided the terms are in the UK's interests.
- To maintain the continued free flow of personal data from the EU to the UK, the UK will seek 'adequacy decisions' from the EU under both the General Data Protection Regulation and the Law Enforcement Directive before the end of the transition period.

² from £9250 to >£11K

The European Union's (EU) restrictions on member states' use of state aid were put in place to ensure that government resources are not used to distort competition between member states. They are largely the result of the UK's efforts whilst still a member of the EU. Such limits on state spending are unique in the world: they go further than comparable anti-subsidy rules that bind other members of the WTO or rules of other economic blocs.

The UK government said in September it will cease to follow EU rules the end of the transition period in favour of the less restrictive WTO rules. The media are reporting that the EU has dropped its demand for UK alignment and is instead asking for details of the system the UK will apply. Historically the UK has been more frugal in its use of state subsidies than other EU member states.

WORKFORCE AND SKILLS

From 1 January 2021, free movement will end and the UK will introduce a points-based immigration system. The new system will treat EU and non-EU citizens equally. Anyone you want to hire from outside the UK, excluding Irish citizens, will need to apply for permission in advance.

Under a points-based immigration system, anyone coming to the UK for work must meet a specific set of requirements for which they will score points. The Government says that the points-based system will provide simple, effective and flexible arrangements for UK employers to recruit skilled workers from around the world through a number of different immigration routes. This represents a significant change for employers recruiting from outside the UK labour market, who will need to adapt. From the first of January employers wishing to sponsor EU citizens under new immigration arrangements will need to register, a process which normally takes about 8 weeks to complete.

A route for skilled workers who have a job offer from an approved employer sponsor is included in the new points-based immigration system. From January 2021, the job you're offered will need to be at a required skill level, you'll need to be able to speak English and be paid the relevant salary threshold by your sponsor. This will either be the general salary threshold of £25,600 or the going rate for your job, whichever is higher. A total of 70 points is needed to be able to apply to work in the UK, outlined in the table below.

Characteristics	Mandatory/ Tradeable	Points
Offer of job by approved sponsor	Mandatory	20
Job at appropriate skill level	Mandatory	20
Speaks English at required level	Mandatory	10
Salary of £20,480 to £23,039 or at least 80% of the going rate for the profession (whichever is higher)	Tradeable	0
Salary of £23,040 to £25,599 or at least 90% of the going rate for the profession (whichever is higher)	Tradeable	10
Salary of £25,600 or above or at least the going rate for the profession (whichever is higher)	Tradeable	20
Job in a shortage occupation as designated by the Migration Advisory Committee	Tradeable	20
Education qualification: PhD in a subject relevant to the job	Tradeable	10
Education qualification: PhD in a STEM subject relevant to the job	Tradeable	20

Plymouth has a relatively low wage economy, in 2019, Plymouth's pay stands at 93.2% of the UK average, with a median weekly wage point of £529.9 for full time workers. This equates to an annual salary of £27,630, indicating that many of the city's full time employees will have earnings below the threshold. Some of the industrial sectors most dependent on migrant labour disproportionately employ the lower paid, e.g. hospitality and social care.

EU migrant labour represents particular skills sets in academia, advanced engineering, manufacturing, construction, tourism and health and social care. The agriculture, forestry and food sector also employs significant numbers of EU migrant workers.

The Migration Advisory Committee (MAC) advised in September that a number of occupations should be added to the Shortage Occupation List (SOL). These included senior care workers and nursing assistants, butchers, bricklayers and welders, where there is clear evidence of staff and skills shortages which could be filled by overseas workers. However, the Home Secretary responded to the advice in October with the Government deciding not to immediately accept any of the recommendations.

At least in the short term COVID 19 is likely to mitigate the labour market pressures associated with a reduced ability to recruit and retain EU migrant workers. We may be less reliant on EU migrant labour in sectors we have previously considered vulnerable. Structural factors may however still impact on sectors with a higher skills entry requirement.

- The Human Health and Social Work Activities sector scored the highest numbers of job postings in October at 364. Recruitment in the health and social care sector was already problematic before the referendum and in 2018, IPPR projected that the UK will need to have recruited and trained 1.6 million low-skill health and social care workers up to 2022.
- The Professional, Scientific and Technical Activities job sector had 150 job postings in October. Our Higher Education sector feel they may need to offer a pay premium to attract the best talent internationally and remuneration packages for international staff are likely to increase.
- The Manufacturing sector had 152 job postings in October. Plymouth has a strong advanced manufacturing sector and has the highest concentration of manufacturing and engineering employment of any city in the South of England and there is a large EEA worker presence.
- Whilst we have been addressing skills shortages in construction and the built environment through our Building Plymouth Programme our future demand for construction skills is likely to increase if we are to meet our new homes targets and the other capital programmes that are already in the pipeline.

From January 2021, the Global Talent route will open to EU citizens on the same basis as non-EU citizens. An employer will not need to be a Home Office licensed visa sponsor to employ a migrant under the Global Talent route. This route is designed to attract recognised global leaders and promising individuals in science, humanities, engineering, the arts and digital technology. Scientists and researchers can benefit from a quicker endorsement process as part of a fast track STEM scheme however this is a relatively expensive programme.

The EU settlement scheme is designed to offer EU, non-EU EEA and Swiss citizens and their eligible family members living in the UK before the end of the transition period (during which free movement continues) the opportunity to protect their residence in the UK after the transition period has ended.

National figures for September indicate that of over 3.8m applications have been received to date, 56% have been awarded settled status and 42% have been awarded pre settled status, meaning that they are expected to receive settled status once they reach the minimum required period of 5 years of residence. Local figures for the quarter ending in September are now available and at that time of an estimated 10 -13,000 such citizens currently resident in our City, 8,040 people had applied.

Since 2011 we estimate an additional 5-6,000 EU migrant workers have taken up residence in the City, there is anecdotal evidence that many will have limited English language skills, e.g. local food packing industries employing bi lingual supervisory staff. One particular impact that may help to explain the relatively low take up of the EU settlement scheme locally is that the Home Office only offer limited advice and support in community languages. Of course many of our EU migrant workers are bilingual which is of particular benefit to the hospitality industry where they are common in supervisory roles.

PORTS AND BORDERS

Plymouth has clear ambitions to provide world class border facilities and is determined to play a part in the Border Delivery Group Future Borders programme, however as a port Plymouth is exposed to additional impacts that will not be experienced in other Local Authority areas.

Government departments have been working to design customs and other control arrangements at the UK border in a way which ensures goods can continue to flow into the country and won't be delayed by additional controls and checks. Plymouth Port Health Authority has received some funding to assist with the preparations for Brexit from the Food Standards Agency and DEFRA.

The United Kingdom (UK) will operate a full, external border as a sovereign nation and controls will be placed on the movement of goods between Great Britain (GB) and the EU. Because the risk is not expected to change on day one, no new controls are envisaged in relation to imports of high-risk food and feed with the exception of catch certificates for fishery product. To maintain high levels of food safety, the UK will require importers of high-risk food and feed to pre-notify the Food Standards Agency (FSA) of imports from the EU.

The UK Government has taken the decision to introduce the new border controls in three stages up until 1 July 2021. The processes for moving goods between GB and the EU from 1 January 2021 onwards, including processes to be introduced in April 2021 and July 2021 are set out in the Border Operating Model outlined in a report by the Border and Protocol Delivery Group.

- From January 2021, we will be expected to issue Catch Certificates and to meet requests for Export Health Certificates, which we estimate will increase by 300%.
- From April 2021, we are required to make documentary checks on products of animal origin entering the port. A quarter of the freight entering the port is likely to require a check.
- From July 2021, we are required to operate a fully staffed Border Control Post to undertake documentary and physical checks on products of animal origin entering the port.
- The key categories of goods, including animal products, fish, shellfish, high risk foods, live animals, germinal products, plants and the processes required are summarised below.
- Importers and exporters will have to complete UK and EU customs declarations after the end of the transition period
- Importers will need to ensure that any customs duties applicable to their goods under the new UK Global Tariff are paid
- VAT will be levied on imports of goods from the EU, following the same rates and structures as are applied to rest of the world. VAT registered importers will be able to use postponed VAT accounting.

From 1 January 2021 traders will be able to move goods into the UK customs territory under the Common Transit Convention (CTC). The requirements for moving goods under the CTC are not significantly altered by the staged introduction of import controls.

In October the Government updated the Border Operating Model to:

- Include the intended locations of inland border infrastructure. The sites will provide the necessary additional capacity to carry out checks on freight.
- Announce that passports will be required for entry into the UK from October 2021 as the Government phases out the use of EU, EEA and Swiss national identity cards as a valid travel document for entry to the UK.
- Confirm, after extensive engagement with industry, that a Kent Access Permit will be mandatory for HGVs using the short strait channel crossings in Kent. The 'Check an HGV' service will allow hauliers to check if they have the correct customs documentation and obtain a Kent Access Permit.

Although Plymouth Port Health Authority is not expecting extra port checks (except catch certificates) on imported food and feed from day one, Environmental Health Officers and Trading Standards Officers will be expected to continue to check traceability, food safety and product safety during routine food hygiene inspections and investigations inland.

There will be a significant increase in requests for Export Health Certificates to accompany food being exported from Plymouth based exporters and the fish quay. The export certificates themselves will be calculated at full cost recovery, however, the resource required to issue them will have an impact on the Food Safety team. There will be increased demand for business advice concerning imports and exports of goods.

HMRC EXCISE AND VAT

The Taxation (Cross-border Trade) Act 2018 will allow the Government to create a standalone Customs regime by ensuring that, among other things, the UK can:

- Charge Customs duty on goods and define how goods will be classified.
- Establish a new UK tariff and set out additional tariff-related provisions.
- Set and vary rates of Customs duty, specify where goods are subject to quotas and where goods are relieved from duty, or suspend duty at import in certain circumstances.
- Implement arrangements to establish a customs union between the UK and another territory or country.
- The Act provides for amendment of existing VAT and excise legislation whatever the outcome of trade negotiations with the EU.

MILLBAY, ABP AND BRITTANY FERRIES

Plymouth is the only operational roll on roll off ferry terminal in the South West region and as such it is very important to the agrifood and fisheries businesses which proliferate across the South West, Brittany and Spain. If Plymouth does not have a Border Control Post (BCP) high risk EU food, the meat, fish and dairy produce that is currently imported through Plymouth will need to be diverted. Without a BCP we would have to turn away high risk freight and we could struggle to attract new freight business. This would put our continental trade routes, which are of strategic importance to us and the wider region, at risk.

If Plymouth was to become a Border Control Post, there would be potential to attract new business, and to relieve pressure on South East ports by accepting high risk cargo at peak times. Associated British Ports (ABP) are planning terminal improvements and have submitted a bid to the Port Infrastructure Fund (PIF) which covered all work being carried out within the port which is eligible for funding. These works will include facilities for a Border Control Post (BCP) to ensure we are able to carry out necessary inspections of freight transiting the port from July next year.

Because of COVID, the normal winter shutdown of the ferry service will be extended for two and half months. This means that there will be no sailings to, or from, Plymouth from the end of October 2020 until 22 March 2021. In spite of the ongoing impact of COVID 19 Brittany Ferries are planning for a bounce back of their passenger service next March and will from that date be doubling the capacity of their Plymouth to Santander Route and operating a full passenger service across their fleet.

Given the decision of Brittany Ferries to suspend sailings to and from Millbay we do not anticipate needing a lorry park. The hiatus in services means that we will have no immediate need and hauliers will have had three months to become accustomed to the new border control requirements by the time services resume in March.

SUTTON HARBOUR – FISH QUAY

Our fish quay is of national importance and its operators Plymouth Trawler Association already have an annual turnover approaching £20m. Its electronic auction facilitates the sale of fish landed across the SW peninsula as well as our significant local fishing fleet. From the 1st January next year the UK

will regain sole control of its international waters and it is anticipated our fishing fleet will receive a larger share of the allowable catch.

As with everything else about Brexit uncertainty is a major issue and the outcome for fisheries remains unclear. However, reconfiguring the allocation of fish stocks in line with international practice, a system called zonal attachment, would create a substantial net gain for the UK.

The government has recently sought views on new measures to boost the UK's fishing industry.

The package of consultations sought views on:

- A strengthened 'economic link' for English licensed fishing vessels to help ensure genuine economic benefits for coastal communities - including plans for an increased landing requirement of 70%.
- Further proposals on how England's share of those new opportunities would be distributed across the English fleet to benefit our coastal communities' hard working fishermen and women.

We were afforded very limited time to consider the economic link proposals (especially bearing in mind that it has been under review by Defra for several years) and we argued that it will be important that the Government provides further opportunity to consider how the economic link condition can most effectively be strengthened.

The Government's analysis of the link conditions and the yield to the UK when vessels land and sell most or all their fish abroad indicate that the UK has been receiving a very poor deal up to now. Local fishermen and coastal communities have seen little benefit compared to the value of the fish sold by vessels that land most of their fish outside the UK. We agreed, therefore, that the economic link does need to be strengthened in ways that will bring greater economic benefit to coastal communities. Landing more fish in the UK because of a change in the rules, will not of itself produce a major uplift in the economic return from our fish stocks.

In relation to quota allocation and management Plymouth is one of the three major fishing ports in England. The industry makes an important contribution to the local economy, it is part of our social fabric and we are proud of our fishing heritage. We have published a draft Plan for Sustainable Fishing, safeguarding the industry for the future within the Plymouth and South West Devon Joint Local Plan and, throughout the Covid-19 pandemic, we have made every endeavour to help the industry receive all the support it requires.

The consultation paper on quota allocation and its two associated consultation documents explore and invite views on a range of important and complex issues. It is disappointing, therefore, that so little time has been allowed for adequate consideration and proper consultation. When allocating quota for 2021 the Government should recognise the hardship being experienced by local fishermen and ask that the Government provides opportunity for further and fuller engagement next year.

Despite its growing importance nationally, and as a hub for marketing fish from across the south west peninsula, the last major investment in the city's fishing port facilities was 1992. A major upgrade is needed to improve productivity, regulatory compliance and to remain competitive. These shortcomings will become even more evident if as expected the catch increases significantly.

With this potential in mind, the current issues with the facilities in Sutton Harbour operating beyond capacity are more problematic. It is felt that there is a lack of adequate storage space, vehicular movements, berthing vessels, and these problems have only been exacerbated by the success of the fish market and the increased volume of fishermen and vessels using the port, in addition to increased competition for space from leisure boats.

Converting an increased quota into a viable economic concern requires suitable landing facilities, an efficient processing and distribution system and access to markets at which it can be sold to its eventual consumers. There will be significant challenges to overcome and we will need to: -

- Consider the development needs of our fishing fleet, modernising boats and equipment and ensuring we recruit and train the fishermen of the future
- Upgrade our landing facilities at Sutton Harbour to cope with the greater volume of fish to be landed and processed for sale
- Ensure our production and distribution facilities are ready and able to handle higher volumes
- Identify new markets especially if access to EU markets is more restricted in future

CATTEWATER HARBOUR

Cattewater harbour is the main port of entry serving the South West region with fuel and as such is considered a strategic port for civil contingencies purposes. The largest proportion of our goods traffic, principally dry bulk goods and petroleum, comes into the port via the Cattewater wharves. The dry goods include some animal feed products and whilst the volume is high at around 100,000 tonnes per year most is not considered high risk.

Currently 80% of the 2.5m tonnes of goods that pass annually through the harbour consist of traffic to, and from, the EU. Available intelligence to date suggests that Plymouth currently receives very little cargo that has originated from outside the EU at the port. There is potential for considerable growth in international trade and the harbour commissioners are actively pursuing new contracts.

The Heart of the South West LEP is considering a bid into the anticipated free port offer from Government. We have been exploring with them the potential benefits it might offer in terms of retaining businesses that conduct a significant amount of trade within the EU single market, as well as possibly acting as an incentive to attract new enterprises and FDI. We responded jointly with them in July this year to a government consultation and the outcomes from this were recently published. Some of the proposed criteria mitigate against the plans we had discussed in principle and we are proposing to seek clarification around these points.

BUSINESS CONTINUITY

Civil contingencies planning is focussed on the potential immediate impacts of leaving the EU and coordinated across the sub-region by the Local Resilience Forum with assumptions based on a reasonable worst case scenario (RWCS) and the latest advice from the Ministry of Housing, Communities and Local Government Resilience and Emergencies Directorate.

We are encouraging a joined up approach given the ongoing need to respond to COVID 19 and we will use the same internal arrangements to cover all emergency planning issues which may arise. We have staffing in place to maintain a (virtual) Brexit Office until 31 December 2020 and we are deploying additional Civil Protection resources to support a review of our own business continuity arrangements.

Disruption of supplies and services:-

- Medicine/medical supplies – government has recommended stockpiling 6 weeks supply.
- Food, including animal feed – less choice and higher prices which may affect low income groups.
- Fuel supply – unlikely to be an issue locally
- Surges in demand – very unpredictable given the potential for a COVID lockdown or extreme weather conditions to coincide.
- Other supply chain stock shortages or a reduction of a flow in goods or a reduction in choice are very likely due to delays in transit for any goods crossing the short straits.

Other factors the LRF will keep under review.

- Travel - possible traffic disruption on major routes or at specific locations.
- Borders - possible passenger/freight delays at airports or seaports.
- Information and data sharing - disruption in the flow of personal data.

ECONOMIC IMPACT AND BUSINESS PREPAREDNESS

- Demonstrations and disorder - increased activity of public gatherings and/or public disorder.
- Community tensions: conflict related crimes and community impact assessments.
- Business continuity issues relating to the above.

Our food security group will continue to monitor prices. In September national intelligence suggested that we could see increases in food and ingredient costs of up to 20% along with seasonal shortages of some items. We have been monitoring prices and to date we have only seen small average increases of around 1.76%, although some individual staple items have risen by around 10% to 12%. The impacts on prices from Brexit are unlikely to be felt until post-January when the transition period ends. Medical stockpiles built up over time to respond to Brexit may in some operationally critical aspects have been exhausted by our COVID 19 response. The Government has awarded £76m to UK ferry companies to ensure there is sufficient capacity for medical supplies and to ensure goods of strategic importance to the UK economy. We will give further consideration to these risks as part of our Business Continuity Review.

Our capacity is very stretched around communications due to the ongoing demands of COVID and normal business but we will review and update our web pages with advice as we identify capacity.

PART 2 – BUSINESS ENGAGEMENT

REGULAR ENGAGEMENT

Plymouth Business Brexit Group (PBBG) was established following a resolution of Plymouth Area Business Council to provide a forum for the Plymouth Business Community and Plymouth City Council (PCC) to work together to ensure that Plymouth does not just survive Brexit but continues to deliver our vision to be 'one of Europe's most vibrant cities, where an outstanding quality of life is enjoyed by everyone'.

There have been seven meetings of the group since it was established in September 2019, five were held in the run up to the October 2019 deadline for the withdrawal agreement to be agreed by Parliament, and two have been held as we approach the end of the transition period. Membership of the group is by invitation and delegates are chosen for their ability to provide intelligence in relation to specific industrial sectors, a full list of members is appended.

The group is not be formally constituted as a legal entity and has no legal powers or budget. It is recognised as the main business advisory group to Plymouth City Council in the context of Brexit, and, through its community leadership role, to its statutory partners and partnerships such as the Local Resilience Forum.

A special meeting of the group was convened on the 25th November to respond to the request of the Council's Brexit, Infrastructure and Legislative Change Overview and Scrutiny Group. The group considered 4 themes within which several prompt questions were asked.

Trade

Q - Are you currently trading in Europe?

All those present conducted trade on some level with the EU, some had made arrangements to incorporate a subsidiary in the EU or to come to a reciprocal arrangement with a European partner. The Chamber's international trade team had noticed a bounce back to pre-COVID levels of trade. The Federation of Small Business (FSB) reported that small exporting businesses find it easier to trade with the EU because of the shorter distances involved, however their members actually conduct a higher value of trade with China (£1.5m) than the EU (£893,000) and 29% expect to export less from the impact of Brexit.

Q - Do you rely on any supply chains that extend into Europe?

Most had some degree of reliance on supply chains into the EU, if not directly then because their suppliers were in turn relying on a supplier within the EU. Those that relied most heavily on a supply chain that extended into the EU were most concerned about the constraints and hold ups at ports and paperwork. A further concern was their ability to get engineers and parts in and out to where they would be needed.

Q - Do you currently trade, or plan to trade, with any countries that will be covered by Trade Agreements from 1 January 2021?

Nobody specifically mentioned any of the countries covered by rolled over trade agreements, the overwhelming concern was to maintain current trading links with Europe. As well as the more obvious trade in goods there was a significant concern about tourism and that international competitors were much better supported to attract UK visitors than the UK was to attract international visitors. At present COVID 19 is preventing much international travel however in the longer term the confusion around entry requirements and visas is expected to have an impact as was the reintroduction of roaming charges

Reference was made to the ROPAX model which the Ferry companies have operated for years/ This allows them to bring freight into the country cheaply but relies on tourism to work, so that any impact on the tourism market would also have a knock on effect on the freight market. The lack of port infrastructure for testing was also flagged as a concern.

Workforce and skills

Q - Are you experiencing any difficulty recruiting appropriate staff?

Of those present only the tourism sector reported any difficulty in recruiting staff, the points based system was felt to be an issue as many of the workers in the visitor based economy do not meet requirements. It was noted that there was a significant EU workforce in manufacturing but the sector representative was not present to comment.

Q - What proportion of your workforce is from the EU?

No response was given that would specifically inform this question although several of those present did employ EU staff.

Q - Have you recruited EU migrant workers in the past?

No response was given that would specifically inform this question although several of those present did employ EU staff.

Q - Are you likely to be recruiting next year?

Tourism was the only sector that thought they certainly would as they want to continue to encourage workers long term from the EU to work over here.

Regulatory Frameworks

Q - Do you feel you understand the Border Operating Model?

It was clear that those most affected had a clear understanding of the changing requirements. One talked about how importing EU timber regulations into UK law had unconsidered impacts as it transferred the burden of due diligence from their supplier in the EU to a UK supplier. It also put more responsibility onto UK based exporters to be clear that their products are compliant with EU regulations. There was a feeling that most businesses had not grasped that the changes are happening regardless of whether or not there is a trade deal.

Q - Can you access technical advice and support?

The Chamber was concerned about the capacity of the system to provide advice and support and felt there could be a shortfall of customs advisors which are the centre plank of the Government's strategy. It was felt that Government plans to recruit more trade advisors lacked credibility. There was a shortage of expertise within the UK, given that the largest proportion of our trade was previously done within the single market, or with countries covered by EU trade agreements.

Q - Do you have any data held outside the UK?

There was not much discussion about this but it was felt there was a need for more specialist advice around the topic. Two participants did note that they had to reregister domain names in the EU, which they had used previously without needing to do so. This prompted a comment that there was a similar issue around trademarks.

Business investment

Q - Do you have plans to invest in your business over the next 12 months?

Nobody mentioned any plans to invest over the coming 12 months. Plymouth City Council's Investment Manager however felt that the Foreign Direct Investment (FDI) pipeline remained buoyant despite the slight fall in value over the preceding 12 months and was not picking up anything about vulnerability in dialogue with foreign owned companies.

Q - Is any of this investment from outside the UK (FDI)?

One company reported receiving FDI recently but felt that future investment would be home grown. Another company advised that their investment decisions were made 5 years ahead and that the

decision they had taken to invest in new plant that had just come to fruition would probably not have been made if they had known about Brexit and COVID 19 at the time.

Q - Are you currently receiving any EU funding?

Nobody discussed receiving any EU funding although we do know that at least one has advised us in writing that they are currently receiving a significant level of research funding.

General Questions

Q - How well do you feel prepared for the end of transition?

Those present felt generally well prepared for an outcome with a trade deal but there were too many unknowns to be confident about being fully prepared for an outcome that did not include a deal. There was a feeling that it was too late in the day to be any better prepared for a no deal outcome and that uncertainty about regulatory issues such as an open skies agreement, visa free access and data adequacy hindered business preparation.

There was huge concern about the economy and the Bank of England Governor saying that no deal Brexit would be worse than COVID 19. One attendee reported seeing a lot of clients trying to ensure they have a 'cash pile' or arrangements for credit with banks. One commented that Plymouth Manufacturing Group had been the missing link today, and felt that if tariffs were introduced some industries e.g. manufacturing would be decimated.

There was a feeling that there was an opportunity to make more out of the port as a regional opportunity for export, displacing business from the South East ports, and that fishing was a key part of this. It was also a big risk as there was a genuine concern about militancy amongst the French fishing fleet who were very unhappy about having to give up quota.

Q – What specific asks were there of Plymouth City Council, would a single point of contact be welcomed by business?

How we communicate to business on what comes out over the next few weeks will be important. The concern is not larger organisation who have done the preparation, more so the smaller businesses who don't even know the questions. It is difficult trying to explain to people what they don't know they need to know.

The best possible signposting we can to connect with the best possible business support. We should consider funding business support organisations to give the advice as they already have the contacts.

There is an opportunity to put together a menu with things they need to think about, e.g. GDPR, intellectual property etc. A list of 30 things that will be impacted which they can start thinking about.

Support specialists to give mutual support to each other there is potential for Chamber to work with the Department of Trade and Industry to run specialist seminars.

Appendix I- Trade Agreements that have been signed

Agreements with the following countries and trading blocs are expected to take effect when existing EU trade agreements no longer apply to the UK, from 1 January 2021.

Country or block	Total UK trade with countries, 2019 (£ million) (1)
Andean countries (2)	2,904
Canada (Agreement in principle)	22,418
CARIFORUM trade bloc	3,243
Central America	1,441
Chile	2,148
Côte d'Ivoire	401
Eastern and Southern Africa (ESA) trade bloc	1,626
Faroe Islands	295
Georgia	178
Iceland and Norway (3)	26,834
Israel	5,125
Jordan	534
Kenya (Agreement in principle) (4)	1,439
Kosovo	9
Lebanon	820
Liechtenstein	122
Morocco	2,472
North Macedonia	1,774
Pacific states	178
Palestinian Authority	11
South Korea	11,659
Southern Africa Customs Union and Mozambique (SACUM) trade bloc	12,121
Switzerland	38,579
Tunisia	611
Ukraine	1,533

Appendix 2- Trade agreements still in discussion

The following agreements are still under discussion with countries where there are existing EU trade agreements in place.

If any agreement is not reached by 31 December 2020, trade with other WTO members will take place on WTO terms.

Country of bloc	Status of discussions
Albania (Western Balkans)	Engagement ongoing
Algeria (I)	Engagement ongoing, agreement is not expected to be in place for 1 January 2021. Trade expected to take place under WTO terms (Generalised Scheme of Preferences for imports).
Bosnia and Herzegovina (I)	Engagement ongoing, agreement is not expected to be in place for 1 January 2021. Trade expected to take place under WTO terms.
Cameroon (Central Africa)	Engagement ongoing
Egypt	Engagement ongoing
Ghana (Western Africa)	Engagement ongoing
Mexico	Engagement ongoing
Moldova	Engagement ongoing
Montenegro (Western Balkans)	Engagement ongoing
Serbia (I)	Engagement ongoing, agreement is not expected to be in place for 1 January 2021. Trade expected to take place under WTO terms.
Singapore	Engagement ongoing
Turkey	Engagement ongoing
Vietnam	Engagement ongoing

(I) Algeria, Bosnia and Herzegovina and Serbia are not members of the World Trade Organisation. UK exports will be subject to partner country national legislation.

Appendix 3- Mutual recognition agreements

The UK has signed MRAs that replicate the effect of existing EU arrangements. These are expected to take effect from 1 January 2021. The withdrawal agreement allows for the EU's arrangements to continue to apply to the UK until then.

The UK has signed MRAs with: **Australia, New Zealand, United States of America.**

<https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries>

MRA coverage in trade agreements

The UK’s trade agreement with Switzerland incorporates elements of the EU-Switzerland MRA.

The UK’s trade agreement with Israel covers conformity assessment of industrial products. This means that existing arrangements with Israel will continue after 31 December 2020.

The UK-Japan CEPA replicates the effects of the existing EU-Japan MRA.

Appendix 4 - Members of Plymouth Business Brexit Forum

Devon & Plymouth Chamber of Commerce (Chair)	Business Services – Womble Bond Dickinson
PCC - Enterprise & Inward Investment Manager	Labour Market/Skills – Talem Recruitment Group
PCC – Brexit Lead	Small business - Federation of Small Business
Marine – Princess Yachts	Shipping – Brittany Ferries
Marine research – Plymouth Marine Laboratory or Marine Biological Association	Construction – Building Plymouth
Manufacturing – Plymouth Manufacturing Group	Fishing - Plymouth Trawler Agents
Medical/Science – Plymouth Science Park	Digital – Digital Plymouth
Tourism – Destination Plymouth	
Creative – Plymouth Design Forum	

Appendix C- Plymouth Area Business Council (PABC) report**WORKFORCE**

	%
A – Less that 5% of your workforce are from the EU	56
B – Between 5% and 10% of your workforce are from the EU	26
C – More than 10% of your workforce are from the EU	0
D - More than 20% of your workforce are from the EU	6
E – You have experienced, or expect to experience, difficulty recruiting appropriately trained staff	21

34 respondents**BUSINESS CONFIDENCE**

	%
A – You feel well prepared for the end of the transition period	8
B – You plan to invest in growing your business over the next 12 months	64
C - You anticipate new investment in your business will come from outside the UK	4
D – You have delayed investment in your business because of uncertainty about Brexit	24
E – You do not expect to invest new capital in your business over the next 12 months	16

25 respondents**REGULATORY FRAMEWORKS**

	%
A - You understand how the UK Border Operating Model will affect your trade with the EU	75
B – You currently import or export high risk goods or animal products to or from the EU	0
C – You currently route goods via the Dover to Calais crossing	0
D – You are able to access technical advice and support about trading with the EU	25
E – Any of your critical business data is held on servers in the EU	25

4 respondents**TRADE**

	%
A - Your business currently exports to the EU	20
B – You rely on one, or more, supply chains that extend into the EU	33
C – You trade with any countries covered by EU trade agreements	20
D – You trade, or plan to trade, with any countries covered by UK trade agreements	25
E – You don't have any trading relationships outside the UK.	63

40 respondents

76 people were invited to the Plymouth Area Business Council meeting. Of the 76 invitees, 62 people attended the meeting.

Appendix D- Brexit, Business and Brute Facts

Notes from the presentation given by Sarah Holmes, Legal Director, Womble, Bond and Dickinson to BILCO 04/12/2020.

Known knowns

- The basis on which the UK will leave due to the Withdrawal Agreement.
- That the UK will no longer be in the EU Single Market. There are consequences of this for British and Plymouth businesses via the NI and UK border. For example, the chemical sector will have to register in both EU and UK and have to prove they have secured recognition in relevant markets.
- Customs declarations will be required between the UK and EU for all movement of goods. At a recent Northern Ireland Select Committee, it was said that 11 million customs declarations are expected annually from UK to NI.
- A new UK points-based immigration system has been introduced. British citizens with holiday homes in the EU can only stay for up to 90 days annually.
- Trade agreements can reduce but not avoid principle barriers including customs declarations and export health certificates.
- People will no longer be able to catch fish and put the catch straight onto a lorry. Prior notification will be required for the catch. This will be up to the individual Border Control Post to decide.
- Catch certificates will require 72 hours notice for EU importers to EU border control posts.
- Export Health Certificates will require 24 hour prior notice. Individual states can reduce these timings.
- Bureaucracy, delays and costs need to be addressed by British businesses. Businesses now have to take the costs as it no longer falls to national UK government.
- Some headquarters of businesses have been relocated to EU.
- Goods are no longer being brought into the UK for dispatch but rather to Rotterdam as this avoids businesses having to pay double tariffs and controls.
- The Chemical sector now faces £1 billion cost to access their own domestic market. The UK has to set up its own regulator and cannot use the same data as the EU.
- Haulier and European Conference of Ministers of Transport (ECMT) 2021 permits are also an issue. We don't currently know if we will enough haulage permits. Only 2,000 will be permitted without a deal. However, if we have a deal we should have enough.
- A lot of work has carried out for Trademarks to make the transition as easy as possible, but there will still be some further work needed as we have to recreate our own frameworks.
- Roll over trade terms have been agreed with a number of countries. In 2018 the Department for Trade predicted the UK would gain around £4.6 billion with a deal with Japan. In recent evidence given this has now reduced to £2.6 billion as the terms in the agreement are not as good for British businesses.
- GB food labelling will also change.
- Clients have been advised to check wording within their contracts concerning INCOTERMS. The contracts may give responsibility to the exporter for the cost and it is important for businesses to understand these to avoid suddenly being billed.
- It has been reported that the customs IT systems may not be fit for purpose. After the transition period there will be disruption as a result of IT issues. There are also not enough customs brokers to support UK businesses. Lots of the work is instead going to Eastern Europe workers as they are well aware of the process for third country imports coming in.
- Port preparedness and export processes were discussed. UK is poorly prepared but the EU is ready. Information regarding this was given to the UK government in early 2017.
- US businesses spend nearly \$600 billion employing nearly 1.4 million workers in transatlantic law firms.
- Rotterdam estimates clearance delays from between 20 minutes to 24 hours.

- The extra costs and delays will impact on supply chains. EU businesses have to be willing to export to the UK.
- There are already concerns about the variety of goods that will be available to the UK and the quality of products.
- The chemical sector is expecting to see a loss of some chemical content in market as it just won't be viable.
- The service industry will be heavily affected by the more complicated process for the mutual recognition of qualifications.

Known unknowns

- Still not clear whether there will be a UK/ EU agreement on trade, including tariffs, subsidies and data adequacy.
- Welfare standards are still largely unknown, including UK's ability to retain high animal welfare standards with the USA and WTO.
- Changes to UK regulatory frameworks still to be confirmed, particularly concerning what divergence will look like.
- Still not clear how dispute resolution will work, including recalls to the UK producer.
- Need clarity on how goods at risk will be determined e.g. Northern Ireland won't clear goods for market.

Unknown unknowns

- Actions from other nations, investors in the UK and criminals are the key unknowns.
- Rules based international trade system and laws of Single Market mean that there is little in terms of the consequences of leaving the EU that wasn't a known known or known unknown in 2016.
- It is not permissible to let data leave the EU so a large unknown surrounds data after the transition period.

Cabinet

Date of meeting: 08 December 2020
 Title of Report: **Economic Impact and Business Preparedness**
 Lead Member: Councillor Tudor Evans OBE (Leader)
 Lead Strategic Director: Giles Perritt (Assistant Chief Executive)
 Author: Kevin McKenzie
 Contact Email: kevin.mckenzie@plymouth.co.uk
 Your Reference: CAB/003/081220
 Key Decision: No
 Confidentiality: Part I - Official

Purpose of Report

To respond to the report of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) and to acknowledge the recommendation of the Committee that works to deliver the Council's pledge (11) is now completed.

Pledge 11

Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

Recommendations and Reasons

That, further to the report presented to Cabinet on 10 November covering Brexit Risks and Mitigations, Cabinet :-

Notes: -

- The report of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO); Economic Impacts and Business Preparedness
- The additional evidence presented at the BILCO meeting held on 2 December 2020 relating to business preparedness

Thanks: -

- The Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee for its work over the last two years to undertake research into the economic impacts of Brexit.
- Sarah Holmes, a Legal Director of solicitors, Womble Bond Dickinson for her contribution to preparing the city for the end of the Brexit transition period.

Agrees: -

- To sign off on Pledge 11 as completed at the January 2021 meeting of Cabinet after a pledge on a page has been prepared.

Asks the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee: -

- To review its current terms of reference, which are set out in the Council's Constitution, in the light of the end of the Brexit transition period;

- To make recommendations to Cabinet and Council about how they could be amended to better reflect organisational and city wide need.

Alternative options considered and rejected

The proposals made by the Brexit, Infrastructure and Legislation Overview and Scrutiny Committee were considered and amended as above.

Relevance to the Corporate Plan and/or the Plymouth Plan

The report has significant implications for the delivery of the Corporate Plan and the Plymouth Plan in particular : -

- Our growing city pledge to deliver economic growth that benefits as many people as possible
- Our Plymouth Plan commitment to actively work to promote Plymouth's as an international city.

Implications for the Medium Term Financial Plan and Resource Implications:

There are significant implications for the Medium Term Financial Plan arising from the evidence presented in this report these are anticipated in the associated entry on our strategic risk register. There are no new cost pressures that are not set out as part of in year monitoring and/or next year's budget.

Carbon Footprint (Environmental) Implications:

Significant environmental implications are identified in the report, in particular the stated intention of Government to diverge from the currently applicable statutory provisions for environmental protection which are derived from EU law.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

Brexit related risks are included in our strategic risk register where appropriate. Our Brexit office maintains risk registers covering both organisational and citywide risk which are regularly reviewed.

An EIA has been conducted against these recommendations and is appended.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Cabinet response to Scrutiny							
B	Scrutiny Report – Economic Impact and Business Preparedness							
C	Equalities Impact Assessment							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable)						
	If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7
Brexit, Business and Brute Facts							

Sign off:

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Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 03/11/2020											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader)											
Date approved: 04/11/2020											

1. Introduction and background

- 1.1 The appended report of summarises the work of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) as it relates to the Council's Pledge 11.

Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

- 1.2 The report also details the committee's examination of the extent of business preparedness for the end of the Brexit Transition Period.
- 1.3 The committee asks that Cabinet reviews its terms of reference in the light of the end of the transition period. Cabinet agrees that a review is necessary but feels that BILCO is best placed to frame its own terms of reference and that Cabinet would be happy to receive their recommendations on this matter.

2. Scrutiny recommendations and Cabinet response.

- 2.1 The report collates and updates the evidence received by BILCO since its first meeting in June 2018. It is organised in two parts, the first part concerns the themes set out below;-
- Executive Summary
 - A Brexit overview
 - The economic contribution from trade with the EU
 - Public Spending and fiscal impacts
 - EU Funding and the shared prosperity fund UKSPF
 - Research and development
 - Regulatory environment
 - Workforce and skills
 - Ports and borders
 - HMRC excise and vat
 - Business continuity
- 2.2 The second part provides evidence of the Committee's examination of business preparedness. Some further evidence was presented to the most recent session of the committee on 2 December and this is appended to the main report. Specifically this includes: -
- A presentation given by Sarah Holmes, a legal director of solicitors Womble Bond Dickinson, titled Brexit, Business and Brute Facts.
 - The outcome of a brief survey carried out at the Plymouth Area Business Council
 - Some written information submitted by the Plymouth Manufacturing Group who were invited but were unfortunately unable to attend.
- 2.3 The attention of Cabinet is also drawn to the appended Equality Impact Assessment that evidences that Brexit will have an adverse impact on the City's EU migrant population that is not fully mitigated by the European Union Settlement Scheme. Cabinet endorsed two recommendations that seek to address this deficit at its November meeting: -
- We are successfully locating and communicating with EU citizens in Plymouth who have not yet applied for settled status, and that;
 - A needs assessment is conducted to identify vulnerable EU citizens and the support we can offer to assist them to apply for settled status.

EQUALITY IMPACT ASSESSMENT

Brexit Scrutiny Economic Impacts and Business Readiness STAGE 1: What is being assessed and by whom?

What is being assessed - including a brief description of aims and objectives?

The report of the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO) and to respond to the recommendation of the Committee that work to deliver the Council's Pledge (11) is now completed.

Pledge 11

Not enough work has been done on the economic impact of Brexit – both positive and negative – on the City Council and Plymouth in general. We will make sure that research is undertaken and is made available to the public.

That, further to the report presented on the 10 November 2020 covering Brexit Risks and Mitigations, Cabinet ;-

Notes: -

- The report of Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee (BILCO); Economic Impacts and Business Preparedness
- The additional evidence presented at the BILCO meeting held on 2 December 2020 relating to business preparedness

Thanks: -

- The Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee for its work over the last two years to undertake research into the economic impacts of Brexit.
- Sarah Holmes, a legal director of solicitors Womble Bond Dickinson for her contribution to preparing the city for the end of the Brexit transition period.

Agrees: -

- To sign off on Pledge 11 as completed at the January 2021 meeting of Cabinet after a pledge on a page has been prepared.

Asks the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee: -

- To review its current terms of reference, which are set out in the Council's Constitution, in the light of the end of the Brexit transition period;

Brexit Scrutiny Economic Impacts and Business Readiness STAGE 1: What is being assessed and by whom?	
	<ul style="list-style-type: none"> To make recommendations to Cabinet and Council about how they could be amended to better reflect organisational and city wide need.
Responsible Officer	Kevin McKenzie
Department and Service	Policy and Intelligence
Date of Assessment	04/12/20

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age	<p>The ONS mid-year population estimates from 2016 are as follows:</p> <p>Under 5 15,881 6.0%</p> <p>Under 16 46,808 17.7%</p> <p>Under 18 52,354 19.8%</p> <p>18-24 33,253 12.6%</p> <p>15-64 172,805 65.4%</p> <p>65 and over 47,112 17.8%</p> <p>75 and over 21,401 8.1%</p> <p>85 and over 6,224 2.4%</p>	None anticipated		

Disability	<p>A total of 31,164 people declared themselves as having a long-term health problem or disability in the 2011 Census.</p> <p>1,297 adults currently registered with a GP in Plymouth have some form of a Learning Disability (2013/14).</p>	None anticipated		
Faith, Religion or Belief	<p>Christianity is the biggest faith in the city with more than 58 per cent of the population (148,917 people).</p> <p>32.9 per cent (84,326) of the Plymouth population stated they had no religion.</p> <p>Those with a Hindu, Buddhist, Jewish or Sikh religion combined totalled less than 1 per cent.</p>	None anticipated		
Gender - including marriage, pregnancy and maternity	<p>Overall 50.2 per cent of our population are women and 49.8 per cent are men.</p>	None anticipated		

Gender Reassignment	It is estimated that there may be somewhere between 1,287 and 2,146 adults in the city that are experiencing some degree of gender variance.	None anticipated		
Race	There are currently between 10 and 13,000 EU Migrants resident in our City, of those that have arrived since 2005 the majority have limited English skills.	EU residents especially those who do not speak English as their first language are likely to be adversely impacted.	We need to address this problem but our bid to tackle the lack of advice and support available in the City was rejected by the Home Office. We may need to consider translating any local advice that is relevant in to a community language.	Brexit Office before July 2021
Sexual Orientation -including Civil Partnership	On average, respondents were less satisfied with their life nowadays than the general population, scoring it 6.5 out of 10, compared with 7.7 for the general UK population. Trans men scored 5.1 and Trans women scored 5.5.	No impact anticipated		

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
Reduce the gap in average hourly pay between men and women by 2020.	No adverse impact – wages may decline for a variety of reasons but no expectation this will be a disproportionate impact.	No action required
Increase the number of hate crime incidents reported and maintain good satisfaction rates in dealing with racist, disablist, homophobic, transphobic and faith, religion and belief incidents by 2020.	No adverse impact from the recommendations but Brexit may have had increased the incidence of hate crime rates against migrant communities.	This will be picked up through our Safer Communities Partnership - no specific action required
Good relations between different communities (community cohesion)	Brexit has deepened divisions between some communities of identity, the old and the young, migrants and residents those who support it and those who do not.	We are currently delivering a programme in our least cohesive communities aimed at reducing community tensions.

STAGE 4: Publication			
		Date	04/12/20

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EQUALITY IMPACT ASSESSMENT

Brexit Risk - Scrutiny Recommendations



STAGE 1: What is being assessed and by whom?

<p>What is being assessed - including a brief description of aims and objectives?</p>	<p>Cabinet will agree the following recommendations based on a Brexit Risk update from the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee.</p> <p>Cabinet should ask government to:</p> <ul style="list-style-type: none">▪ Lay out in detail what plans they have to mitigate the loss of EU funding to the city. (Proposal accepted)▪ Detail the priorities they have for the marine and maritime research sectors post-Brexit, and what they will do to mitigate the loss of EU funding in the sector. (Proposal accepted)▪ Explain why the government thinks that the South West fishing fleets will be adequately protected by fishery protection vessels (FPVs) that are based in Portsmouth. (Proposal amended)▪ Encourage agricultural employers to improve the wage offer for agricultural labour so that it is more attractive career path for young people through the Heart of the South West Local Enterprise Partnership. (Proposal amended) <p>Cabinet should ensure: -</p> <ul style="list-style-type: none">▪ That Plymouth City Council and our key suppliers review our business continuity arrangements against the negative impacts of Brexit as identified in the risk register, and have robust plans in place to mitigate service delivery interruption. (Proposal accepted with qualification)▪ We consider the merits of reviewing large capital projects with contractors and the viability of making payments for the advance supply of goods before any tariff impacts are felt. (Proposal amended)▪ We consider the budgetary impact of the identified risks on the Medium Term Financial Plan. (Proposal accepted)▪ We continue to make a proactive offer to any foreign based businesses that may be
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STAGE 1: What is being assessed and by whom?

	<p>considering leaving the City due to Brexit impact. (Proposal accepted)</p> <ul style="list-style-type: none"> ▪ We are successfully locating and communicating with EU citizens in Plymouth who have not yet applied for settled status, and that; (Proposal accepted) ▪ A needs assessment is conducted to identify vulnerable EU citizens and the support we can offer to assist them to apply for settled status. (Proposal accepted with qualification) <p>Cabinet should: -</p> <ul style="list-style-type: none"> ▪ As far as reasonably practical, ensure Plymouth City Council is proactive in communicating Brexit information to the wider city to enable preparedness of organisations and businesses, and is positive where possible in its Brexit communications where opportunities have been identified. (Proposal accepted) ▪ Consider whether the resources already deployed to support business e.g. account managers are able to respond to all enquiries via a single contact number. (Proposal amended) ▪ Ensure that Plymouth City Council agrees a schedule to improve landing facilities at the fishing quay. (Proposal amended)
Responsible Officer	Kevin McKenzie
Department and Service	Policy and Intelligence
Date of Assessment	09/11/2020

STAGE 2: Evidence and Impact

Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Age		None anticipated		

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
Disability	<p>A total of 31,164 people declared themselves as having a long-term health problem or disability in the 2011 Census.</p> <p>1,297 adults currently registered with a GP in Plymouth have some form of a Learning Disability (2013/14).</p>	None anticipated		
Faith, Religion or Belief	<p>Christianity is the biggest faith in the city with more than 58 per cent of the population (148,917 people).</p> <p>32.9 per cent (84,326) of the Plymouth population stated they had no religion.</p> <p>Those with a Hindu, Buddhist, Jewish or Sikh religion combined totalled less than 1 per cent.</p>	None anticipated		
Gender - including marriage, pregnancy and maternity	Overall 50.2 per cent of our population are women	None anticipated		

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?
	and 49.8 per cent are men.			
Gender Reassignment	It is estimated that there may be somewhere between 1,287 and 2,146 adults in the city that are experiencing some degree of gender variance.	None anticipated		
Race	The racial composition of the City is changing and not all residents and visitors understand English.	There could be an adverse impact of EU residents who do not speak English as their first language.	We may need to consider translating any local advice that is relevant in to a community language.	Communications
Sexual Orientation -including Civil Partnership	On average, respondents were less satisfied with their life nowadays than the general population, scoring it 6.5 out of 10, compared with 7.7 for the general UK population. Trans men scored 5.1 and Trans women scored 5.5.	No impact anticipated		

STAGE 2: Evidence and Impact				
Protected Characteristics (Equality Act)	Evidence and information (e.g. data and feedback)	Any adverse impact?	Actions	Timescale and who is responsible?

STAGE 3: Are there any implications for the following? If so, please record 'Actions' to be taken		
Local Priorities	Implications	Timescale and who is responsible?
Reduce the gap in average hourly pay between men and women by 2020.	No adverse impact – wages may decline for a variety of reasons but no expectation this will be a disproportionate impact.	No action required
Increase the number of hate crime incidents reported and maintain good satisfaction rates in dealing with racist, disablist, homophobic, transphobic and faith, religion and belief incidents by 2020.	No adverse impact from the recommendations but Brexit may have had increased the incidence of hate crime rates against migrant communities.	This will be picked up through our Safer Communities Partnership - no specific action required
Good relations between different communities (community cohesion)	Brexit has deepened divisions between some communities of identity, the old and the young, migrants and residents those who support it and those who do not.	

STAGE 4: Publication			
Director, Assistant Director/Head of Service approving EIA.	Paul Barnard	Date	26.06.2019

Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee



Date of meeting:	13 January 2021
Title of Report:	Climate Emergency Action Plan 2021
Lead Member:	Councillor Sue Dann (Cabinet Member for Environment and Streetscene)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Paul Barnard, Service Director for Strategic Planning & Infrastructure
Contact Email:	Paul.Barnard@Plymouth.gov.uk
Your Reference:	CEAP2021
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The report introduces the Climate Emergency Action Plan for 2021 and the planned specific actions to address climate change issues during 2021.

The Climate Emergency Action Plan sets out the strategic direction for the City Council and its partners in relation to climate change for Plymouth. It is a demonstration of the City Council's commitment to lead the city towards net zero carbon by 2030.

The Climate Emergency Action Plan 2021 is a dynamic, living document that is prepared annually. The Plan maintains the five key areas for action established by the first plan to ensure that it is fit for purpose as actions are ramped up through the three strategic phases of the journey to zero carbon emissions by 2030.

Initially, the response to the climate emergency required quick and decisive action to reverse the on-going increases in carbon emissions. This period of activity is identified as the "emergency response phase". There are two further stages identified in the journey towards net zero carbon. The "transitional phase" will focus on the delivery of more substantial carbon reduction projects, a reshaping of policy and a realignment of resources to meet the 2030 net zero carbon challenge. The final phase, known as the "acceleration phase", will drive a significant shift towards net-zero-carbon living, working and travelling, ramping up still further decarbonisation actions and initiatives.

The Climate Emergency Action Plan 2021 is intended to be the last of the current "emergency phase". It outlines over 80 realistic, achievable and deliverable actions the City Council is committed to delivering during 2021 in order to make tangible progress in this period of urgent response. In 2020, the City Council, in partnership with a number of external partners, helped to establish the Plymouth Net Zero Partnership, a resilient governance structure that will support joint working between key public and private sector partners to drive the actions needed to achieve net zero by 2030. Detailed case studies provided by partners in the Plymouth Net Zero Partnership have been included in this second Climate Emergency Action Plan to illustrate the growing momentum behind climate emergency work across Plymouth.

Recommendations and Reasons

It is recommended that the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee:

1. Support and endorse the Climate Emergency Action Plan 2021.

REASON: To set the direction of travel for the decarbonisation of Plymouth, encourage the submission of funding bids to deliver the commitments set out in the plan, facilitate stakeholder engagement for further revisions to the plan in accordance with the decisions of the City Council on 18 March 2019 to declare a climate emergency (Minute 89 refers) and to prepare annual actions plans through to 2030, as first agreed on 16 December 2019 (Minute 7 refers).

Alternative options considered and rejected

Option 1 – Prepare a single plan covering the 11 years of the Climate Emergency – This was rejected as it would soon be out of date and not fit for purpose. Nor would it be sufficiently flexible and able to respond quickly to new science and new funding and other opportunities.

Option 2 – Do not prepare any Climate Emergency action plans – This was rejected as it would not be consistent with the decision of the City Council on 18 March 2019 to declare a Climate Emergency.

Relevance to the Corporate Plan and/or the Plymouth Plan

The actions being proposed in this report are consistent with the themes and values of the Corporate Plan 2018-2022 and as well as those of the Plymouth Plan. The 2014-2034 Plymouth Plan's commitment to tackling environmental issues was evident in the version adopted by the City Council in March 2019. The "Green City" theme contains numerous references to topics of relevance to the climate emergency. Climate Change issues were also embedded, including references in the "Growing City" theme showing that the plan is attempting to balance growth with climate emergency. A whole policy devoted to climate change: "Policy GRO7 - Reducing carbon emissions and adapting to climate change" set out a range of measures to reduce carbon emissions.

On 16 December 2019, the City Council resolved to undertake an early review of the Plymouth Plan with city partners in order to ensure that the Plymouth Plan reflected the ambitious targets set out in the City Council's Declaration of a Climate Emergency. The outcomes of this review of the Plymouth Plan are presented today to the City Council alongside this new version of the Climate Emergency Action Plan.

Implications for the Medium Term Financial Plan and Resource Implications:

All the actions set out in the Climate Emergency Action Plan 2021 are already funded either through the use of existing budgets or external funding.

The scale of the challenge to reduce emission across the city to net zero carbon by 2030 is not underestimated and the challenges ahead are significant. When it reaches the "transition phase", the Climate Emergency Action Plan will require further resources. The City Council will need to consider the longer term resourcing implications as future action plans take shape. Budgets will need to be reassessed and capacity released to enable effective delivery of the necessary decarbonisation actions which will inevitably have to be ramped up each year through to 2030.

Carbon Footprint (Environmental) Implications:

As previously reported, climate science is clear that the eventual extent of global warming is broadly proportional to the total amount of carbon dioxide that human activities add to the atmosphere. In order to stabilise climate change, CO2 emissions need to fall to zero and emissions of other greenhouse gases also need to be curtailed.

Alongside the Corporate Carbon Reduction Plan 2021, the Climate Emergency Action Plan 2021 will ensure Plymouth is playing its part in reducing its carbon emissions. It has set itself the challenging target of meeting net zero carbon by 2030, in advance of the 2050 target of national government.

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

* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

The report recommits the City Council to promote a fairer, more equal Plymouth by investing in communities, putting citizens at the heart of decision making, promoting independence and reducing health and social inequality. By embedding this commitment in the Plymouth Plan the City Council is acknowledging the importance of ensuring all communities have an opportunity to thrive in a zero carbon world.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
CEAP 2021	Climate Emergency Action Plan 2021							

Background papers:

*Add rows as required to box below

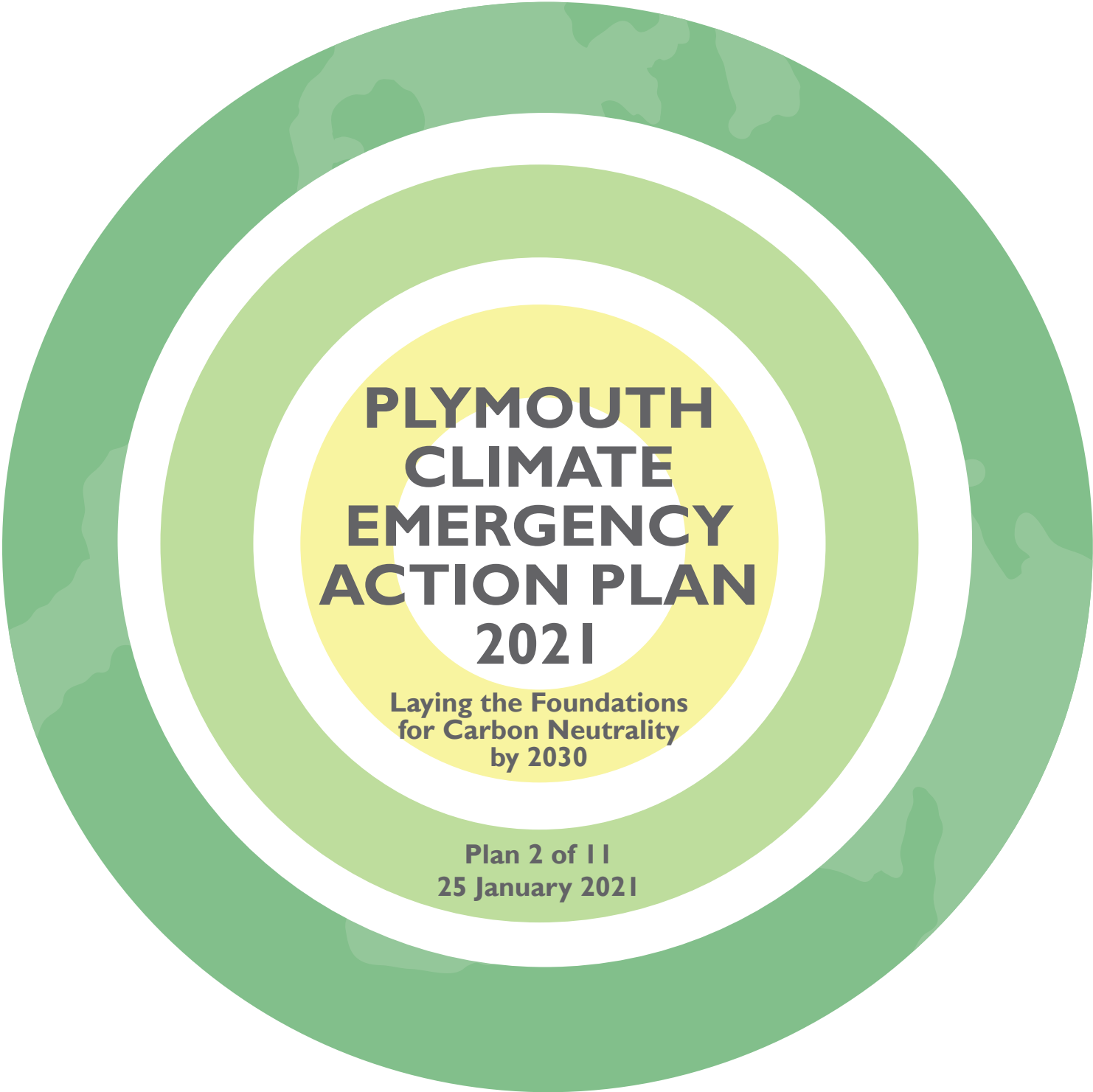
Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Paul Barnard, Service Director for Strategic Planning & Infrastructure											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 15/12/2020											
Cabinet Member approval: Councillor Sue Dann, Cabinet Member for Environment and Street Scene, via One-to-One Portfolio Holder meeting. Date approved: 15/12/2020											

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PLYMOUTH CLIMATE EMERGENCY ACTION PLAN 2021

**Laying the Foundations
for Carbon Neutrality
by 2030**

**Plan 2 of 11
25 January 2021**

On 18 March 2019, City of Plymouth councillors voted unanimously to declare a Climate Emergency. In doing so we committed to meeting the most significant challenge facing our city and our planet. This second Climate Emergency Action Plan continues to demonstrate that commitment with over 80 specific actions being delivered throughout 2021.

2020, more than any other year in recent history, has shown us that we can respond to emergencies and adapt to new circumstances. Crucially, the COVID-19 pandemic has proved that we can change our behaviours to avoid catastrophic results. If we are to achieve our climate ambitions, behaviour change must play a huge part - and unlike COVID-19, we cannot wholly rely on science for the solutions.

This plan has action at its heart. It is not a collection of strategies or visions, or idle words on a page. It is a collection of deliverable actions that we are committing to deliver by December 2021. These actions are the foundations and building blocks of a net zero Plymouth by 2030, and they are there to reflect the commitment of the City Council and the commitment of our partner organisations. They are there to be built on, in order to set the direction of travel and change needed on our journey to 2030. Above all, the actions are there to achieve carbon reductions, inspire action, and change mindsets.

We have made good progress on the first action plan that we approved in December 2019. This is the second action plan of the eleven that we are committed to preparing through to 2030; and this plan will complete the 'Emergency Response Phase' of our strategic approach to the climate emergency. We will see the continuation of projects and initiatives to reduce carbon emissions; we will inspire further local action by communities and partners; and using robust analysis, we will lobby government for the powers and resources we need to drive real change.

As we move forward during 2022-2023 into what we called the 'Transition Phase' we need to be ramping up the delivery of projects that will deliver significant carbon reductions. This will require embedding new ways of working, with everyone playing their part. It will undoubtedly require significant changes in people's choices and behaviours in how the move towards net zero is undertaken. This also has to be done in a just and fair way that does not leave existing disadvantaged communities behind.

There is still an enormous challenge ahead, but we should remain optimistic – the themed actions in this plan demonstrate that the route to net zero contains many factors: from major infrastructure works which will deliver new walking and cycling routes, to planting a thousand trees: there are multiple ways that the city can respond to the Climate Emergency.

I am hopeful that if we all share the responsibility and commit to change, we can shape the direction of travel over the next ten years to a net zero future - enabling us to secure the future survival of the planet, and the health and well-being of all people. As the democratic leaders of the city I am determined we continue to play a decisive leadership role on climate change. But we can't do it alone and need to bring the actions of key partners and communities into next year's plans. The actions we take will improve people's lives with cleaner air, healthier living, and actions that will support a sustainable greener city that will contribute to the overall protection of the planet. Ultimately all our actions are about people, place and planet and how those can work together in greater harmony for a more sustainable future for humanity.

Sue Dann

Cabinet Member for Environment and Street Scene, Plymouth City Council



INTRODUCTION

This is the second of 11 action plans in the City Council's annual Climate Emergency Action Plan series. It builds on the first action plan, providing an update on Plymouth's greenhouse gas emissions, the previous year's actions, and crucially lays down a new set of actions for 2021 which will help the city achieve net zero by 2030.

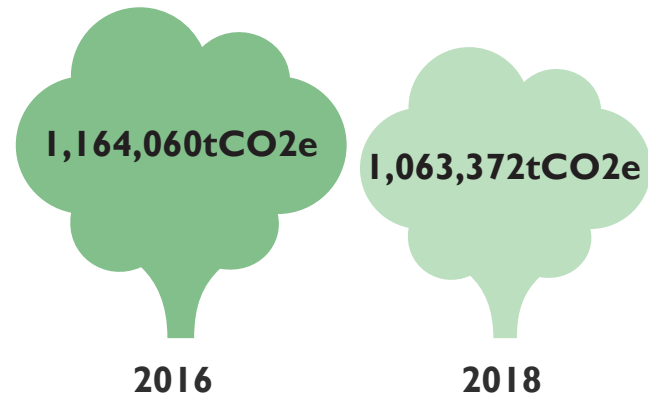
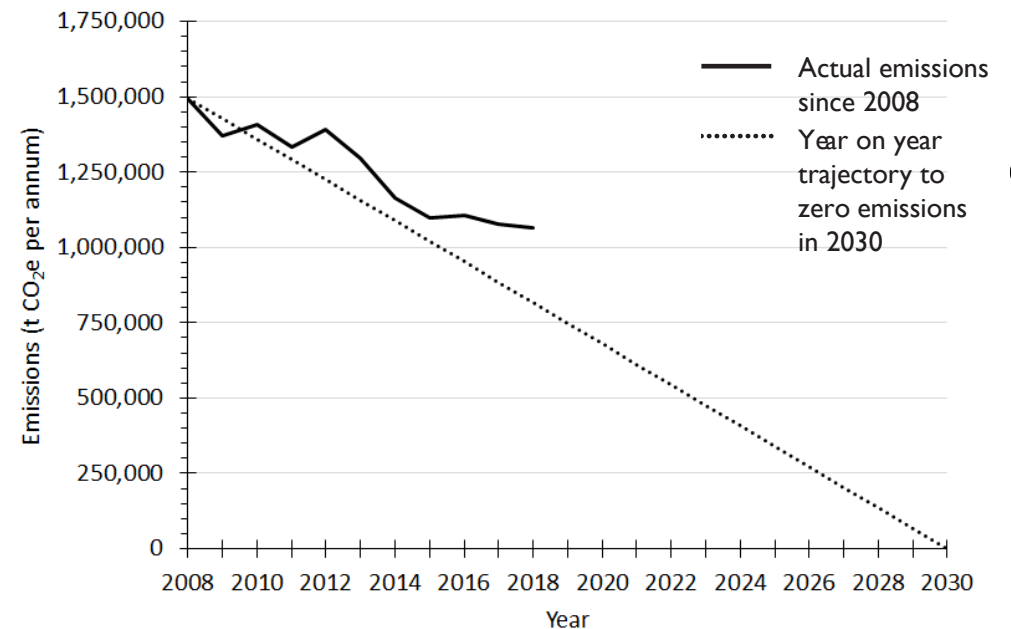
Plan 2 has been developed with clear and measurable actions at its heart, and as such the document focuses on the context and delivery surrounding these, rather than any detailed review of the science of climate change.



2020 UPDATE ON CITY EMISSIONS

The most recent data for city-wide emissions in Plymouth was obtained from a report produced by the University of Exeter's Centre for Energy and Environment in October 2020. The most up-to-date data available from government is from 2018, and so the 2-year lag needs to be considered when analysing the progress made.

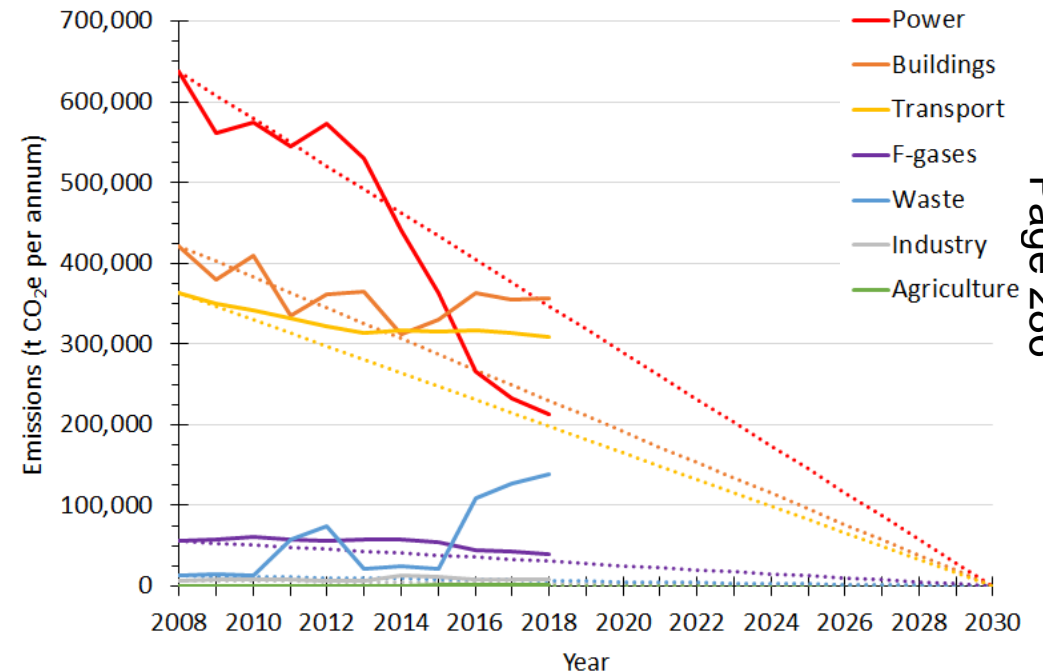
The chart to the right shows actual emissions since 2008 presented alongside an equal year on year trajectory to zero emissions in 2030. It is clear that whilst emissions are reducing from the 2008 baseline, they are not currently on course to meet the 2030 target.



2020 UPDATE ON CITY EMISSIONS

The chart to the right shows the breakdown of emissions across sectors in Plymouth. The results indicate that only the power, f-gas and land use change sectors are on track to achieve net zero greenhouse gas emissions by 2030. Emissions from the transport and building sectors have fallen, but not at the rate required. Emissions from the waste sector increased in 2016 due to the commissioning of the Devonport energy from waste plant. There are two main reasons for this:

1. Accurate data for years prior to 2016 is not available.
2. The figures include domestic waste brought into Plymouth from surrounding local authorities and commercial waste streams. Plymouth's domestic waste actually accounts for only 23% of the total emissions.



CITY WIDE STRATEGY

The three key objectives of the Climate Emergency response are:

1. Facilitate a citywide conversation.
2. Inspire Rapid Local Action.
3. Create bottom-up pressure on government.

This second action plan focuses on delivering elements of the emergency response phase, whilst at the same time moving into the transitional phase. The emergency stage, from 2019-2021, focuses on implementing actions that will rapidly and credibly reduce carbon emissions as well as driving changes needed to rapidly increase the rate at which we reduce our carbon emissions, and ultimately reach carbon neutrality. The transitional phase, from 2021-2023, sees delivery of projects increasing in intensity, ramping up the decarbonisation of key areas such as transport, housing, energy generation and waste.



CLIMATE EMERGENCY ACTION PLAN STRATEGIC APPROACH

Climate emergency purpose

Facilitate city-wide conversation
Inspire rapid local action
Create bottom up pressure on government

Climate emergency values

A city approach that supports national and global change
Everyone plays their part
No one gets left behind

Journey towards net zero carbon

Emergency response phase 2019-21

Emergency response phase focus

Continuation of work that is effective at reducing carbon emissions.

Inspire local action by focusing on projects that are quick to initiate and deliver proven carbon reduction outcomes.

Analyse and assess where information, resources and policy changes are needed to support the move towards zero carbon, and initiate lobbying to secure the powers and resources needed.

City collectively sets out vision for how Plymouth will function in a zero carbon world.

Transitional phase 2021-23

Transitional phase focus

Ramping up delivery of projects that deliver significant carbon reduction, including building retrofits, new low carbon energy generation and changes to mobility infrastructure.

Complete full scenario testing of options for achieving zero carbon.

Identifying and prioritising actions.

Embedding new ways of working.

Continuing to lobby government for powers and resources to enable us to meet our aim.

City collectively moves towards zero carbon living with everyone playing their part.

Acceleration phase 2023-30

Acceleration phase focus

All actions required to enable us to reach our zero carbon target are identified and are being implemented.

All new projects and developments in Plymouth are being delivered in a manner that will ensure that they are zero carbon by 2030.

Zero carbon working practices are fully embedded as business as usual.

Plymouth is thriving, with a zero carbon focused approach to growth and quality of life.

FOCUS

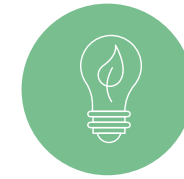
The following sections provide an overview of actions that will be taken by the city throughout 2021 to tackle the Climate Emergency. The focus is very much on credible and deliverable activities within those sectors that are responsible for the majority of emissions.



BUILDINGS



MOBILITY



POWER
AND
HEAT



WASTE



ENGAGEMENT
AND
RESPONSIBILITY

BUILDINGS

The city's buildings continue to be the greatest producers of emissions - and though the trend for emissions is a reduction, there is a huge way to go to reach net zero. The importance of this is clear with the recent release of several funding streams by government aimed at retrofitting both domestic and public sector buildings.

Additional funding is vital as the scale of retrofits required in the city needs to significantly increase to meet the 2030 target.



CASE STUDY

Plymouth Energy Community

Working in partnership with the Council, Plymouth Energy Community has supported hundreds of householders this year in exceptionally challenging circumstances. The advice, guidance, and help is being provided to some of the city's most vulnerable residents in lowering their energy bills, providing affordable warmth, increasing household income, and of course lowering carbon emissions.

In the six months from April to September one such project - the Warm Homes Fund - has reached 200 households resulting in savings totalling £165,000.



BUILDINGS Actions

The buildings theme provides an opportunity for local action to make a real impact on carbon emissions.

The range of actions that can help achieve this is vast - this is demonstrated by the scope of actions in this year's plan.

From retrofitting cross tenure housing and public sector buildings, to enabling ultra low emission housing developments to commence - the following actions demonstrate the city's ability to respond robustly and innovatively to the challenge of reducing emissions from buildings.

2.1

Improve the energy efficiency of 300 homes by installing carbon efficiency measures.

2.2

Improve the energy efficiency of housing in the city through the rigorous use of housing enforcement powers including the Minimum Energy Efficiency Standards policy.

2.3

Implement the Plymouth Flood Defence Strategy.



BUILDINGS Actions

2.4

Secure planning permission for the Plan for Homes Flagship Energiesprong low carbon housing development on land at Kings Tamerton and make a start on site infrastructure.

2.5

Promote the Green Homes Grant to empty home owners and continue to align with the Plan for Homes Empty Homes Programme.

2.6

Promote the Green Homes Grant to landlords, agents and partners in the private rented sector including landlords and agents of licensed Houses in Multiple Occupation.

2.7

Campaign with the Local Government Association (LGA), Key Cities and other professional bodies to bring forward the date of the Futures Homes Standards from 2025.

2.8

Ringfence funding support for low carbon housing within Plan for Homes 3.

2.9

Identify and support the most appropriate campaign related to VAT reduction on refurbishment, repair and maintenance to be cut to match the typical rate for new-build.



BUILDINGS Actions

2.10

Submit a funding bid for Phase 2 of the Green Homes Grant to include social housing retrofit.

2.11

Create Climate Emergency categories within the Abercrombie Awards to showcase carbon efficient building schemes.

2.12

Explore mortgages for sustainable energy with South West Mutual.

2.13

Engage with the construction sector on developing skills for the Green Economy through up-skilling their existing workforce, promoting green jobs and career opportunities to young people and adults looking to retrain and up-skill, and influence local training providers to align their curriculum by including new green apprenticeships.



MOBILITY

The transport sector is accountable for 30% of the city's total emissions and is an area which requires a major change in behaviour if we are to achieve our 2030 target. There is a requirement to rapidly increase the rate at which emissions are reduced based on current trends.

The COVID-19 pandemic has had a huge impact on mobility trends across the UK, with emissions from all transport falling drastically in the spring - only to increase again to near normal levels towards the end of the summer. The legacy of COVID-19 could have a detrimental effect on people's use of public transport, with private car journeys becoming the preferred means of travel.



CASE STUDY

Transforming Cities Fund

Plymouth City Council awarded grants from the Transforming Cities Fund to enable local businesses such as Plymouth University and the NHS to move towards more sustainable and environmentally friendly forms of transport by installing 46 electric vehicle (EV) chargepoints.

All businesses who were awarded Plymouth City Council's grant funding took advantage of the Office for Low Emission Vehicle's (OLEV) 'Work Place Charging Scheme' which provided a further £500 towards each chargepoint installed.

This funding has enabled businesses to take on a low carbon approach by replacing their diesel powered fleet with cleaner electric vehicles reducing their carbon footprint for years to come.



MOBILITY Actions

The need to accelerate the rate of reductions from transport emissions is well reflected by the scale and scope of actions included in this year's plan.

Increasing the sustainable travel options available for the city is a thread which links all the following mobility actions. Supported by the Transforming Cities Fund, 2021 will see both design work and installation work commence on several key sites in the city.

These improvements will be made alongside expanding the charging infrastructure for electric vehicles in the city, and incentivising businesses to adopt sustainable travel planning.

2.14

Support transport providers to lobby the Department of Transport to adopt a leasing model for zero emission buses to accelerate the replacement of older diesel powered buses.

2.15

Expand the Local Cycling and Walking Implementation Plan to include five more cycling routes identified as having the greatest potential to increase cycling.

2.16

Implement a non-motorised road user audit to all changes to the highway.



MOBILITY Actions

2.17

Conduct an assessment of transport improvement schemes to capture the benefits of active travel.

2.18

Adopt the Healthy Street Check as a key performance indicator across infrastructure projects to create streets where people are encouraged to walk or cycle for short trips.

2.19

Implement the 2050 Climate Mobility City INTERREG project to explore and quantify the impact of low carbon transport strategies.

2.20

Complete the Southway to Plymbridge walking and cycling scheme.

2.21

Deliver a continuation of the off-road Eastern Corridor walking and cycling route to Colesdown Hill.

2.22

Commence construction of new cycle paths in Somerset Place, Broxton Drive, Newnham Road and Derriford Community Park.



MOBILITY Actions

2.23

Improve walking and cycling routes through Central Park.

2.24

Complete delivery of Saltash Walk and Cycle programme.

2.25

Commence design work on the Dockyard to City and St Budeaux to Docks cycle schemes.

2.26

Complete new pedestrian crossings at Woodford Avenue and Larkham Lane as part of the Eastern Corridor Junction Improvements scheme for Plymouth Road.

2.27

Complete delivery of two new bus shelters and 54 Real Time Passenger Information Boards along the Plymouth East Western Corridor.

2.28

Complete delivery of three bus shelters and 16 Real Time Passenger Information boards along the Plymouth North Corridor.



MOBILITY Actions

2.29

Complete the installation of electric vehicle charge points at the Elphinstone, Plymstock Broadway, Crownhill, Guildhall, Plympton Mudge Way and North Hill public car parks.

2.30

Complete the installation of an electric vehicle charge point at the Barbican Landing Stage to support the passenger ferries becoming electric powered.

2.31

Complete the installation of nine new public electric vehicle charging hubs.

2.32

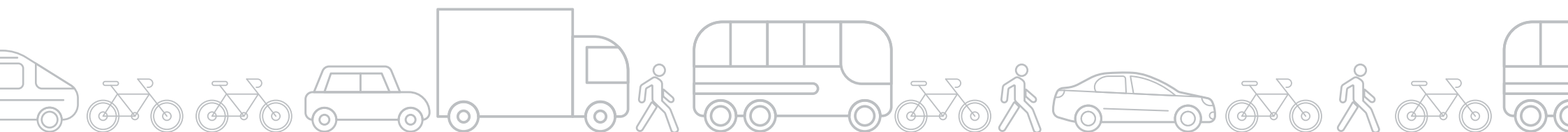
Commence design of St Budeaux Station's Sustainable Transport Interchange.

2.33

Complete design and consult on the preferred Woolwell to the George Transport Improvement Scheme, which will deliver an extension to segregated walking and cycling facilities along Plymouth's Northern Corridor.

2.34

Commence design of transport improvements along Royal Parade to enhance sustainable transport in the city centre.



MOBILITY Actions

2.35

Commence design of transport improvements on Mayflower Street that will create more space for waiting passengers and arriving buses using both Royal Parade and Mayflower Street.

2.36

Commence design work on the St Budeaux to Crownhill sustainable transport corridor.

2.37

Commence design work on Better Places Plymouth: a programme of transformation of key city centre streets and spaces creating a network of high quality walking and cycling routes north-south and east-west through the city centre to drive a higher proportion of journeys through the area by sustainable modes.

2.38

Commence design work on the Mobility Hubs, which will offer a low carbon multi-modal network for travel throughout Plymouth and the surrounding area.

2.39

Commence design work on the Plymouth Station Access, which will promote low-carbon forms of transport and facilitate pedestrian access between the station, the university and the city centre.

2.40

Commence construction of the new passenger concourse at Plymouth Train Station.



MOBILITY Actions

2.41

Provide additional signage and passenger information at Plymouth's suburban rail stations to promote linked trips by train.

2.42

Expand smart and multi-operator ticketing to include ferries and local rail services as well as buses.

2.43

Provide a tendered bus network from January 2021 to provide access to essential services by bus rather than private car.

2.44

Develop new and existing local passenger ferry services by working with stakeholders including operators, the business community and Cornwall Council.

2.45

Provide school and business Sustainable Travel Grants.



POWER AND HEAT

Power and heat includes emissions resulting from using electricity and providing heat to buildings. Nationally, emissions from power generation have continued to fall as the percentage of renewable energy contributing to the national grid increases. Last year renewable energy provided 26.5% of the power the UK consumed.

The decarbonisation of heat continues to be a crucial factor in reducing emissions. Our reliance on gas boilers and inefficient electric heating to provide warmth to buildings needs to significantly shift if we are to reach net zero and represents one of the key challenges for the 'transition phase' of the Climate Emergency response from 2021, raising significant long-term resourcing issues.



CASE STUDY

District energy

Work is well underway in Millbay Boulevard, which has included the installation of district energy pipework by South West Highways, over 250m of its length, to provide low carbon renewable heating and cooling to a range of existing and new buildings.

A heat pump is also proposed for Ballard House, which can be connected to this network in the future. The network can utilise groundwater and/or seawater as the source for heating or cooling buildings.



POWER AND HEAT Actions

Local solutions to decarbonise heat are crucial if we are to meet our 2030 target. The following heat and power actions are a reflection of this, highlighting areas that are already at an advanced stage, as well as more innovative solutions that require further development.

Successful funding applications will enable a low carbon heat network to commence, whilst our partnership work with Western Power Distribution will ensure grid capacity to keep our buildings warm.

2.46

Develop the city's biggest community owned solar farm in partnership with Plymouth Energy Community.

2.47

Submit funding applications, including to SALIX, to support the development and delivery of Plymouth's Low Carbon Heat Network.

2.48

Work in partnership with the University Hospital Plymouth NHS Trust, Plymouth Marjon University, the Plymouth Housing Development Partnership and Plymouth Combined Courts to develop business cases to secure funding for district energy networks at Derriford, Barne Barton and the City Centre.



POWER AND HEAT Actions

2.49

Secure funding from Western Power to identify how the transition to low carbon heating will impact the capacity of the city's electricity grid.

2.50

Complete a feasibility study on the potential for low carbon heat networks, heat pumps and hybrid boilers, including identifying current potential funding models and barriers to uptake.

2.51

Submit consultation responses and lobby government to expand the support available through the Green Heat Networks Fund and other support for Heat Pump roll out.

2.52

Explore the potential for utilisation of seawater in the City Centre and Millbay for heating or cooling solutions.

2.53

Hold a Hydrogen Technology Summit with interested stakeholders to explore the opportunities and challenges of delivering land and maritime applications for hydrogen generation, supply and use for motorised transport in Plymouth with a view to producing a feasibility report by December 2021.



WASTE

In terms of carbon emissions the city's waste is an area where data collection methods need to be further refined. The absence of historical data makes it difficult to forecast the trend and rate of reductions from decarbonisation actions and initiatives.

Waste was not immune to the impacts of COVID-19 with the city's domestic waste collection increasing by 11% whilst the majority of residents remained at home.



CASE STUDY

New recycling bins

100 new recycling bins were installed in 88 of the city's most popular locations during 2020 in order to encourage recycling whilst people are out and about.

The way that we manage waste can have a huge impact on climate change. Recycling helps reduce greenhouse gas emissions by reducing energy consumption. Using recycled materials to make new products reduces the need for virgin materials along with reducing emissions from transporting materials through extended supply chains. This avoids greenhouse gas emissions that would result from extracting or mining virgin materials.



WASTE Actions

Carbon emissions resulting from waste are some of the most difficult to calculate, and subsequently some of the most difficult to mitigate through action.

The basic principle of Reduce, Re-use, Recycle within the waste hierarchy has been consistently adopted across the city and this year's resulting actions follow that theme.

Alongside increasing recycling rates, actions also look to address the emissions once waste has been disposed of - from old landfill sites to where recyclate is processed.

2.54

Launch a campaign to reduce waste generation (especially food waste) by 25% by 2025.

2.55

Utilise community feedback, data evidence and behavioural change opportunities to commence new innovative approaches to reuse and recycling which will increase Plymouth's household and municipal recycling rates from 40% to 65% by 2025.

2.56

Collect and utilise waste data intelligence to optimise service delivery by reducing frequency of collections and improving route planning and scheduling.



WASTE Actions

2.57

Identify processing gaps within the South West region waste recycling and treatment facilities and make appropriate provision where gaps have been identified including working with partners to ensure that where practical and economical, recyclable material is processed and recycled in the UK.

2.58

Lobby government to ensure its new Resource and Waste Strategy fully supports the need to address the Climate Emergency and provides local authorities with the powers and resources needed to increase recycling targets, food and garden waste management including additional measures to reduce the environmental impact of resource use and the creation of waste.

2.59

Assess opportunities from closure of landfill to generate further methane capture and/or solar power generation, whilst maintaining the highest environmental standards until closure is achieved.



ENGAGEMENT AND RESPONSIBILITY

The City Council recognises that it needs to play a leadership role working with partners and the local community across the city to raise awareness and understanding around climate change.

Importantly we need to ensure everyone understands what part they can play in addressing the Climate Emergency from an individual level through to community groups, businesses and public sector organisations.

We will work with the Youth Parliament and children and young people across the city to ensure that their voice is heard in designing the actions needed to address climate change.



CASE STUDY

Plymouth Net Zero Partnership

Recognising the need for citywide collaboration and conversations, several key organisations from across the city came together to form the Plymouth Net Zero Partnership.

Consisting of the organisations listed opposite, the partnership aims to bring together a citywide leadership group to drive the necessary actions, informed by the available science and latest research, needed to achieve carbon neutrality within Plymouth by 2030.

The partnership consists of both an executive and an officer group and meets regularly to support members to collaborate effectively, share knowledge, share good practice, provide cross-organisational positive challenge, and pool resources.

PLYMOUTH NET ZERO PARTNERSHIP



UNIVERSITY OF
PLYMOUTH
Sustainable Earth Institute



University Hospitals
Plymouth
NHS Trust

babcockTM

PSP | **PLYMOUTH**
SCIENCE PARK



Devon & Cornwall Police



city **PLYMOUTH**
SNQ



CASE STUDY



University of Plymouth

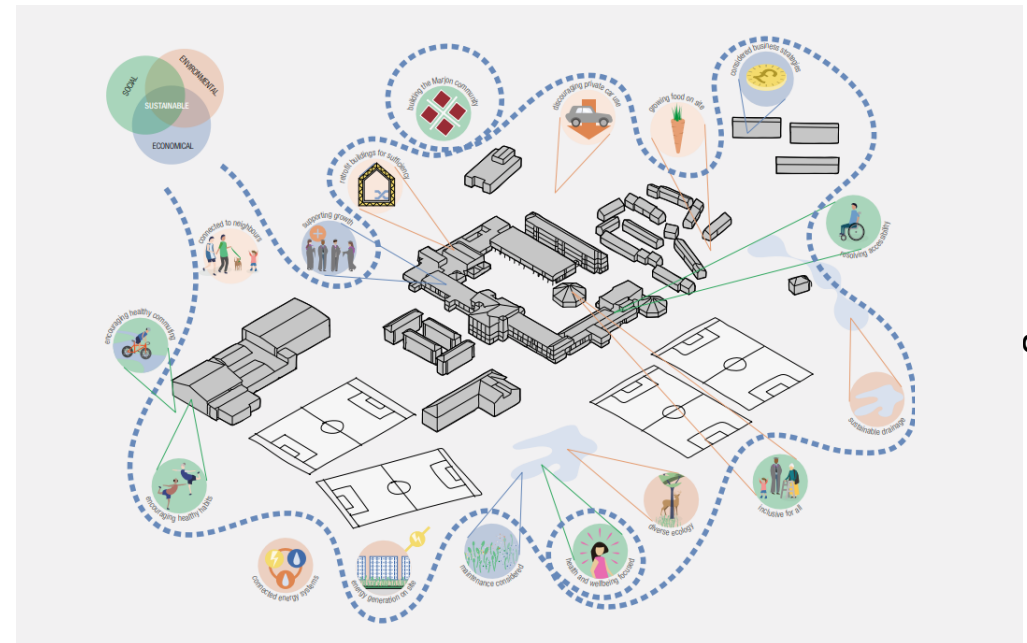
Pulsiv Solar Limited, a University of Plymouth spinout company, has raised £500,000 to step up development of its novel power conversion technology. Pulsiv is based at Plymouth Science Park and was incorporated to commercialise the work of Dr Zaki Ahmed, Associate Professor in Information Technology at the University.

Pulsiv has achieved a number of notable successes in recent months, having started design work funded by a major multinational to incorporate its technology into a new product line. It has also engaged in discussions with a number of other large multinational companies about a wide range of further industrial applications.

The step change in industrial engagement follows the company successfully developing a series of demonstration products which show the technology not only improves energy efficiency but also has the potential to reduce costs.

CASE STUDY

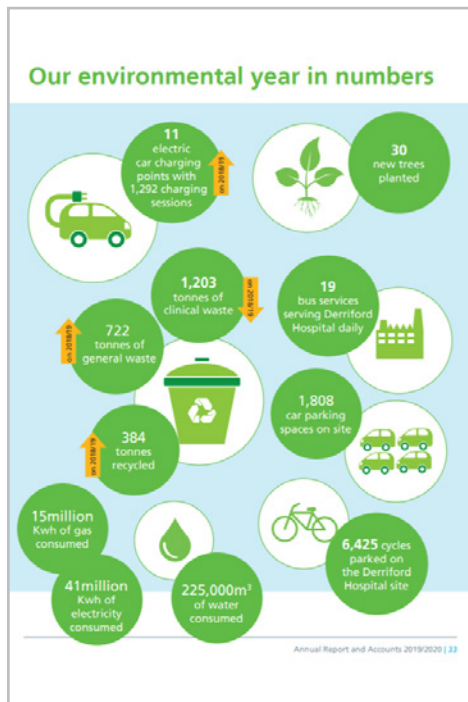
Plymouth Marjon University



We will be campaigning and working to reduce waste of all kinds, including energy, and are investing in green travel, for example with cycle infrastructure, electric vehicle charging points and incentives.



CASE STUDY



Derriford Hospital

Over the last 12 months, the staff at University Hospitals Plymouth have been working flat out to cope with the unprecedented health emergency that the COVID-19 pandemic has created and is now at the forefront of the South West's vaccination programme.

Despite this, on 25 September, the Trust Board agreed unanimously to declare a 'climate health emergency' and launched its Green Plan, thus turning the Trust's commitments to reduce carbon emissions and the principles of sustainable development into action.

As part of this plan, the Trust has extended its electric vehicle infrastructure to eleven electric vehicle charging points, introduced an electric patient mobility vehicle and planted thirty trees to help reduce local air pollution.

CASE STUDY

Devonport Royal Dockyard

Historically, Devonport Royal Dockyard Limited (DRDL) has used diesel vans, but owing to the low speed limit permitted on site which results in their particulate filters becoming blocked regularly, coupled with the environmental impact of using diesel vehicles, the decision was taken to move to electric vehicles (EVs).

The first EVs were introduced in 2020, with charge stations throughout the dockyard made available and a second phase is planned for 2021. The EVs will make a 14.24 tCO₂e saving per year.

DRDL is fully committed to introducing a range of sustainable and environmentally friendly solutions.



babcockTM

CASE STUDY



Plymouth Science Park

Plymouth Science Park (PSP) has continued to invest in energy efficiency/reduction measures during the year.

In the first quarter of 2020, the Park installed 10 electric car charging points offering 7.2kW charging to all tenants at a reasonable cost. The trust will offer tenants without home charging facilities the ability to top-up while at work to help ease the transition away from internal combustion engine vehicles.

The scheme was funded in part by a grant from Plymouth City Council and makes use of the 150kWp solar array installed on the phase I building at the Park.

CASE STUDY

Citybus

Low Carbon Buses for Plymouth

In 2016 Plymouth Citybus welcomed the first alternative fuel buses to the region in the form of 13 single deck buses, powered by Compressed Natural Gas.

The buses, along with infrastructure to fuel at the Plymouth Deport are 96% cleaner than the Euro 4 buses they replaced.

In 2017 Plymouth Citybus invested £4.5 Million in 16 state-of-the-art Euro 6 Low Carbon Certified, British built, double decker buses. Another 11 followed in 2019, with a further £3.5 Million investment in the fleet.



CASE STUDY



2020 saw a further 10 brand-new Euro 6 buses enter service on cross-boundary routes between Plymouth City Centre and South East Cornwall, meaning that a total of 50 low carbon certified buses now operate within the city.

Advances in bus engine technology means that a clean new bus has allowed for older, more polluting buses to be removed from service.

Plymouth Citybus is part of the Go Ahead Group. Across the company there are a number of alternative fuel bus projects under way. These include Electric, Geo Located Electric/Euro 6 Hybrid and Hydrogen fuelled buses.

The bus industry is at the forefront of clean travel. Not only does a double deck bus at full capacity take 75 cars off the road, reducing congestion, but it can do it in a clean way.

CASE STUDY

Plymouth's marine environment is a key part of what makes our city unique and special. Over the next three years, the Preventing Plastic Pollution and LIFE Recreation ReMEDIES projects both aim to engage residents, schools, visitors and marine experts in ways to improve the health, condition and species diversity within Plymouth Sound and Tamar Estuaries.

Preventing Plastic Pollution

Working alongside Britain's Ocean City's Plastic Taskforce, Preventing Plastic Pollution will implement a programme of engagement activities to:

- Remove plastic pollution from source to sea, reducing the impact on our marine environment.
- Trial new plastic recycling bins in the water and on the land.
- Work with businesses, leisure and recreation sectors, schools and communities to raise awareness about single use plastics, and to find joined up ways to reduce our plastic footprint.



CASE STUDY



PREVENTING PLASTIC POLLUTION PARTNERS

England

- Queen Mary University of London
- The Rivers Trust
- Westcountry Rivers Trust
- South East Rivers Trust
- DEFRA
- Environment Agency
- Plymouth University
- Plymouth City Council

France

- LABOCEA Conseil, Expertise et Analyses
- Syndicat mixte établissement public de gestion et d'aménagement de la baie de Douarnenez
- Agence Française de la Biodiversité
- Brest métropole
- Centre national de la recherche scientifique
- Conseil départemental de la Manche
- Institut français de recherche pour l'exploitation de mer
- Syndicat de bassin de l'Elorn
- ACTIMAR
- Brest'aim

CASE STUDY



Image © Keith Hiscock

LIFE Recreation **ReMEDIES**

ReMEDIES

ReMEDIES (Reducing and Mitigating Erosion and Disturbance Impacts affecting the Seabed) will:

- Identify areas for large scale restoration of seagrass beds which store significant amounts of carbon from the atmosphere, helping mitigate climate change impacts.
- Develop and install new environmentally friendly ways to moor and anchor boats, which will reduce the impact on the seabed.
- Raise awareness about the importance of seagrass and Plymouth Sound and Tamar Estuaries through community events, boating surveys and an education programme.

PARTNERS

- Natural England
- RYA
- Ocean Conservation Trust
- Marine Conservation Society
- Tamar Estuaries Consultative Forum
- Plymouth City Council

CASE STUDY

Green Minds

Green Minds is a three year programme from 2020-2023 which aims to rewild people and places across Plymouth. Funded from the social innovation strand of the European Regional Development Fund, Green Minds will demonstrate how nature can provide solutions to the challenges that climate change brings, improve health and wellbeing and create thriving environmental enterprises.

As part of the project, in November 2020, Plymouth made history to become the first (and only) city in the UK for 400 years to have a resident beaver at Derriford Community Park. This keystone species is an ecosystem engineer – creating wetland habitats that help to ‘slow the flow’ of water, bringing many benefits such as increasing biodiversity, improving water quality, as well as acting as a carbon store. Not only that, they bring social benefits too in terms of health and wellbeing, education and will support the local economy through wildlife tourism.



Image © Chris Parkes

More projects to come include a sustainable urban drainage solution to transform rainwater into a resource in Central Park; greening the grey through trees and wildflower planting in the north west of the city; creating new nature corridors and community orchards at Saltram; and supporting nature-based social enterprises in Devonport and Stonehouse.

CASE STUDY



Engaging and empowering residents, schools, landowners and businesses to take action for nature is an important part of the programme. Over 600 people attended our virtual launch in October and we will be running a range of events, training, awareness raising and educational activities as we go along, creating networks, resources and tools to share best practice and connect people and wildlife. This will include a fully immersive nature film in the Market Hall at the end of the project.

More info at www.greenmindsplymouth.com

PARTNERS

University of Plymouth
Plymouth College of Art
Real Ideas Organisation
Devon Wildlife Trust
The Data Place
National Trust
Plymouth City Council

CASE STUDY

Plymouth Tree Challenge campaign

Following on from the successful creation and adoption of Plymouth's Plan for Trees in March 2019, a steering group comprising the City Council, Plymouth Tree Partnership, National Trust, Plymouth Community Homes, Woodland Trust, the Plymouth Open Space Network and others have been working to kick start our delivery programme.

The Plymouth Tree Challenge campaign aims to increase awareness of Plymouth's trees by covering multiple case studies to promote the value of trees to the city and to communities, with a range of videos and infographics which tell the story of the projects as they progress. The campaign will encourage all the Plan for Trees principles to care, enhance, promote and protect the trees of Plymouth, as well as educate on the wider context of their importance in terms of climate change, biodiversity loss, and tree disease management.



CASE STUDY



Plymouth's trees and woodlands, including trees in urban areas, make our city a great place to live, work, do business and create an environment to invest in. Trees do a really important job but they are too often overlooked. It is time to recognise what a highly valuable asset they are for Plymouth.

The Plan for Trees aims to help trees in urban areas become fit for purpose, resilient to the challenges of climate change and disease, and adaptable to whatever new challenges the future may hold. It covers all trees in Plymouth and we will be working with partners to achieve these goals.

This plan recognises that realising all of the benefits of urban trees will require significant effort and investment over a prolonged period of time from all partners and stakeholders. It is accompanied with a detailed phased and costed delivery programme developed to support Plymouth's Plan for Trees, setting out how each of the principles will be taken forward and achieved.

More info at www.plymouth.gov.uk/planningandbuildingcontrol/treesandhedges/plantrees

CASE STUDY

Plymouth Climate Challenge

In Spring 2020 a full review of the City Change Fund was undertaken. This included raising the capped contribution from £20,000 to £30,000 and also introducing a new Climate Emergency Bonus (up to an additional £15,000) for projects helping to address climate change.

To launch the bonus, raise awareness of the City Change Fund, and to support and generate funding for Climate Emergency initiatives in real-time, the Plymouth Climate Challenge Live competition took place in Autumn 2020 with the final broadcast live via YouTube on Thursday 3 December 2020.

Seven shortlisted projects were given a £250 start-up pledge and crowdfunded for a month. The top three projects who raised the most money were awarded an additional £2,500 and took part in the live final. The winner was awarded a prize of £5,000 live during the final event.



The review of the City Change Fund and the Plymouth Climate Challenge competition has been just one of the great examples of how the city is responding to the Climate Emergency, ensuring grass-roots contribution to this national and international challenge. Projects which were shortlisted included: collecting and recycling 1,000 abandoned tyres in Plymouth Sound, a mass art installation to be displayed at COP26, a nappy library and a project to equip every school child in the city with re-wilding seeds.

More info at www.plymouth.gov.uk/planningandbuildingcontrol/neighbourhoodplanning/citychange fund

ENGAGEMENT AND RESPONSIBILITY Actions

The role of engagement in meeting our Climate Emergency ambitions is huge and should not be underestimated. The only way we can achieve our target is by working collaboratively and sharing responsibility.

This sentiment is clearly reflected in the diversity and range of actions that are set for 2021, from tree planting to creating offsetting funds.

2.60

Implement a Climate Emergency communications campaign to support a step change in behaviours, in partnership with the Plymouth Net Zero Partnership.

2.61

Develop a programme for establishing Climate Change Ambassadors across the whole of Plymouth.

2.62

Engage with the Youth Parliament to ensure that the voice of children and young people is heard in relation to the Climate Emergency.



ENGAGEMENT AND RESPONSIBILITY Actions

2.63

Organise an annual Climate Emergency Summit for Young People.

2.64

Organise a themed day at Plymouth Libraries on the topic of climate change.

2.65

Reconnect residents, schools and local enterprises with Plymouth's natural environments to support climate change initiatives through the Green Minds Programme.

2.66

Bring forward nature-based solutions through initiating a programme of investment in sustainable urban drainage and rewilding projects supported by the Green Minds Programme.

2.67

Remove plastic pollution from source to sea, raise awareness of the impact of single use plastics and develop joined up ways to reduce our plastic footprint on the marine environment through the Preventing Plastic Pollution Programme.

2.68

Identify areas for large scale restoration of seagrass beds which store significant amounts of carbon from the atmosphere, helping mitigate climate change impacts and raising awareness through the ReMEDIES project.



ENGAGEMENT AND RESPONSIBILITY Actions

2.69

Continue to support community-based initiatives through the Climate Change Challenge Fund to encourage local decarbonisation projects and initiatives.

2.70

During 2021 plant over 1,000 trees and complete the Tree Planting Programme for 2022 as part of the Plymouth Tree Challenge.

2.71

Further develop plans for the Plymouth Community Forest to create around 1,000 hectares of new woodland planting by consulting key stakeholders and beginning preparation of a Sustainable Investment and Funding Business Plan.

2.72

Promote a car-free day across Plymouth.

2.73

Deliver an anti-idling campaign (including enforcement) outside schools.

2.74

Through Plymotion, provide personalised travel planning support to Plymouth residents to identify the best walking and cycling routes.



ENGAGEMENT AND RESPONSIBILITY Actions

2.75

Encourage and enable pedestrians, new and returning cyclists (adults and children) by implementing the Council's Active Travel Fund programme and delivering the Council's Plymotion behavioural change programme.

2.76

Actively support community transport providers to expand the range of services they offer and explore more commercial opportunities.

2.77

Work in collaboration with Peninsula Transport, South Hams and West Devon to embed consideration of the Climate Emergency into the development of sustainable transport projects.

2.78

Work with the Inclusive Growth Group of the Plymouth Growth Board to publish the Resurgam Charter, and deliver on its commitment to encourage and support businesses to respond proactively to the Climate Emergency.

2.79

Encourage Plymouth businesses to seek 'Green tourism' accreditation by promoting good practice and supporting funding bids where possible.

2.80

Encourage partner organisations to adopt and align social value procurement policies and ensure carbon reduction is duly considered and acted upon in their procurement initiatives.



ENGAGEMENT AND RESPONSIBILITY Actions

2.81

Publish and launch our Action Plan for Green Skills.

2.82

Develop Plymouth's first carbon offsetting pilot.

2.83

Continue to raise Plymouth's priorities for government action on climate change through the Local Government Association (LGA) Environment, Economy, Housing and Transport Board.

2.84

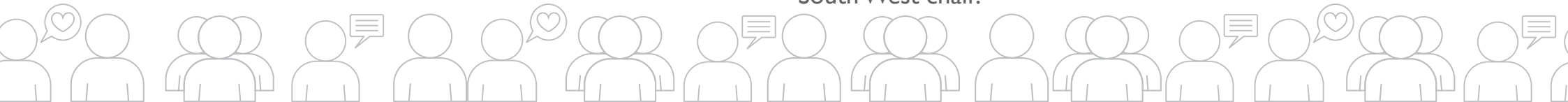
Continue to raise our priorities for government action on climate change where relevant through the quarterly meetings of the South West Association of Directors of the Environment, Economy, Planning and Transport (ADEPT) and feed into the ADEPT leadership team at a national level via the South West chair.

2.85

Support the University of Plymouth's Reconstructed Soils from Waste project.

2.86

Continue the programme of 'climate conversations' to bring together the stakeholders from across Plymouth to review strategic options for delivering net zero by 2030.



ENGAGEMENT AND RESPONSIBILITY Actions

2.87

Continue to raise awareness of climate change issues by supporting the Future Plymouth 2030 conference programme in partnership with the Royal Institute of British Architects.

2.88

Continue to work with other councils with similar ambitions on climate change, sharing good practice.

2.89

Continue to lobby government to change laws, taxation and investment in infrastructure to make low carbon living easier.

LOCAL AUTHORITY INFLUENCE AND ROLE IN DELIVERING NET ZERO

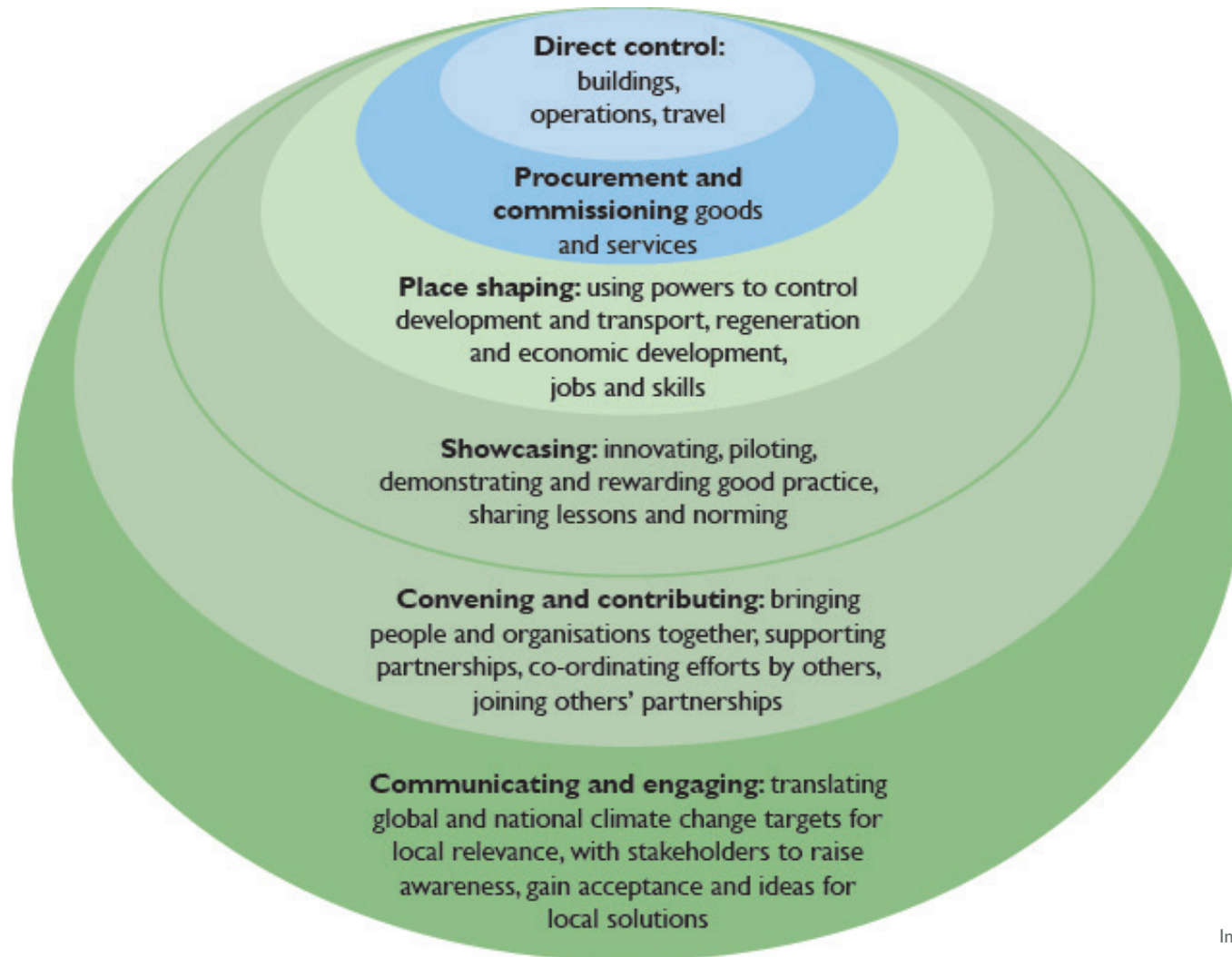


Image credit: Committee on Climate Change

Climate change is still the biggest challenge facing our city's future and without rapid action the consequences will be severe on society, the environment and the economy. Plymouth cannot resolve global climate change alone, but we can play our part by participating fully in a Climate Emergency response.

This second action plan is a significant step in directing action that will reduce carbon emissions across Plymouth and advance us on a path to meet our net zero carbon ambition by 2030.

The Climate Emergency Action Plan is reviewed publicly every six months by a City Council scrutiny committee. Recordings of the meeting, agenda and minutes are available on our website.

If you think there is more you can do to help please contact us at ClimateEmergency@plymouth.gov.uk.



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Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee



Date of meeting:	13 January 2021
Title of Report:	Corporate Carbon Reduction Plan 2021
Lead Member:	Councillor Sue Dann (Cabinet Member for Environment and Streetscene)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Paul Barnard, Service Director for Strategic Planning & Infrastructure
Contact Email:	Paul.Barnard@Plymouth.gov.uk
Your Reference:	CCRP2021
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The proposed Corporate Carbon Reduction Plan 2021 is submitted for consideration by the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee ahead of the City Council meeting to be held on 25th January 2021, in accordance with the commitment made by the Cabinet Member for Environment and Street Scene at its meeting on 15th January 2020 (Minute 40 refers).

Introduction

The City Council agreed the first Corporate Carbon Reduction Plan in December 2019. This marked a key milestone towards achieving a net zero carbon city by 2030. This plan was the subject to detailed review by this committee at its meeting on 21st October 2020 (Minute 7 refers). The Plan is a dynamic, living document that will be reviewed and updated yearly, and will evolve during the three phases of the Climate Change Action Plan Strategic Approach. The commitment is to produce annually a new action plan for each of the 11 years of the Climate Emergency period (2019-2030).

Proposals for 2021

The Corporate Carbon Reduction Plan 2021 maintains the five key areas for action established by the first plan to ensure that it is fit for purpose as actions are ramped up through the three strategic phases of the journey to zero carbon emissions by 2030.

This second Corporate Carbon Reduction Plan contains 24 actions, all of which are deliverable within existing budgets and through existing staff resources by December 2021. Many of the proposed actions will deliver measurable carbon reductions from the specific activities planned and these will be monitored going forward. Others, whilst not directly measurable, nevertheless will still contribute to reducing overall corporate carbon reduction impacts of the City Council estate and the delivery of its services and functions.

Recommendations and Reasons

It is recommended that the Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee:

- I. Support and endorse the Corporate Carbon Reduction Action Plan 2021.

Reason: To set the direction of travel for the decarbonisation of Plymouth City Council's estate and functions, encourage and facilitate stakeholder engagement for further revisions to the plan in accordance with the decisions of the City Council on 18 March 2019 to declare a climate emergency (Minute 89 refers) and to continue the commitment to prepare annual actions plans through to 2030, as first agreed on 16 December 2019 (Minute 7 refers).

Alternative options considered and rejected

Option 1 – Prepare a single plan covering the 11 years of the Climate Emergency – This was rejected as it would soon be out of date and not fit for purpose. Nor would it be sufficiently flexible and able to respond quickly to new science and new funding and other opportunities.

Option 2 – Do not prepare any Climate Emergency action plans – This was rejected as it would not be consistent with the decision of the City Council on 18 March 2019 to declare a Climate Emergency.

Relevance to the Corporate Plan and/or the Plymouth Plan

The actions being proposed in this report are consistent with the themes and values of the Corporate Plan 2018-2022 as well as those of the Plymouth Plan.

Implications for the Medium Term Financial Plan and Resource Implications:

The Corporate Carbon Reduction Plan 2021 sets out the direction and necessary corporate focus in relation to climate change issues for the 11 years of the emergency, with a detailed priorities for the next year. The finance and resourcing implications will be assessed against each individual action as they are progressed. As detailed business cases associated with the proposed actions set out in the Corporate Carbon Reduction Plan 2021 start to take shape, the City Council will need to consider the longer term resourcing implications. Budgets will need to be reassessed and capacity released to enable effective delivery of the necessary decarbonisation actions which will inevitably have to be ramped up each year through to 2030. It should be noted that a number of the actions already have funding secured either through the use of existing budgets or external grants, but further funding bids will be necessary.

Carbon Footprint (Environmental) Implications:

As previously reported, climate science is clear that to a close approximation, the eventual extent of global warming is proportional to the total amount of carbon dioxide that human activities add to the atmosphere. So, in order to stabilise climate change, CO2 emissions need to fall to zero. The longer it takes to do so, the more the climate will change, with existential implications for humanity. Emissions of other greenhouse gases also need to be constrained. The Corporate Carbon Reduction Plan 2021 will drive and support the efforts to ensure the City Council is playing its part in laying the foundations to achieve net zero carbon by 2030.

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

** When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The report re-commits the City Council to promote a fairer, more equal Plymouth by investing in communities, putting citizens at the heart of decision making, promoting independence and reducing health and social inequality. By embedding this commitment within the next Corporate Plan the City

Council is acknowledging the importance of ensuring all communities have an opportunity to thrive in a zero carbon world.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
CCRP 2021	Corporate Carbon Reduction Plan 2021							

Background papers:

*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Paul Barnard, Service Director for Strategic Planning & Infrastructure											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 15/12/2020											
Cabinet Member approval: Councillor Sue Dann, Cabinet Member for Environment and Street Scene, via One-to-One Portfolio Holder meeting.											
Date approved: 15/12/2020											

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CORPORATE CARBON REDUCTION PLAN 2021



PLYMOUTH
CITY COUNCIL



As a City Council we recognise how crucial it is that we show strong leadership in committing to move all council activities to become net zero by 2030. We also recognise that as far as the Climate Emergency is concerned, actions speak much louder than words. We need to lead by example and engagement if we are to bring others with us in tackling the Climate Emergency.

Although the City Council accounts for only 1% of total carbon emissions in Plymouth, our second Corporate Carbon Reduction Plan continues to demonstrate how we will make changes to our buildings, our transport fleet, how we will minimise the generation of waste, and crucially how we can encourage more sustainable behaviours, in order to deliver major reductions in carbon emissions. These reductions will help us lay the foundations of a net zero Plymouth: foundations that will hopefully inspire others to make the urgent changes required to reach our climate goals.

The actions in this plan are clearly designed to make reductions in carbon emissions – but they are also designed to send a message to the whole of Plymouth, be that our own council staff and councillors, our local businesses, schools, voluntary and community groups or individuals: everyone can, and should, play a part in tackling the Climate Emergency. This plan allows everyone across all the departments of the City Council to do their bit, working with our partners to encourage engagement at many levels to drive real change.

As the democratic leaders of the city I am determined the City Council itself continues to play a decisive leadership in how it responds to climate change by ensuring that all of its services are delivered in a more sustainable way that helps reduce our emissions to zero by 2030. But in order to change how we deliver services to the people and businesses of the city we need their help to support a sustainable greener city that will contribute to the overall protection of the planet. Ultimately all the actions we as a City Council need to take are about people, place and planet and how those can work together in greater harmony for a more sustainable future for humanity.

Sue Dann

Cabinet Member for Environment and Street Scene, Plymouth City Council





I. Introduction

This second plan sets out the actions the City Council will undertake in 2021 to reduce greenhouse gas emissions from its own operations. It builds on last year's plan, with clear, specific and measurable actions.

The City Council is increasingly determined to have a positive effect on the environment and to avoid any unintended consequences through its actions. This plan presents the Council's approach and also, how it will lead the way on tackling carbon emissions by:

- Getting its own house in order by reducing the emissions from its estate and operations to work towards net zero emissions by 2030.
- Using its influence and role as a community leader to work with partners, businesses and communities to tackle climate change through a common framework for action.
- Revising and updating this plan each year until 2030.

IF NOT NOW, WHEN?

2. How it started

The decision by the City Council on the 18 March 2019 to declare a Climate Emergency produced a number of key actions. These included a pledge to make Plymouth carbon neutral by 2030 and to produce a new Corporate Carbon Reduction Plan. This report provides a brief review of progress so far and proposes a set of new actions for delivery during 2021.

The aim of the Council's Corporate Carbon Reduction Plan 2021 is to:

- Achieve net zero emissions by 2030.
- Provide a green, sustainable city that cares about the environment.

Corporate Carbon Reduction Plan 2021

The Corporate Carbon Reduction Plan 2021 maintains the same structure as the plan created for year 1. It has two themed sections:

- Section A. Emissions and significant energy uses within the Plymouth City Council estate.
- Section B. Engagement, behavioural change and governance arrangements in Plymouth City Council.

The majority of the City Council's greenhouse gas emissions are accounted for in Section A, whereas Section B describes the personal and governance changes that will lead to reductions. The focus will be on delivering behavioural change, across the whole organisation, to elicit the required outcomes.



3. What's next – on the journey to zero emissions by 2030

This challenging and exciting journey to 2030 has only just started, and success will only be achieved through a collective effort. All services and departments of the City Council have Cabinet Member commitment together with cross-party support to achieve these ambitions. We know that over 95% of all corporate emissions come from five key areas:

Council buildings and the corporate estate

Emissions from buildings, which will be reduced through a combination of measures including the implementation of a replacement LED lighting program.

Fleet and equipment

Emissions from core fleet (vehicles owned by the Council), which will be reduced through a replacement program with the electrification of cars and vans.

Roads and street furniture

Emissions from roads and street furniture, which includes changes to illumination bollards, sign lighting and LED traffic lighting.

Staff and councillor travel

Emissions from staff and councillor travel which will be reduced significantly following the introduction of a Sustainable Travel Policy.

Waste which is council generated

Emissions from waste that is generated by the council.



4. We'll reduce emissions from council buildings

Emissions from heating and powering the City Council's buildings (excluding schools) account for over half of the overall emissions from the Council's operations. If the Council is to achieve net zero emissions, a concerted effort is required to both reduce energy consumption through improved energy efficiency measures and to increase the amount of renewable energy generation.

The proposed actions on City Council buildings for 2021 are:

- 2.1.1 Increase by 125% the City Council's PV (solar photovoltaic) provision by commissioning 720kW of new capacity.
- 2.1.2 Implement an LED lighting and controls replacement programme for the Plymouth Life Centre, Council House, Ballard House, Chelson Meadow, Prince Rock and four car parks (Western Approach, Mayflower East, Theatre Royal and Mutley).
- 2.1.3 Provide every new commercial tenant with a Sustainable Occupancy Pack to encourage action on carbon reduction initiatives.
- 2.1.4 Develop a business case and multi-million pound funding bid for a district heating system for the Guildhall, Council House and Midland House, utilising low carbon heat pump technology and a low carbon heat pump solution at Ballard House.



5. We're electrifying our council-owned fleet and machinery

Emissions from fleet account for around one fifth of the overall emissions from the Council's operations. The plan for replacing end-of-life diesel vehicles with electric alternatives is now firmly in place. It will see 177 electric vehicles delivered in three phases over six years. In 2020, 20 diesel vans were replaced for electric vehicles. The replacement of older refuse vehicles, including refuse trucks will start to be ordered in 2020/21, for delivery in 2021/22. These are diesel vehicles with electric bin lifts. These and other activities have resulted in the Council being nominated for a 'Green Fleet of the Year' award.

The proposed actions on City Council fleet and equipment for 2021 are:

- 2.2.1 Purchase a further 38 electric fleet vehicles in 2021 as part of the plan for all City Council vehicles below 3 tonnes to be electric by 2022.
- 2.2.2 Purchase and install electric bin lifts for seven vehicles in the fleet.
- 2.2.3 Pilot the use of electric tools in managing the City Council's green estate, as a step towards removing petrol powered tools.
- 2.2.4 Trial new approaches to managing the city's green infrastructure which reduce the need for machinery and increase carbon capture.
- 2.2.5 Install a new tracker system that captures and reports the carbon dioxide emissions from all fleet vehicles.
- 2.2.6 Implement and monitor vehicle-to-grid charge points on the City Council estate at Prince Rock Depot, Windsor House and Ballard House.
- 2.2.7 Purchase an electric powered road sweeper for trial in the city.



6. We're mapping out emissions from roads and street furniture

Emissions from street lighting and road furniture account for approximately a quarter of the City Council's total emissions. Reductions have been achieved this year through a programme which replaces sodium bulbs with LED lighting, part-night lighting and night-time dimming.

The proposed actions on City Council roads and street furniture for 2021 are:

- 2.3.1 Reduce emissions from 50 road islands, by changing illuminated bollards and sign lights to LED.
- 2.3.2 Increase to over 50% the number of road junctions with LED traffic light units.



7. We're driving down emissions from staff and councillor travel

Emissions from staff and councillor travel (grey fleet) account for approximately 3% of the City Council's total emissions. The grey fleet comprises the vehicles owned by employees and councillors that are used for business travel. The implementation of The Way We Work programme in a post COVID-19 environment will be translated in the development of a Sustainable Travel Policy for Plymouth City Council staff and councillors.

The proposed actions for City Council staff and councillor travel for 2021 are:

- 2.4.1 Implement a Sustainable Travel Policy for Plymouth City Council staff and councillors to instill behavioural change relating to business travel, commuting, parking and more sustainable modes of travel.
- 2.4.2 Provide electric pool bicycles and training for use by staff and councillors to help reduce car travel.



8. We're reducing waste which is council generated

Emissions from waste which is generated and disposed of as a consequence of activities of Plymouth City Council are not currently known. However, actions undertaken in 2020 saw a review of the contracts the City Council has with providers of waste collection, which have now been standardised. Waste production has and will be analysed going forward.

The proposed actions on City Council waste for 2021 are:

- 2.5.1 Install standardised and improved recycling facilities in all City Council corporate buildings.
- 2.5.2 Create an internal online system to inform staff about spare equipment that is available for them to re-use.
- 2.5.3 Reduce waste production to a minimum within grounds maintenance and ensure products from land management activities (such as timber) are repurposed for positive reuse.



9. We're changing behaviours

This second action plan seeks to go beyond the 'hard' initiatives and challenges described above and tackle carbon emissions by other means, namely by changing our governance, behaviours, engagement activities and the way we invest. Whilst emissions from these are less measurable, the way people tackle these will be fundamental. These are all set out in Section B of the Corporate Carbon Reduction Plan.

Section B of the Corporate Carbon Reduction Plan 2021

Actions undertaken in 2020 have influenced decisions that have led to reductions in carbon emissions. The new actions for 2021 seek to tackle specific challenges faced.

Governance	Behaviours	Engagement	Finance/Investment
2.6.1 Ensure that any changes to the Council's Corporate Plan and associated policies take account of the climate change ambitions of the Council.	2.7.1 Deliver an extensive programme of awareness raising and behaviour change to all employees and building users.	2.8.1 Deliver a joint City Council/ CATERed single use plastic communications campaign.	2.9.1 Initiate a new procedure that requires City Council Officers to consider Climate Emergency implications for all procurement activity where possible, including additional sign off procedures where Climate Emergency outcomes are not included in the procurement.
	2.7.2 Roll out an e-learning training programme on climate change and the importance of reducing carbon emissions for all staff and councillors.		2.9.2 Set minimum environmental social value targets for all City Council procurement decisions, where appropriate.
			2.9.3 Benchmark the City Council's staff pension performance against those of other authorities in terms of its investments in carbon intensive industries, and compare the performance of these carbon intensive investments to its other investments.



10. What can you do to help?

Technological advances, behaviour changes, societal norms and our understanding of climate change and greenhouse gas emissions will change between now and 2030. An annual review of the City Council's emissions and future projections will therefore be undertaken to ensure the plan remains up to date and fit for purpose.

For the City Council, this document sets out the corporate commitments to the journey to zero emission by 2030. The City Council, Cabinet and the Senior Leadership Team fully support and endorse the plan.

Behavioural change is at the forefront of achieving zero emissions. All decisions of council officers and councillors will influence energy consumption to some degree. This plan seeks to raise awareness at every level, as together we can make a difference. What you do, what you decide and approve, can and will influence energy consumption.

We will continue to work with the City Council's Green Champions to develop further actions to address climate change. If you think there is more you can do to help please contact us at ClimateEmergency@plymouth.gov.uk.



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