



Oversight and Governance

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

Please ask for Jamie Sheldon
T 01752 668000
E jamie.sheldon@plymouth.gov.uk
www.plymouth.gov.uk

Published 11 November 2024

CABINET – SUPPLEMENT PACK

Monday 11 November 2024
2.00 pm
Council House, Plymouth

Cabinet

- | | | |
|------------|---|--------------------------|
| 6. | Finance and Capital Monitoring report Q2 | (Pages 1 - 14) |
| 7. | Medium Term Financial Strategy 2024/25 – 2028/29 | (Pages 15 - 54) |
| 11. | Corporate Plan Performance Report Q2 | (Pages 55 - 92) |
| 12. | Strategic Risks Q2 | (Pages 93 - 108) |
| 13. | Children's Services update | (Pages 109 - 114) |

Cabinet



Date of meeting: 11 November 2024

Title of Report: **Finance Monitoring Report September 2024 (Quarter 2)**

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

Lead Strategic Director: David Northey (Service Director for Finance)

Author: Helen Slater, Lead Accountancy Manager
Wendy Eldridge, Lead Accountancy Manager (Capital and Treasury Management)

Contact Email: David.northey@plymouth.gov.uk

Your Reference:

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

This report sets out the revenue and capital monitoring position of the Council forecast to the end of the financial year 2024/25 at Period 6.

Recommendations and Reasons

That Cabinet:

1. Note the forecast revenue monitoring position at Period 6 as set out in this report is an adverse variance of £4.609m;
2. Note Senior Officers will continue to work with Cabinet to reduce the forecast overspend;
Reason: controlling the outturn within budget is essential to maintain financial control.
3. Note the Capital Budget 2024-2029 is revised to £372.669m as shown in Table I and agree that this revised forecast is recommended to Full Council for approval;
Reason: Controlling the outturn within budget is essential to maintain financial control with full transparency on the Capital Investments.
4. Note the Prudential Indicators Q2 2024/25.

Alternative options considered and rejected

There are no alternative options – our Financial Regulations require us to produce regular monitoring of our finance resources.

Relevance to the Corporate Plan and/or the Plymouth Plan

The 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 MTFP is updated 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.

Financial Risks

Financial risks concerning period 6 reporting are discussed in the body of the report and relate to the attainment of a balanced budget position in financial year 2024/25.

Carbon Footprint (Environmental) Implications:

There are no impacts directly arising 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.*

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 within budget is paramount to ensuring the Council can achieve its objectives

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

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	CH.2 4.25.2 00	Leg	LS/00 0031 97/20 /LB/1 1/11/ 2024	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: David Northey, Service Director for Finance											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 08/11/2024											
Cabinet Member approval: Councillor Lowry, Cabinet Member for Finance											
Date approved: 11/11/2024											

SECTION A: EXECUTIVE SUMMARY**Table 1: Revenue Forecast**

	Budget £m	Forecast £m	Variance £m
Total General Fund Budget	241.622	246.231	4.609

This report highlights an adverse variance monitoring position at Month 6 (September 2024). A breakdown of this is set out in Table 2.

SECTION B: Directorate Review**Table 2: Revenue Forecast by Directorate**

Directorate	Budget £m	Forecast £m	Forecast Net Variance £m	Status
Chief Executive's Office	6.914	6.914	0.000	nil variance
Customer and Corporate Directorate	35.437	36.531	1.094	over
Children's Directorate	74.599	81.654	7.055	over
Adults, Health and Communities Directorate	108.416	110.046	1.630	over
Public Health	2.557	2.557	0.000	nil variance
Growth Directorate	30.190	30.490	0.300	over
Corporate Account & Council wide items	(16.491)	(21.849)	(5.470)	under
Total	241.622	246.231	4.609	over

The reported position is an adverse variance of £4.609m. Previously the reported position was nil variance, but the forecasting update at Month 6 now includes risks within Directorate budgets that have no mitigations identified against them.

Chief Executive's Office

Following a budget review and actions by the Service, Chief Executive Office is reporting a nil variance at Month 6 and is expecting to come in on budget.

Customer and Corporate Services Directorate

Month 6 Position – Customer and Corporate Directorate	Variance £m	RAG Rating
Pressures		
Hard Facilities Management and loss of income from Guildhall closure	0.856	Amber
Housing Benefit Subsidy Gap	0.320	Amber
Savings / mitigations		
Net savings across directorate	(0.082)	Amber
Variance currently not mitigated	1.094	

At Month 6 a pressure of £1.094m has been identified as unmitigated; pressures within the Directorate are detailed above.

The forecasted pressure within Hard FM has reduced to reflect prioritisation of spend for the remainder of 24/25. Based on current forecasting there will be a Housing Benefit subsidy gap pressure of £0.908m, which has been offset by (£0.588m) reduction in Bad Debt Provision, the net position is therefore £0.320m pressure. Across the remainder of the directorate there is a net saving of (£0.082m), mainly due to maximisation of new burdens funding within Finance and recharges of SSR to grant funded posts.

Children's Directorate

Children, Young People & Families	Variance £m	RAG Rating
Pressures		
Looked After Children – Placements	3.010	Red
Legacy Delivery Plan Pressures	3.446	Red
Staffing/Agency Pressures	1.082	Amber
0-25 SEND Staffing Costs	0.292	Amber
Home to School Transport	0.348	Amber
Mitigations		
Additional Grant Funding	(1.123)	Red
Variance currently not mitigated	7.055	

- At Month 6 pressures totalling £7.055m are currently being flagged as unmitigated.
- In-year Placement monitoring shows a net pressure of £3.010m, this is an increase of £0.016m from the previous reported position. Plans to step other children forward into alternative appropriate provision have been identified at a total of £1.123m. This gives a net Placements forecast of £2.756m. Further work is being done to identify any additional looked after children who could potentially move placements – however this is unlikely achieve enough to mitigate the current pressures.
- Currently all planned mitigations are required to offset the placements pressure, there are no further plans to meet legacy delivery plans within the budget totalling £3.446m. This results in a pressure against delivery plans which is unlikely to be offset in year.
- Agency staff costs have increased in order to meet statutory requirements and maintain caseloads at a manageable level. The recently re-branded and re-launched recruitment campaign has successfully recruited to some senior positions, but it has not attracted permanent experienced social workers. The Q2 position on agency spend is a pressure of £1.082m, which is offset by non-placement forecast savings of £0.869m.
- Within Education, Participation and Skills there are potential risks being flagged within the Short Breaks Service budget, rapid analysis has taken place to control the drivers and work has started to bring the pressure under control. This includes recoupment of unspent direct payments, a

reduction in enabling and leisure packages, a reduction in overnight commissioned packages and increases in health contributions.

- There continues to be a forecast overspend of £0.292m within the 0-25 SEND team, this is based on the current work force. Previous year's overspend in this area were allocated to the DSG but an ESFA review of spend has meant that all SEND administrative services have to be charged to revenue.
- September route planning for SEND Home to School Transport has been completed and resulted in a forecast pressure of £0.348m, due to increased route costs effecting the Service's ability to make efficiency savings.

Management Actions

- Extensive work is taking place through the Homes for Cared for Children Programme to address this increase through planning for 14 children to move on from a residential placement in this financial year and assessments are taking place for other young people whose needs can be better met with a family member, in foster care or in supported living.
- Children have also been identified whose needs can be well met from reunification home or with extended family members or with a move from Independent Foster Carer to a Plymouth Foster Carer.
- A Children's Brokerage team has been recruited to strengthen market engagement, placement finding and market management and monitoring and quality assurance.
- Options for greater Plymouth based provision for children and young people are being developed.
- Recruitment campaign and retention initiatives are being reviewed again and priority posts are being recruited to. The Director of Children's Services chairs a weekly recruitment panel, attended by the Director of Human Resources and Service Directors, to scrutinise and approve recruitment to every post within the Directorate. Only posts that are essential and where the role cannot be delivered in another way are approved.
- The financial and support offer to Plymouth Foster Carers has been improved and there are some early signs that this is starting to have an impact with more enquiries (25) which has resulted in 13 applications received and proceeding to stage 1 (this conversation rate of over 50% is significantly higher than last year).

Adults, Health and Communities Directorate Adult Social Care

Month 6 Position – Adult Social Care	Variance £m	RAG Rating
Pressures		
Reduction in client income	3.096	Amber
Care Package Expenditure	0.471	Amber
Support Services Recharge	0.080	
Mitigations		

Vacancy savings and non-staffing savings	(0.581)	Green
Service Delivery Contingency	(0.516)	Green
In Progress – Intermediate Dom Care Review	(0.500)	Amber
In Progress – CFS/Income Audit	(0.400)	Amber
In Progress – Health Contributions Review	(0.400)	Amber
Variance not currently mitigated	1.250	

- At Month 6 pressures totalling £1.250m are currently being flagged as unmitigated.
- Pressures within Nursing Long Stay Care Packages (£0.647m), Short Stay Packages (£0.350m), Domiciliary Care (£0.112m) and Supported Living (£0.091m) are being offset in part by savings in other package types including Direct Payments and Residential Care, resulting in a net pressure of (£0.471m) on Care Package expenditure budgets.
- Pressures due to reduced Client Income are being flagged; the bulk of which are within Fairer Charging (£1.930m), Residential Client Income (£0.670m) and Joint Funding (£0.692m) which are having a significant impact on the budget, totalling a forecast pressure of £3.096m. The service is arranging a review by Internal Audit on income processes to identify any improvements that can be made with the intention of mitigating this continuing pressure. However, it is unlikely that this pressure will be fully mitigated in year.
- The service is reviewing obligations related to Intermediate Dom Care and whether funding can be recovered for this, or whether the provision can be stopped. Also further work is being undertaken around health contributions to client packages as a priority.
- At Month 6 the vacancy savings target of (£0.460m) has already been achieved, with additional vacancy savings of (£0.581m) being forecast based on holding vacancies within the structure. The Service are also expecting all brought forward and in-year delivery plans savings (£8.881m) to be met.

Corporate overhead recharges of 15% on revenue grant funded posts have resulted in a pressure of £0.080m at Month 6, which is acknowledged to be outside of the control of the Service

Community Connections

Month 6 Position – Community Connections	Variance £m	RAG Rating
Risk: Increase in numbers in Temporary Accommodation	0.369	Green
Risk: Delivery Plans – Expected delays in planned activity	0.293	Amber
Support Services Recharge	0.210	Amber
Mitigation: Salary savings, grant maximisation and line by line budget review	(0.492)	Amber
Position to report at Month 6	0.380	

Community Connections has a delivery plan target of £1.000m in this financial year. Currently there are delays in delivery of the plans associated with this target which is creating a pressure of £0.293m at Month 6. To mitigate this, further work is being undertaken alongside the larger property purchase projects to find alternative properties, with the Service also continuing to try bring the Royal project on line as soon as possible.

The Service is also seeing continued growth in numbers of people needing temporary accommodation, resulting in a pressure of £0.369m. Whilst this is expected to be covered in part by staffing savings and grant maximisation a pressure of £0.170m remains unmitigated.

Corporate overhead recharges of 15% on revenue grant funded posts have resulted in a pressure of £0.210m at Month 6, which is acknowledged to be outside of the control of the Service.

Office of the Director of Public Health (ODPH)

Month 6 Position – ODPH	Variance £m	RAG Rating
Risk: Bereavement Service (increased Service Borrowing, reduced income)	0.535	Amber
Mitigation: Leisure Management efficiencies (Service Borrowing and Electricity)	(0.117)	Amber
Mitigation: Savings within PPS (staffing)	(0.048)	Amber
Mitigation: Reviewing forecast expenditure, income and capitalisation of costs associated with the new Crematorium.	(0.371)	Amber
Position to report at Month 6	0.000	

Additional service borrowing and reduced income within Bereavement are creating forecast pressures of £0.535m within the Service's budgets, which is offset in part by savings within Leisure Management. Work is ongoing to explore expenditure containment, increased income opportunities and ensuring spend on the new Crematorium is capitalised where appropriate. The intention is that the overall pressure will be mitigated so there is currently nil variance reported, this is the same position as Month 5.

Growth Directorate

Month 6 Position – Growth Directorate	Variance £m	RAG Rating
Pressures		
Shortfall on Legacy Delivery Plan savings	1.128	Amber
In year BAU Pressures	0.882	Amber
Support Services Recharge	0.300	
Mitigations		
Income Maximisations – incl. commercial contracts and leases	(2.010)	Amber
Position to report at Month 6	0.300	

Growth summary mitigation measures	Amount (£m)	Completed by	Lead	RAG
Renegotiation of commercial contracts - leases	Circa 0.9m	31/03/2025	David Draffan/James Watt	Amber
Commercial contracts monitoring - Energy from Waste profit share	Circa 1.5m	31/03/2025	Phillip Robinson/Phil Ruden	Amber

The Growth Directorate are projecting an overall adverse £0.300m revenue position for 2024-25, despite total known pressures of £2.310m, which can be mitigated by known management actions.

This variation is predicated on the Growth Department making full use of expected upsides from income maximisation, in particular from the Energy from Waste profit share and the Property Regeneration Fund lease renewals.

£1.128m of the forecast pressure is from a shortfall in previously agreed 23-24 savings delivery plans. This includes the impact of delayed implementation of route optimisation, garden waste pressures and historical legacy targets without specific action plans. £0.900m is from business-as-usual pressures, largely in the delivery of Street Scene & Waste & Grounds.

Corporate Items & Council wide

Month 6 Position – Corporate Items	Variance £m	RAG Rating
Pressures		
Facilities Management – Corporate costs	0.316	Amber
Mitigations		
Treasury Management Savings	(0.489)	Amber
Release of general contingency	(3.913)	Green
Contingency b/fwd from prior years	(0.384)	Green
Prior year council tax surplus	(1.000)	Green
Variance to report	(5.470)	

Facilities Management (FM) continue to see additional costs associated with the corporate estate. These are all fully mitigated in-year by one-off savings and resolved going forward into 2025/26.

£3.913m of usable general contingency monies, held in case of in year cost pressures and £0.384m of brought forward contingencies have been released at Month 6 to support pressures within Directorate budgets.

In addition to this £1.000m of Council Tax funding held within reserves is also being released.

There is ongoing uncertainty around the pay award for 2024/25, figures included in current negotiations would exceed the budgeted allowance.

A quarterly review of Business Rates, including the Business Rates Pool, and Council Tax collections versus assumptions has been undertaken at Quarter 2. An increase to the Pooling Gain assumption and additional s31 grants expected removes previously anticipated pressures within Core Resources.

Core Resources Summary - Quarter 2			
	Budget	Q2 Forecast	Variance
Revenue Support Grant	(12.328)	(12.328)	0.000
Council Tax	(139.479)	(140.684)	(1.205)
Business Rates	(82.065)	(81.169)	0.896
NNDR Pooling Gain	(2.750)	(2.441)	0.309
Reserves	(5.000)	(5.000)	0.000
Total	(241.622)	(241.622)	(0.000)

Savings Budgets 2024/25

The additional savings built into Directorate budgets for 2024/25 are set out below:

Directorate	Savings 2024/25 £m	Plan	RAG Rating
Children's	Total Savings (1.873) Related Growth 0.777 Net Savings Target (1.096)	Net savings associated with profile of placement types	Red
Adults, Health and Communities	(1.500)	£1.000m reduction in Homelessness spend	Amber
		£0.500m release of Bad Debt Provision	Green
ODPH	(0.200)	Contribution to revenue budgets	Green
Corporate Items	(0.900)	Minimum Revenue Provision and Bad Debt Provision release	Green
	(3.696)		

CAPITAL

The capital programme as at 30th September 2024 incorporates the movement from Q1 position at 30 June 2024, with the five year capital budget 2024-2029 currently forecast at £372.669m.

Table 1 reflects the change in 5 year programme scope and movement through new approvals and variations.

Capital Programme Movement

Table 1 The Capital Budget consists of the following elements:

Description	£m
Capital Programme as at 30 June 2024 for 5 year period 2024 - 2029	360.488
New Approvals – June to September see Table 3 for breakdown	19.097
Variations – June to September	(6.916)
Total Revised Capital Budget for Approval (2024/25 -2028/29)	372.669

A breakdown of the current approved Capital Budget by directorate and by funding is shown in Table 2 below.

Table 2 Capital Programme by Directorate

Directorate	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Children's Services	0.735	0.114				0.848
Adults, Health and Communities	28.120	11.922	0.842	0.164		41.048
Growth - Economic Development	34.082	32.181	42.215	16.715	12.582	137.775
Growth - Strategic Planning & Infrastructure	61.444	49.298	28.915	0.672	0.275	140.605
Growth - Street Services	24.860	11.835	0.295	0.234	0.212	37.435
Customer and Corporate	3.465	4.093	0.728	0.280	0.101	8.667
Office for Director of Public Health	6.221	0.070				6.291
Total	158.927	109.513	72.995	18.065	13.170	372.669

Financed by:	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Capital Receipts	3.230	1.763	9.368	0.180	2.008	16.549
Grant Funding	87.765	34.565	0.023	0.023	0.193	122.570
Corporately Funded Borrowing	32.621	35.352	22.539	0.860	0.545	91.918
Service Supported Borrowing	28.800	33.872	34.100	16.920	10.322	124.014
Developer Contributions	3.968	3.129	6.921	0.082	0.102	14.202
Other Contributions	2.542	0.831	0.043			3.416
Total	158.927	109.513	72.995	18.065	13.170	372.669

Based on the latest 2024/25 forecast totalling £158.927m, actual spend as at 30 September 2024 was £37.188m which equates to 23.40% of forecast figure of the Capital Programme for 2024/25.

Analysing historical monthly actual figures to overall outturn for years 2019 – 2024 has identified a percentage spend as at 30 September averaging 33.42% compared to final outturn. Applying this to current year actual spend with a 10% contingency threshold would indicate a 2024/25 outturn forecast closer to £115m.



Finance officers continue to work with Project Officers reviewing forecasts to ensure any necessary re-profiling is reported.

Of the 5-year programme, £91.918m is forecast to be funded from corporate borrowing which equates to 25% of programme. Work is ongoing to update the capital pipeline which will identify further corporate borrowing requirements. The affordability of the capital programme and future funding assumptions is under review.

Table 3 Capital new approvals Q2 including funding

Service / Directorate	Governance	New Approvals	5 Year Programme Approvals £ m	Financed By
SPI	S151	National Cycle Network Barrier Removal	0.002	S106
PH	S151	Plymouth Life Centre - Pool Covers	0.019	RF Grant
ED	S151	Plymouth & S Devon Freeport Project: Land at Sherford	0.200	RF Grant
ED	S151	Mount Edgcumbe Orangery Toilets	0.006	SB
CS	S151	Cann Bridge - SEN Expansion	0.075	RF Grant
CS	S151	Mill Ford - SEN Satellite Provision	0.075	RF Grant
CCO	S151	Prince Rock Gas Main Replacement	0.200	URF CB
SS	S151	Grass Cutting Equipment 2024	0.154	RF SB
CS	S151	Mill Ford - Devolved Capital	0.034	RF Grant
SPI	S151	Woolwell to The George (widening & Park & Ride)	-0.206	URF Grant
CCO	S151	St Budeaux Public Toilet	0.118	URF CB/RCCO
CCO	S151	Four Woods Nursery Boiler Replacement	0.042	URF CB
CCO	S151	Midland House IT Decommissioning	0.100	RF SB
CCO	Exec Dec	Theatre Royal Roof Repairs	0.289	URF CB
AHC	Exec Dec	Efford Youth & Community Centre	0.500	URF CB
AHC	Exec Dec	Honicknowle Youth & Community Centre	0.500	URF CB
ED	Exec Dec	Plymouth and South Devon Freeport Dredging	0.382	RF Grant
AHC	Exec Dec	Disabled Facilities (incl Care & Repair works)	3.469	RF Grant/Cont
SPI	Exec Dec	Harewood House	0.458	RF Grant/URF CB
SPI	Exec Dec	Plymouth Major Road Network	6.356	RF Grant/S106
ED	Exec Dec	Future High Streets Fund - Civic Centre	-8.500	RF Grant
ED	Exec Dec	Future High Streets Fund - Civic Centre	2.450	CB
SPI	Exec Dec	City Centre Public Realm Old Town St / New George St	1.294	CB
SPI	Exec Dec	Armada Way Delivery	10.754	CB / Cap Rec
ED	Exec Dec	Mount Edgcumbe English Garden House	0.326	RF Grant / Cont
Total Capital Approvals			19.097	

*Executive Decision (Published)

Glossary	
AHC	Adults, Health and Communities
CS	Childrens Services
SPI	Strategic Planning & Infrastructure
SS	Street Services
ED	Economic Development
CCO	Customer and Corporate Services

Glossary	
RF	Ring Fenced
URF	Unring Fenced
CB	Corporate Borrowing
SB	Service Borrowing
Cap Rec	Capital Receipts
Cont	External Contribution

Capital Programme 2024/25 monitoring

The budget for 2024/25 was £176.029m at the start of Q2, against this (£17.102m) has been re-profiled into future years to reflect latest project plans with notable variances listed below:

- Property Regeneration Fund (£3.930m)
- Langage Development South Phase 2 (£1.370m)
- Woolwell to The George (£2.577m)
- Forder Valley Interchange (£1.326m)
- Transport Capitalised Maintenance (£2.146m)
- Street scene & Waste Vehicles (£2.747m)
- Re-provision of Vines & Colwill Lodge (£2.511m)

Together with new approvals programmed for 2024/25 and variations produces a latest forecast for 2024/25 totalling £158.927m.

Table 5 below includes a breakdown by directorate of actual cash spend as at 30 September 2024 shown as a value and percentage against latest forecast, overall 23.40%. Comparable percentage for 2023 was 20.98%.

Table 5 2024/25 Programme including actual spend and % spent compared to latest forecast

Directorate	Latest Forecast 2024/25	Actual Spend as at 30 Sept 2024	Spend as a % of Latest Forecast
	£m	£m	£m
Children's Services	0.735	0.138	18.76%
Adults, Health and Communities	28.120	8.174	33.37%
Growth - Economic Development	34.082	8.526	33.67%
Growth - Strategic Planning & Infrastructure	61.444	8.657	25.01%
Growth - Street Services	24.860	6.668	14.09%
Customer and Corporate	3.465	1.166	26.82%
Office for Director of Public Health	6.221	3.860	62.05%
Total	158.927	37.188	23.4%

Profiling of the capital programme will continue to review robustness of forecasts to spend as project officers assess the inflationary impact to schemes and challenges to meet grant funding conditions.

A detailed monitoring project forecast has been issued to Service Directors highlighting projects with grant risk, specifically within Children's services £16m grant funding has been awarded by Department for Education with an element at risk of clawback unless specific devolved funds received in 2020/21 is spent.

Progression of grant funding with government departments has been impacted by general election restrictions, risk is held with National Marine Park project awaiting approval for LUF grant.

Prudential Indicators Q2 2024/25

The Authority measures and manages its capital expenditure, borrowing and commercial and service investments with references to the following indicators.

It is now a requirement of the CIPFA Prudential Code that these are reported on a quarterly basis.

Capital Financing Requirement: The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP / loans fund repayments and capital receipts used to replace debt.

The actual CFR is calculated on an annual basis.

	2023/24 actual £m	2024/25 forecast* £m	2025/26 budget £m	2026/27 budget £m
General Fund services	866.405	907.976	932.195	958.201

Gross Debt and the Capital Financing Requirement: Statutory guidance is that debt should remain below the capital financing requirement, except in the short term. The Authority has complied and expects to continue to comply with this requirement in the medium term as is shown below.

	2023/24 actual £m	2024/25 forecast* £m	2025/26 budget £m	2026/27 budget £m	Debt at 30.9.2024 £m
Debt (incl. PFI & leases)	739.506	799.432	878.196	931.823	725.506
Capital Financing Requirement	866.405	907.976	932.195	958.201	

* Arlingclose have been commissioned to review impact for accounting for a change in the accounting for leases.

Debt and the Authorised Limit and Operational Boundary: The Authority is legally obliged to set an affordable borrowing limit (also termed the Authorised Limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	Maximum debt Q2 2024/25 £m	Debt at 30.09.24 £m	2024/25 Authorised Limit £m	2024/25 Operational Boundary £m	Complied? Yes/No
Borrowing	639.532	639.532	900.000	800.000	Yes
PFI and Finance Leases	89.974	88.900	269.000	269.000	Yes
Total debt	729.506	728.432	1169.000	1069.000	

Since the operational boundary is a management tool for in-year monitoring it is not significant if the boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure.

Provision for £100m has been included in authorised limit and operational boundary in 2024/25 for a CFR increase arising from a change in the accounting for leases

Proportion of Financing Costs to Net Revenue Stream: Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP / loans fund repayments are charged to revenue.

The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2023/24 actual £m	2024/25 forecast* £m
Financing costs (£m)	38.590	45.538
Proportion of net revenue stream	17.75%	19.24%

Cabinet



Date of meeting: 11 November 2024

Title of Report: **Medium Term Financial Strategy 2024/25 – 2028/29**

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

Lead Strategic Director: David Northey (Service Director for Finance)

Author: David Northey

Contact Email: David.northey@plymouth.gov.uk

Your Reference: MTFS24/25 / 11.11.24

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

Under the Council's Financial Regulations, the Responsible Financial Officer (Section 151 officer) is required to report the medium term budget prospects. Cabinet is asked to consider the Medium Term Financial Strategy for the period 2024/25 to 2028/29.

The Medium Term Financial Strategy (MTFS) reflects the latest funding projections and sets out the forecasted budget shortfall in each year. The Strategy does not set out projected savings over the plan period; savings required for 2025/26 will be incorporated into the annual budget to be presented to Council in February 2025 and incorporated into future MTFS reports.

The Strategy is recommended by Cabinet to Council

Recommendations and Reasons

That Cabinet:

1. Approves and recommends the Medium Term Financial Strategy to the Council at its meeting 25 November 2024.

Reason: The MTFS forms a key part of the budget setting process, which itself is essential to maintain financial control.

Alternative options considered and rejected

This is a refresh of the Council's MTFS from September 2023 and builds on the medium-term Financial Forecast presented to Cabinet July 2024. Our Financial Regulations require us to produce regular reports on our finance resources.

Relevance to the Corporate Plan and/or the Plymouth Plan

The 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:

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

Financial Risks:

The Medium Term Financial Strategy (MTFS) is the Council's primary financial strategic and planning document linking the revenue budget, the capital programme and the treasury management strategy. The Strategy sets out the financial planning assumptions for the next five years and ensures resource allocation is in line with Plymouth's priorities. A full analysis of the financial risks will be set out in the Budget Report to Full Council at the meeting in February 2025.

Carbon Footprint (Environmental) Implications:

There are no impacts directly arising from this report.

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

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 within budget is paramount to ensuring the Council can achieve its objectives

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.	Medium Term Financial Strategy 24/25 – 28/29							

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	CH.2 4.25.2 01	Leg	LS/00 0031 97/21 /LB/2 1/11/ 24	Mon Off		HR		Asset s		Strat Proc	
Originating Senior Leadership Team member: David Northey (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 08/11/2024											
Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance) Date approved: 11/11/2024											

This page is intentionally left blank

Plymouth City Council
MEDIUM TERM FINANCIAL STRATEGY
2024/25 – 2028/29



CITY VISION: Britain's Ocean City

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

Plymouth
Britain's Ocean City



Councillor Tudor Evans OBE Leader of Plymouth City Council

“The change of national Government marks a watershed moment for the local authority sector, with a firm commitment to multi-year financial settlements. There is also a will to reform the funding allocations and to make it fairer. Fairer in terms of recognising deprivation means more costs, and therefore needs more funding. The children’s social care sector is also being highlighted as an area needing reform, which is something I have long campaigned for. This MTFS builds on our commitment to get the basics right and deliver the things that are important to the residents of Plymouth; working with the Police to tackle crime

and anti-social behaviour; fewer potholes, cleaner, greener streets and transport; building more homes for both social rent and affordable ownership; green investment, jobs, skills and better education; working with the NHS to provide better access to health, care and dentistry; keeping children, adults and communities safe. This strategy shows we are making progress and delivering on our promises.”



Councillor Mark Lowry Cabinet Member for Finance

“The financial outlook continues to be tough due to the impact of national issues outside of our control, however, we will ensure we deliver on our promise of building a better Plymouth as we maximise the available resources to provide value for money across all services. This Strategy is a key document as we continue bringing stability to the City’s finances whilst maintaining our ambitions. The Capital Programme remains a cornerstone of our financial strategy despite the impact of the current high interest rates. We are delivering on so many fronts; we are building a better Plymouth”



Tracey Lee Chief Executive of Plymouth City Council

“This Medium Term Financial Strategy reflects our commitment to the people of Plymouth to continue to provide over 300 core services within a tight financial envelope. We have had to work hard over many years to produce long term, sustainable savings solutions to overcome the reducing resources and increasing demand pressures. We are not alone in facing these challenges and we will continue to transform our service delivery to improve the customer experience.”



David Northey Service Director for Finance (Section 151 Officer)

“We have to recognise we are working in a difficult financial environment, and it is therefore even more imperative to have a strong, robust Medium Term Financial Strategy. By providing a financial framework within which financial stability can be both achieved and sustained, this will enable the Council’s strategic priorities and services to be delivered. This Strategy sets out the issues, but more importantly sets out our financial plans to improve our service delivery ”

Contents	Page
Introduction and Financial Principles	4
Financial Objectives	5
Corporate Plan	6
Autumn Budget 2024	7
Settlement Funding Assessment	8
Savings	9
Council Resources	9
Government Grants	12
Financing the Council	15
Medium Term Financial Forecast	16
The Council's Reserves	19
Financial outlook for 2025/26	24
Capital Budget and Programme	26
Key Financial Strategies	27
Closing the financial gap and Medium-Term Financial Strategy	28
Transformation of Service Delivery	28
Our Approach to Balancing the Books	32
Conclusion	34

1. Introduction

- 1.1. The Medium-Term Financial Strategy (MTFS) links the revenue budget, capital programme, treasury management strategy and capital strategy. It provides the strategic framework to achieve long term financial sustainability for the Council, considering known and anticipated pressures together with local and national and international issues which impact on finances. The Strategy helps the Council to respond to internal and external influences, including rising costs and additional demand. It is a key document of our financial and service planning and supplements the annual budget setting process.
- 1.2. The 2024/25 local government finance settlement was again for one year only; it has been trailed that the 2025/26 settlement will also be a single-year allocation. The new Government has made a commitment to return to multi-year settlements from 2026/27 and to introducing funding reforms built on the principle of fairer funding. For 2025/26, the core council tax referendum principles are expected to continue at 3% per year. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year. The continuing increased interest rate costs and major demand pressures being felt across adults and children's social care plus an increasing homelessness demand remain key factors in the sustainability of local government finance.
- 1.3. This MTFS covers a 5-year period from 2024/25 to 2028/29, recognising that the 2024/25 financial year is already set as an approved budget, whilst latter years are provided for illustrative purposes only. It is prepared in the context of continuing one-year financial settlements from central government, as the long-awaited review of funding is still outstanding. With a strategy in place, we can ensure the annual budgets are prepared in line with the Plymouth priorities, whilst identifying sustainable, alternative and increased sources of income. This is particularly important during the current period when the Council continues to face the twin challenges of reducing resources and increasing demand for services, as well as significant external pressures

2. Financial Principles

- 2.1. The Council will achieve a balanced budget each year, and managers must contain their expenditure within their approved budget.
- 2.2. Services will be charged for under the Council's agreed Fees and Charges Policy, with annual increases for inflation.
- 2.3. Provision for pay inflation will be made centrally and allocated to service budgets when agreed.
- 2.4. Specific grants will be included in service budgets. Any later reduction in a grant must be absorbed by the service budget, except in exceptional circumstances.
- 2.5. In-year savings will be reported separately as part of the finance monitoring cycle. Savings will be deducted from service budgets in the year of implementation.
- 2.6. Service departments are expected to meet the capital financing costs of projects. Corporate or cross cutting schemes may be funded centrally.
- 2.7. ICT expenditure is financed by service departments. Corporate or cross cutting schemes will be funded centrally.

3. Financial Objectives

- 3.1. Ensure the Council sets a balanced and sustainable budget
- 3.2. Generate the maximum possible funding towards delivering the priorities as set out in the Corporate Plan
- 3.3. Ensure that the Council manages and monitors its financial resources effectively so that spending commitments do not exceed the resources available in each service area; where ring-fenced government funding is reduced, the service area takes action to reduce expenditure accordingly
- 3.4. Prioritise capital projects based on the delivery of measurable outcomes whilst being aware of the revenue impact of borrowing costs; ensuring projects are considered in the context of delivering against the Corporate Plan.
- 3.5. Council Tax will be set in accordance with central government limits.
- 3.6. Maximise current income opportunities whilst continuing to maximise savings and explore new income and savings opportunities
- 3.7. Work towards the ambition of a general fund revenue (working) balance of at least 5% of net expenditure to protect the long-term financial health and viability of the council

4. Local Economy

- 4.1. Plymouth is 'Britain's Ocean City' and the largest urban area southwest of Bristol with a population of 268,700 and an economy worth £6.97bn supporting 116,000 jobs. However, Plymouth has low productivity with GVA at 83.1 per cent of the UK average, high employment rates and lower wages than nationally. Growing Plymouth's productivity is the foundation for improving prosperity for all residents, through supporting higher value sectors where the city has a natural advantage. Plymouth needs to build on its industrial strengths in advanced manufacturing and engineering, marine technology and the defence-related nuclear sectors to improve this productivity performance. There are also opportunities for wider growth in linked sectors for example floating offshore renewables in the Celtic Array. The city must grow a prosperous economy in an inclusive and sustainable way that reduces inequality, promotes social inclusion, improves well-being and helps to drive a green economic revolution. For Plymouth, this means developing the city's blue economy and focusing on the progression within marine focused industries. Plymouth also needs to build on its distinctive assets which include; the largest naval base in western Europe; a successful manufacturing and engineering sector; a vibrant creative and cultural sector; one of only 16 critical care teaching hospitals in the UK and the associated Plymouth Science Park as well as the newly created National Marine Park. Supporting strong communities and a sense of place is essential to the cultivation of a vibrant and attractive city to live, work, study, visit and attract investment.

Key city economic data:

- Plymouth's annual total GVA is £6.97 billion (2022).
- 116,000 jobs in 2022.
- 169,400 people in the city are of working age population (64 per cent) which is higher than both the England and South West averages (2021).
- Plymouth has a slightly lower employment rate than nationally (73.0 per cent compared to 75.4 per cent in 2024). However the estimate of the city's unemployment rate remains lower than the national average (3.1 per cent compared to 3.7 per cent nationally).

- UC / JSA claimants' rate in Plymouth in September 2024 was 3.5 per cent which is lower than the national average for Great Britain (4.3 per cent). Plymouth's claimant count rate has remained lower than the national average since August 2021 when it was higher (Plymouth: 6.6% UK: 6.5%).
- Wages in the city are lower than nationally with Plymouth workers receiving £620.50 per week compared to over £682.60 (full-time workers by place of residence, 2023).
- In 2022, the maximum wages of the lowest paid 20 per cent of workers saw a significant increase of 22 per cent to £286.20 per week while the highest paid 80 per cent of workers saw an increase of 4.6 per cent to £682.20 per week. As a result the wage gap shrunk from 2021 to 2022. However, in 2023, the maximum wages of the lowest paid 20 per cent of workers saw a slight increase of 4.09 per cent to £292.40 per week while the highest paid 80 per cent of workers saw an increase of 18.12 per cent to £837.20 per week. As a result the wage gap increased from 2022 to 2023.
- In 2023, 33.4 per cent of working-age residents were NVQ4+ qualified compared to 47.3 per cent nationally. The percentage of working-age residents with no qualifications is also lower 9.4 per cent compared to 6.5 per cent nationally.
- In Plymouth, more Key Stage 4 leavers (Year 11 or 16 year olds) move into apprenticeships (8 per cent) compared to 3 per cent in England (2021).

5. Corporate Plan

5.1. The vision for our city remains for Plymouth to be one of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone. The MTFs is framed by the council's Corporate Plan and how we will achieve the vision. Tackling crime and anti-social behaviour, filling in potholes, creating cleaner streets, building new homes, green investment, jobs and skills and better access to healthcare and dentistry are front and centre of the administration's vision for Plymouth's future. At the heart of the plan is the council's ambition to make Plymouth a fairer, greener city where everyone does their bit, making Plymouth a great place to grow-up and grow old, whilst minimising the impact of the cost of living crisis. This will be achieved through continuing to work with partners across the city and using evidence and our experience to make intelligent decisions. The plan outlines six priorities and the things both the council and others in the city are doing to achieve them. There is a strong recognition of the importance of the work of other organisations the council works with in delivering a city where people age well, where older residents are supported and empowered to live life to the fullest.

OUR PLAN

BUILD A BETTER PLYMOUTH



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, greener city, where everyone does their bit

WE BELIEVE IN:

DEMOCRACY
Because we listen and hear what people want

RESPONSIBILITY
Because we care about the impact of our decisions and actions

FAIRNESS
Because we want to address inequality and inequity in our city

CO-OPERATION
Because we achieve more together than we would alone

WE WILL:

Make Plymouth a great place to grow up and grow old
Minimise the impact of the cost of living crisis

OUR PRIORITIES:

- Working with the Police to tackle crime and anti-social behaviour
- Fewer potholes, cleaner, greener streets and transport
- Build more homes - for social rent and affordable ownership
- Green investment, jobs, skills and better education
- Working with the NHS to provide better access to health, care and dentistry
- Keeping children, adults and communities safe

DOING THIS BY:

- Providing quality public services
- Trusting and engaging our communities
- Focusing on prevention and early intervention
- Spending money wisely
- Empowering and engaging our staff
- Being a strong voice for Plymouth

www.plymouth.gov.uk/ourplan

6. Autumn Budget 2024

- 6.1. On 30 October 2024, the Chancellor presented their 2024 Autumn Budget and Spending Review to the House of Commons, alongside the publication of the Office for Budget Responsibility's new set of Economic and Fiscal Outlook forecasts. The Budget responded to the Office for Budget Responsibility (OBR) forecasts and set out the medium term path for public finances, accompanied by a one-year Spending Review covering departmental settlements for 2025/26. A further stage of the Spending Review will conclude in late spring 2025, most likely covering at least two more financial years.
- 6.2. There will be a real terms increase in core local government spending power of around 3.2% in 2025/26, including at least £1.3 billion of new grant funding, of which at least £600 million will be new grant funding to support social care.
- 6.3. An estimate for the allocations based on current allocation methodology are a £3.5m share of the £600m social funding and a £4m share of the £700m 'unringfenced' funding. However, the government is committed to reforming the approach to funding allocations by redistributing funding to ensure that it reflects an up- to-date assessment of need and local revenues. Therefore, existing methods of grant allocations will no longer be relevant.
- 6.4. Local authorities are expected to receive around £1.1 billion of new funding in 2025/26 through the implementation of the Extended Producer Responsibility scheme to improve recycling outcomes from January 2025, and local roads maintenance funding will be increased to £1.6 billion 2025/26.
- 6.5. The government will provide over £250 million to continue testing children's social care reforms, including new funding to pilot a Kinship Allowance and to create thousands of new foster placements.
- 6.6. The Shared Prosperity Fund will continue for a further year and be worth £900 million, in advance of wider funding reforms.
- 6.7. The Government will provide £233 million of additional spending in 2025/26 to prevent homelessness. This suggests the Homelessness Prevention Grant continuing for another year. An initial estimate is that funding for Plymouth could be approximately £1m.
- 6.8. There will be an £86 million increase to the Disabled Facilities Grant in 2025/26. An initial estimate is that funding for Plymouth could be approximately £0.400m.
- 6.9. Increasing funding for the core schools' budget by £2.3 billion, increasing per pupil funding in real terms. £1 billion of this funding will go towards supporting the special educational needs and disabilities (SEND) system. An estimate of Plymouth's share of £2.3 billion is approximately £10m. The estimated deficit on High Needs block at the end of 2024/25 is £20m.

For Business rates the following was announced:

- 40% business rates relief for retail, hospitality and leisure businesses, up to a total relief of £110,000 per business, in 2025/26
- freezing the small business multiplier in 2025/26, with a full CPI increase to the standard multiplier
- an intention to introduce new, permanently lower multipliers for retail, hospitality and leisure properties with a rateable value under £500,000, funded by a new higher multiplier on all properties with a rateable value of £500,000 and above

Employer's National Insurance contributions will increase from 13.8% to 15.0% from April 2025, with a reduction to the per-employee threshold at which employers become liable to pay National Insurance to

£5,000. This is an estimated impact of approximately £1.8m for directly employed PCC employees, however it has been announced this will be covered by additional funding. The impact of these increases may need to be passed on to indirect employees, for example Care Providers, without any additional funding announced.

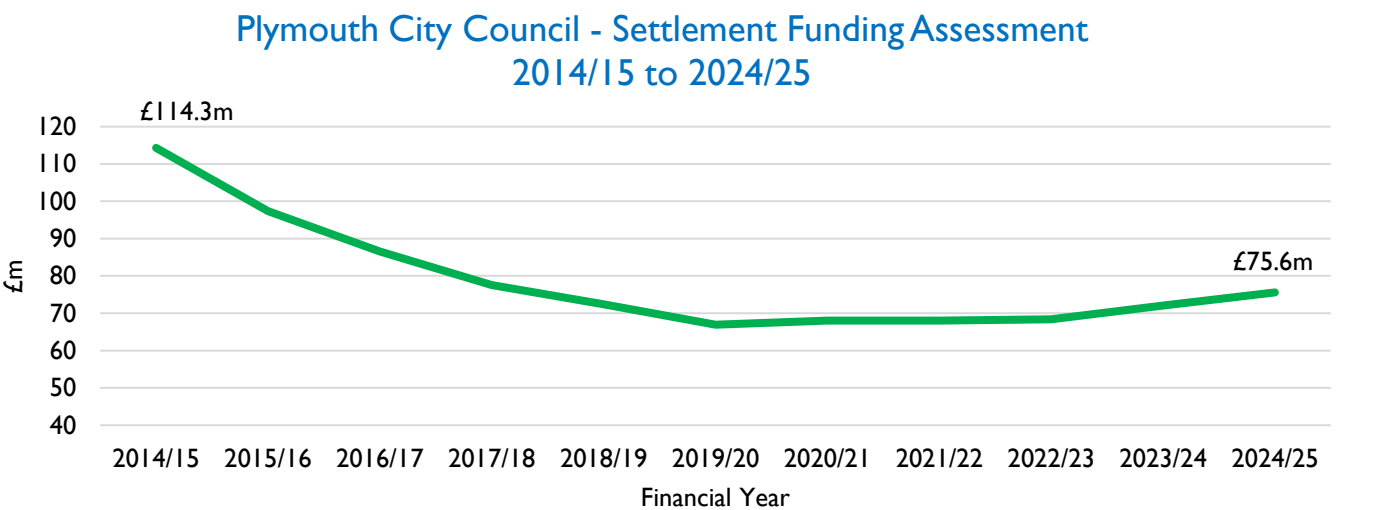
The Government is increasing the National Living Wage by 6.7%, or to £12.21 per hour, from April 2025. In addition, the national minimum wage for 18-20 year olds will be set at £10.00 an hour from April 2025 (a 16.3% increase). This increase will need to be passed on to Care Providers at an estimated costs of £4.3m for Plymouth.

There is a significant amount of uncertainty still with these announcements, and whether any additional funding, or cuts to existing grants will be announced. More information will be included in the Local Government Finance Policy Statement expected late November, with the provisional Settlement late December.

7. Settlement Funding Assessment

7.1. The Settlement Funding Assessment (SFA) is the Government's measure of funding required by a Local Authority to meet net revenue expenditure after allowing for income generated from Council Tax. The Settlement Funding Assessment consists of the local share of business rates, and Revenue Support Grant It is used to distribute Revenue Support Grant (RSG) to Local Authorities. In line with the previous Government's plans to reduce public sector spending, the SFA was reduced over a number of years including the amount of RSG. Inflationary uplifts have been applied since 2020/21 but don't restore reductions made in previous years and leaves Local Authorities vulnerable to inflationary swings. In 2024/25 there was an inflationary increase in the SFA of 6.7%, in 2025/26 the increase will be 1.7% as based on the September 2024 CPI rate.

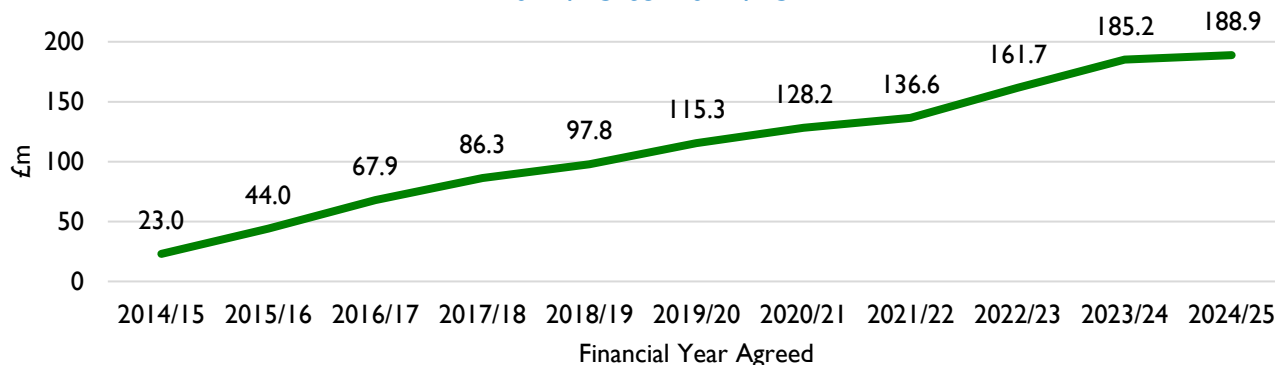
7.2. The chart below shows the settlement funding assessment for Plymouth City Council since 2014/15.



8. Savings

- 8.1. In order to meet growing cost pressures with reducing funding from Central Government, the Council has agreed a cumulative total of £188.9m in savings from 2014/15 to 2024/25

**Plymouth City Council - Cumulative Savings
2014/15 to 2024/25**



- 8.2. It has become increasingly difficult to find savings as Services respond to increasing demand pressures and growing costs. Whilst the Council continues to maximise grant funding and other income opportunities, further savings are limited when staffing is already at minimum levels and the Service is responding to an increasing level of need.

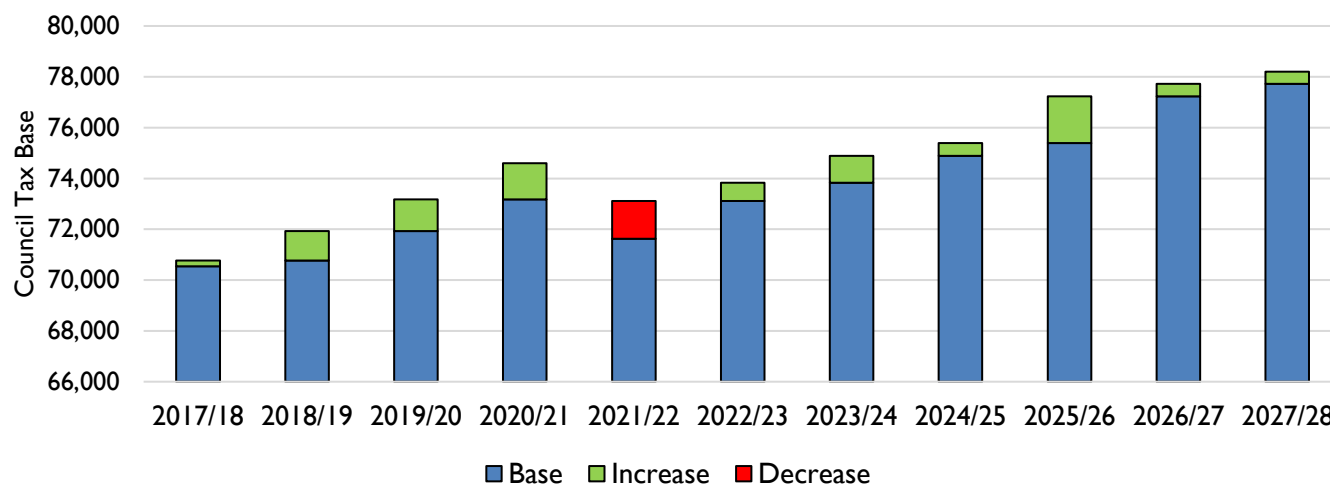
9. Council Resources

9.1. Council Tax and Adult Social Care Precept

- 9.1.1. In the 2024/25 Local Government Finance Settlement, Local Authorities were given the ability to apply an increase in core Council Tax of up to 2.99% and an increase in the Adult Social Care precept of up to 2%, the Council agreed to apply these increases.
- 9.1.2. There is now confirmation that these levels will continue in 2025/26, and this has been incorporated within government funding models and included for the 2025/26 financial year in the MTFS.
- 9.1.3. For 2026/27 and subsequent years, an assumption of 1.99% Council Tax plus 1% Adult Social Care precept has been modelled. For Plymouth, every quarter percent (0.25%) increase in the Council Tax would yield an additional £0.355m in 2025/26.
- 9.1.4. The Council Tax base that has been assumed for each financial year is shown below. The tax base for future years includes assumptions about growth in the number of residential properties and any impact of the Local Council Tax Support Scheme.
- 9.1.5. In 2025/26 assumptions have been made for the Empty Homes and Second Homes premiums applied in 2024/25 and 2025/26 respectively.
- 9.1.6. The Full Council meeting in January 2024 approved the Council Tax Base report for 2024/25. It set the number of Band D equivalent properties at 75,389, an increase of 498 on 2023/24. The assumed collection rate continues at 97.5%; this is realistic and prudent due to the current economic climate.

9.1.7. As a note, the 2021/22 Base number is showing as Red – a decrease. This was a technical adjustment in the calculation in line with the Government’s revised funding during the Covid-19 Pandemic. The Base was restated in 2022/23 as shown below.

Plymouth City Council - Change in Council Tax Base



9.2. Council Tax Income

	2024/25 Budget £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m
General	136.125	146.411	154.686	161.869	169.375
Adult Social Care Precept	2.643	2.843	1.502	1.572	1.645
Additional collection fund surplus	0.711	1.291	0.392	-	-
Total Council Tax Income	139.479	150.546	156.580	163.440	171.020

9.3. Council Tax Discounts and Premiums

9.3.1. As a result of the Levelling Up and Regeneration Act 2023 Councils can now apply empty homes premium on dwellings unoccupied for one year, rather than two. Councils also have the power to introduce a new discretionary council tax premium of up to 100% on second homes. The maximum council tax charge in these cases would be a standard 100% plus a further 100% premium, resulting in a total council tax charge of 200%.

9.3.2. The changes to the empty homes’ premium will come into effect from April 2024 and as Councils must make a determination at least one year in advance of introducing a second homes premium, this will come in from April 2025.

9.3.3. Assumptions for tax base growth for both these premiums have been included in the MTFS from 2025/26.

9.4. Council Tax Support Scheme

- 9.4.1. There is a statutory responsibility to implement and administer a local Council Tax Support Scheme (CTSS). Council Tax Support provides low-income households, both in and out of work, with help to pay their Council Tax. Any owner-occupier or tenant aged 18 or over who is legally responsible for the Council Tax can make a claim for Council Tax Support. The level of Council Tax Support is based on the income and circumstances of the household.
- 9.4.2. The Government has set the rules we must use to calculate Council Tax Support for applicants who have reached state pension age. The maximum support available is 100% of the Council Tax charge for the property. For working age people, Plymouth City Council has an Income-Banded scheme, where the maximum support will remain at 80% of the charge.
- 9.4.3. It is worth noting that just under 20% of all households in Plymouth are now in receipt of this support.

	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Total Council Support	16.971	16.981	18.935	20.181	21.535	22.145

9.5. Business Rates

- 9.5.1. Under the Government's funding arrangements for Local Authorities the Business Rates Retention Scheme means Councils retain a proportion of their Business Rates, including growth, which is currently 49% of receipts. Authorities also take the risk of reductions in Business Rates during times of recession, although there are 'safety net' arrangements in place to protect against very large reductions. Local Authorities are compensated by way of S31 grant for reductions to business rates arising from changes in Government policy since the retention scheme was introduced e.g. additional reliefs and a lower uplift or freezing of the business rates multiplier.
- 9.5.2. The final calculation of resources from Business Rates is determined by the completion of the Government return NNDRI (National Non-Domestic Rates). The timing of this report sits outside of the budget setting timetable, so assumptions are required to be made as part of budget setting.
- 9.5.3. From 2025/26 onwards there continues to be uncertainty over what the Government will do in terms of introducing a Business Rates reset, developing the Business Rates Retention Scheme and the potential to remove the ring fence on Public Health Grant potentially including it as part of the retention scheme. Other considerations and implications include the Health and Social Care White Paper and the delays to social care reform proposals. In the absence of any other information, it is assumed that the same level of funding will be embedded into whatever the new system will be in the future.
- 9.5.4. There is confirmation that the Business Rates Pool will continue in 2025/26, however there is still uncertainty as to whether Rate Pools will remain in future years, particularly if there is a fundamental review of the rating system.
- 9.5.5. The MTFS is modelled assuming gains from the Pool continue and are included in 2025/26 at £2.750m, then £2m with £1.750m assumed in 2027/28 and 2028/29.
- 9.5.6. There were several key announcements in the Chancellor's Budget, aimed at creating a fairer system for businesses. These are set out in the previous section's commentary on the

Chancellor’s Budget. Local Authorities are assured there will be full compensation for the reduced income in the form of Section 31 Grants.

10. Government Grants

10.1. Revenue Support Grant (RSG)

- 10.1.1. Revenue Support Grant is a central government grant given to local authorities which can be used to finance revenue expenditure on any service. The amount of Revenue Support Grant to be provided to authorities is established through the Local Government Finance Settlement.
- 10.1.2. Several years ago, RSG was a major source of funding for the Council however since the austerity measures were introduced this grant has reduced drastically.
- 10.1.3. In comparison to 2013/14 which is the first year of a straight comparison, with the introduction of rates retention, the authority’s RSG was £76.6m. In 2024/25 this is now £12.328m, with an expected increase of only 1.7% in 2025/26 to £12.538.

10.2. Public Health Grant

- 10.2.1. The Public Health Grant is another key source of income and is used to improve the health of the population, particularly to tackle large differences in health outcomes that we see between local areas. The grant allocation for 2024/25 is £16.737m. The funding is ring-fenced and does not have an impact on the budget resources as set out in this report. There has been no announcement of future grant allocations, and the MTFS assumes the value will increase each year in line with the September CPI figures.
- 10.2.2. This Government Grant supports the Council’s Public Health responsibilities. Grant conditions apply including responsibilities for 0-5 children services.

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Public Health Grant allocations	16.737	17.022	18.043	18.765	19.515

- 10.2.3. Grant funds may only be spent on activities whose main purpose is to improve the public health of our local population. This includes some specific requirements around health improvement, sexual health, drug and alcohol services, children and young people’s PH services, NHS Health checks and health protection, as well as providing healthcare public health advice to support the commissioning of health and wellbeing services.

11. Treatment of Specific Grant Funding

11.1. Housing Benefit Subsidy

- 11.1.1. Most housing benefit payments are subsidised at 100%. Housing Benefit Subsidy Grant is £58m for 2024/25, down from the high of £79m in 2018/19.
- 11.1.2. There has been an increase in housing benefit claims which do not attract full subsidy relating to Supported Accommodation at non-Registered Providers, these provisions receive either 60% or 0% subsidy above the rent officer amount depending on the vulnerability of the claimant. This gap in subsidy is estimated to be £1.7m in 24/25.
- 11.1.3. Overpayments of Housing Benefit in most cases attract only a 40% subsidy rate from DWP, PCC are also able to invoice clients 100% of the overpayment amount. This however leads to outstanding debtors which currently total over £8m.

11.2. Dedicated Schools Grant

- 11.2.1. The Dedicated Schools Grant (DSG) is a ring-fenced specific grant, provided outside the local government finance settlement. It must be used in support of schools' budget for the purposes defined in The School and Early Years Finance and Childcare Regulations 2024. The net DSG the Council received for 2024/25 is £91m and £282m gross including monies allocated for academies. The funding is spent either directly by Schools, (Primary, Secondary and Special), through their formula allocations, or by the authority on their behalf.
- 11.2.2. Any over or under spends on the DSG are carried forward to the following financial year with a neutral impact on the Council's general fund due to the statutory override legislation (currently in place until March 2026). However, accumulated school balances do form part of the Council's overall reserves and provisions. The provisional outturn 2024/25 for the Dedicated Schools Grant is an overspend of approximately £15m, which when added to the brought forward deficit from 2023/24 leaves a deficit balance of £20m. The deficit relates to increasing costs for independent sector provision for high needs pupils. Local Authorities with an overall deficit on its DSG account must be able to present a plan to the Department for Education for managing their future DSG spend. The Council are working on a DSG Management Plan which encompasses all areas of the DSG projected until the year 2030.

11.3. Pupil Premium

- 11.3.1. In addition to the Dedicated Schools Grant the Council also receives additional schools funding through the Pupil Premium. This allocates additional funding to schools that have pupils who are eligible for free school meals, looked after by the City Council or have parents who are currently serving in the armed forces.

11.4. Social Care Grant

- 11.4.1. The Council also receives a Social Care Grant. The additional payment is £4.131m in 2024/25 increasing the grant from £21.702m to a revised £25.833m. No additional allocation was confirmed in the Settlement for future years, but we assumed modest growth of £3.500m in 2025/26 and an additional £2m per year thereafter. The Chancellor's Budget confirmed a total sector allocation of £600m for 2025/26, which has been estimated to cover this assumed growth.

- 11.4.2. The announcement was again silent on additional funding for the pressures within children's social care, although, in line with last year's allocation, we are again advised this grant encompasses both adult and children's.

11.5. Adult Social Care Market Sustainability Grant

- 11.5.1. Plymouth City Council has been allocated £5.618m from the Government's Adult Social Care Market Sustainability Grant for 2024/25. This is a ring-fenced grant intended for local authorities to make tangible improvements to adult social care, and to address discharge delays; social care waiting times; low fee rates; workforce pressures; and to promote technological innovation in the sector. This is an increase of £0.659m from 2023/24 but includes the rolled in Market Sustainability Workforce Grant of £1.953m. The assumption is this will remain at this level for 2025/26 and future years.

11.6. Adult Social Care Discharge Fund

- 11.6.1. The Adult Social Care Discharge Fund introduced in 2023/24 continued into 2024/25 with a £3.022m grant allocation for Plymouth, to form part of Better Care Fund plans, and is aimed at reducing delayed transfers of care. The assumption is this will remain at this level.

11.7. Better Care Fund (BCF) and Improved Better Care Fund (iBCF)

- 11.7.1. The BCF was introduced in 2015 with the intention of supporting people to live healthy, independent and dignified lives, through joining up health, social care and housing services. This vision is underpinned by 2 core objectives, to 1) enable people to stay well, safe and independent at home for longer; and 2) provide people with the right care, at the right place, at the right time
- 11.7.2. Integrated care boards (ICBs) and local government are required to agree a joint BCF plan, owned by the health and wellbeing board (HWB), and governed by an agreement under section 75 of the NHS Act (2006). This continues to provide an important framework in bringing local NHS services and local government together to tackle pressures faced across the health and social care system.
- 11.7.3. The Improved Better Care Fund was first announced in the 2015 Spending Review. This is paid as a Specific Grant to the Local Authority with a condition that it is pooled into the existing local BCF plan with the ICB. This is additional funding for the provision of adult social care and this is therefore not an on-going revenue stream and cannot be subsumed into "business as usual" to close the funding gap for adult social care.

12. Financing the Council

12.1. Financial Planning Assumptions

- 12.1.1. The Medium-Term Financial Strategy is based on the national and local economic context and local strategic direction. This table below sets out the Council's key funding assumptions, with percentages indicating the year-on-year changes. The resultant impact on the resources are set out in a later table.

12.2. Key Funding Assumptions

2024/25	Item	2025/26	2026/27	2027/28	2028/29
£1,840.70	Increase in Core Council Tax Charge	2.99%	2.99%	2.99%	2.99%
£35.06	Increase in Adult Social Care Precept	2.00%	1.00%	1.00%	1.00%
75,389	C. Tax Base (No. of Band D equivalents)	77,232	77,719	78,207	78,694
49.9p	Increase in Small Business Rates Multiplier	1.70%	1.60%	1.70%	1.70%
£12.328m	Increase in Revenue Support Grant	1.70%	1.60%	1.70%	1.70%

12.3. Key Financial Planning Assumptions

- 12.3.1. Continuing one-year Revenue Support Grant settlement for 2025/26, with annual inflation uplift.
- 12.3.2. Multi-year settlements to commence from 2026/27; this model assumes continuation of current parameters
- 12.3.3. Threshold for Council Tax increases will continue at 2.99%
- 12.3.4. A further 2% Adult Social Care precept in 2025/26 with 1% modelled for future years. The final decision on core Council Tax and ASC Precept changes will require Full Council approval as part of the annual budget setting.
- 12.3.5. Uncertainty to future funding continues due to the continuation of a one-year settlement for 2025/26. The Government has trailed planned reform for all aspects of local government funding, including rates retention. The MTFS assumption is the current system remains, with annual inflationary uplifts.
- 12.3.6. Currently levels of grant funding continue, including Adult Social Care Grants, with an increase in 2025/26 to reflect the confirmation of growth set out in the Chancellor's Budget.
- 12.3.7. Uncertainty remains about any future Fair Funding Review.
- 12.3.8. A continuing range of increasing costs in order to meet the demands on the Council and maintain key services, particularly in Adult Social Care, Children's Social Care and Homelessness.
- 12.3.9. Increased costs of meeting new initiatives.
- 12.3.10. General inflation relating to external spend and contracts have not been accounted for on the understanding that smarter procurement practices will continue to contain significantly increased spending.

12.4. Income Collection

Type of debt	Target %
Council Tax	97.5
Business Rates	97.5
Commercial Rents	97.5
Sundry Debt	97.5

12.4.1. The 2025/26 revenue budget and MTFS assumptions are based on achieving the collection targets as set out. These targets and levels of bad debt provisions are kept under regular review by the Section 151 Officer.

13. Medium Term Financial Forecast

13.1. The Council's current forecast financial position is detailed below and includes assumptions around the implications of the Local Government Finance Settlement. It will be reviewed each year of budget setting to reflect any new pressures, changes in funding assumptions and any revision to the Council's Corporate Plan.

13.2. Sensitivity to 1% Change

SENSITIVITY TO 1% CHANGE IN INFLATION ASSUMPTIONS	£m
Pay Award	1.000
National Living Wage	0.575
Interest Rate changes to borrow £1m	0.010
General Contract Inflation (excluding Social Care contracts)	0.100

13.3. Right-sizing the Budget

13.3.1. Additional costs accepted within the MTFS are exceptional in nature with the inherent assumption that spending departments will absorb the increased cost of service demand and inflation through proactive management action and efficiencies through "business as usual" operations. A clear business case must be approved through the Corporate Management Team (CMT) in order to incorporate future year funding allocations.

13.3.2. Some of the assumptions incorporated into the previous MTFS and included in the approved budget for the previous year, require additional resources going forward. These include an allocation for salary related cost increases and reversing any one-off savings or spend allocations from previous periods. There are also corporate requirements which do not fall to any individual directorate.

Additional Costs – right-sizing the budget	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Salary related costs (including redundancy reserve)	5.000	4.120	4.244	4.371
Reverse S106 savings	0.900	0.980	0.900	
National Living Wage	4.427	3.530	3.000	

Reversal Prior Year MRP adjustment	0.400			
Reversal Prior Year ASC Bad Debt adjustment	0.500			
Reversal Prior Year Public Health support to ASC	0.750			
Services Grant (remaining allocation withdrawn)	0.407			
Total	12.384	8.630	8.144	4.371

13.4. Salary Related Costs (including Redundancy Reserve)

13.4.1. The Pay Award for 2024/25 has recently been announced as a flat increase of £1,290 for scale point 43 and below and 2.5% for scale points above this, including Chief Officers. The full impact is still to be calculated but is estimated to be approximately £4.5m, with the additional budget requirement added in for 2025/26.

13.4.2. The Chancellor's Budget announced an increase to Employers National Insurance from April 2025. The 1.2% increase together with the revised earnings bands would result in an increased cost of approximately £1.8m. We have been assured that this additional cost will be fully offset by additional grant funding, and therefore no allowance has been included in the MTFs. The savings proposed covering the MTFs period may necessitate departmental restructures. It is prudent to set aside an amount to cover any resulting redundancy costs, and a sum of £0.5m has been allocated as a one-off in 2025/26.

13.5. Reverse S106 Savings

13.5.1. Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as S106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. In previous years, in order to bridge the budget funding gap, monies have been borrowed from s106, adjustments will be made over the next 3 years to rebalance this budget.

National Living Wage

The council is committed to passing on to our Adult Social Care providers the additional cost of increases to the National Living Wage (NLW). The Chancellor confirmed from April 2025 an increase to £12.21 per hour. This increasing cost is shown separately in our additional costs analysis but is a key driver in the increasing costs of providing our Adult Social Care packages and services. For 2025/26 this requires £4.427m. There is no growth shown in 2028/29 on the assumption the NLW will have been consolidated into pay increase awards as a government strategy. For our own workforce, the Council pays the Foundation Living Wage which is confirmed as £12.60 from April 2025.

Reversal Prior Year MRP / Bad Debt adjustment

A one-off adjustment to the Minimum Revenue Provision of £0.400m was included in the 2024/25 budget, this is being reversed out in 2025/26 to replenish the Provision.

A one-off adjustment to the ASC Bad Debt Provision of £0.500m was included in the 2024/25 budget, this is being reversed out in 2025/26 to replenish the Provision.

Reversal Prior Year Public Health contribution to Adult Social Care

A one-off adjustment to the Public Health reserve of £0.750m was included in the 2024/25 budget, this is being reversed out in 2025/26.

Services Grant (remaining allocation removed)

There has been no confirmation of the continuation of the relatively newly introduced grant. This takes the revised allocation to zero. Confirmation will be advised as part of the provisional Settlement in December.

Demand-Led Pressures

In addition, we need to consider the following demand-led cost pressures, currently under review.

Within the MTFS the following assumptions have been made for increased budget requirements within demand-led services. Figures are based on cost and volume analysis based on data held on current demand levels, historic trends and forecasts for future need.

**Education, Health and Care Plans (EHCP)*

Budget Pressure	2025/26 £m	2026/27£m	2027/28£m	2028/2£m
Adult Social Care – volume and inflationary increases	5.135	2.453	4.035	3.000
Children's Social Care – increased numbers of higher cost placements	4.612	3.000	3.000	3.000
SEND Home to School Transport – increasing numbers and costs of routes	0.742	1.158		
SEND 0-25 Team – increased EHCPs* requires additional staffing, one off	0.770	(0.770)		
Total	11.259	5.841	7.035	6.000

Plymouth City Council continues to deal with many of the same financial challenges as most other upper tier Authorities across the country. Most local authorities are experiencing increasing demand for key priority social care services which is placing a strain on available resources.

The costs associated with maintaining reasonable quality in the delivery of our services and local environment for residents, businesses and visitors continues to be very challenging. Over two thirds of the Council's net budget is spent on providing support for our most vulnerable, such as Adults and Children's social care, but we must not overlook pressures within Street Services around waste collection, as well as the enduring need for highway maintenance.

Cost and demand pressures continue to impact Council Services. The Children's Services Directorate ended the 2023/24 financial year with additional net costs of £11.629m, which related to specialist residential placements for vulnerable children and SEND School Transport. The Quarter 2 position for 2024/25 shows an overspend of £7.055m. This needs to be addressed in future year allocations.

The Quarter 2 forecast within Community Connections, within the Adults, health and Communities Directorate, is reporting additional pressures of £1.630m for 2024/25 with £0.380m directly relating to

provision of emergency accommodation for homeless families. Adults Social Care had pressures on care package budgets of £1.250m.

Social Care, Homelessness and SEND Transport are all consistently appearing as pressures areas in Council budgets across the country.

Within Adult Social Care, we pass on funding for inflationary increases to Care providers through care package fee uplifts and the Service is also seeing increasing numbers of clients in higher cost packages, outside of banded fee rates, due to increasing complexity of need.

Revised modelling on client income assumptions has also been included within the 2025/26 budget requirement, to more accurately reflect income levels than current budgeted levels.

The Children's social care service is experiencing increased placement costs and demand has led to Service needing to use more unregistered placements to meet more complex needs, these placements are at much higher cost than alternatives, plus increased numbers of children placed outside of the City results in increased average weekly costs of placements.

Increasing numbers of pupils with EHCPs, lack of special school placements within the City and more pupils in Independent Sector provision has lead to pressures on the Home to School Transport budget, through increasing numbers and more expensive routes being needed.

The growth on the 0-25 team will allow the service to meet the trajectory for improving statutory timelines and clear the backlog of claims. This will improve the pace at which plans can be drafted and rebuild confidence with all partners to ensure children & young people have access to the appropriate support.

Other Pressures Identified

Details of other budgetary pressures included in the MTFs are shown below.

There are only pressures identified for the next two years as each of these pressures is an uplift to the base budget and remain in the costs until no longer required.

Other Pressures Identified	2025/26 £m	2026/27 £m
Funding the Capital Programme	7.200	2.416
Audit Additional Costs	0.220	
ICT Additional Costs	0.650	0.049
Income Recovery Team	0.212	
Environment Bill	0.250	0.250
Street Services Restructure	0.375	0.125
Bereavement Additional Costs	0.483	
Windsor House	0.076	
Capital Receipt Reversal 26-27		0.770
Foster Carer Additional Allowance	0.225	

Climate Fund	0.250	0.250
Total	9.941	3.860

The largest of these is Treasury Management; growth of £7.200m has been factored into the MTFS since 2024/25 to allow for assumed borrowing costs to fund the current Capital Programme. £5.000m of this was funded by one-off reserves in 2024/25. There are a series of assumptions behind the calculation, resulting in a series of reprofiling of the programme and sensitivity to interest rate levels.

The audit fees are set nationally by the Public Sector Audit Authority (PSAA). In the period leading up to and including the Covid pandemic, fees were kept relatively low. The new fees advised for 2025/26, and future years include a resetting of the costs, requiring a large increase in allocation.

The cost increases within ICT have been hard to avoid, as inflation is a factor influencing the entire market, cyber security is seen as a vital insurance to protect the systems and data our services and residents rely upon, and licencing is a requirement for staff working with technology. Whilst the Council continues to increase the number of staff requiring systems access these costs will continue to rise.

Income Recovery Team have been allocated £0.212m to fund the additional resources in place from 2024/25. They have proven to be successful in increasing our collection of both business rates and council tax, with the additional income included in the resource models.

The current grant revenue funding levels for the introduction of food waste are not explicit or clear but are likely to be less that we require to introduce the service in April 2026. Both transitional (pre roll out) and ongoing (post roll out) revenue is expected and based on the Capital grant we anticipate this could only cover 60% of the required costs. Moreover, we already know that the capital funding is less than we require and costs for equipment (vehicles and containers) are escalating as demand increases. This will require further service borrowing. Moreover, our general growth profile will show a steady increase in housing stock during the coming years and therefore greater operational costs in relation to waste collection and disposal. £500k additional revenue funding spread over two years is the minimum level of funding we require to deliver across the range of statutory waste services.

Within the Growth Directorate, Street Services includes the Council's most visible and high-profile services, namely Street Scene and Waste. The department delivers a range of highly valued frontline services, including street cleansing; grounds maintenance; domestic and commercial waste collection and operates two Household Waste and Recycling Centres (Chelson Meadow and Weston Mill). In addition, it contract manages the materials Waste Recycling Facility at Chelson Meadow. It is important that we get the basics right, which means repairing damaged roads, keeping the streets and gardens clean and tidy and dealing with waste. This allocation of £0.5m over two years will ensure that the service has the required resources to deliver these vital services for the people of Plymouth.

The Bereavement Service requires an additional allocation to cover increased running costs and the higher cost of utilities. It should be noted, although these additional costs are shown here, the service is also setting savings targets to cover these costs.

Windsor House has been repurposed with an anchor tenant from January 2025, with plans for the tenant to occupy the whole building within two years. The Growth Directorate has taken ownership of the building, under the umbrella of the Property Regeneration Fund. There is a residue cost of £0.076m which will be funded corporately.

Capital Receipt Reversal repays the monies used as a one-off funding for Children's Services 0-25 ECHP team, as described earlier in this report.

As part of our improved offer to Foster Carers, at the July 2024 Cabinet it was agreed to implement an allowance equal to their own council tax liability for Plymouth City Council Foster Carers from April 2024. This will include arrangements for those living outside of Plymouth to reclaim their payments.

There is a long-standing commitment to our Net Zero ambitions, which includes allocating an additional £0.250m each year to finance borrowing costs for capital projects. This arrangement was agreed to level out once the funding reached an annual £1m. Hence the MTFS includes the last two instalments.

The Council's Reserves

The Council has created several specific reserves and provisions to plan for known and anticipated future revenue costs. We regularly review the appropriateness and use of these reserves throughout each financial year. As a minimum, all specific reserves will be reviewed on an annual basis in as part of the end of year accounting closedown.

Unusable Reserves

The Council holds several unusable reserves in the Balance sheet. Some are required to be held for statutory reasons, and some are needed to comply with proper accountancy practice. The largest balance is the Asset Revaluation Reserve at £329.710m; the revaluation reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. Unusable reserves also include the accounting valuation of the Pension Fund. The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

Usable Reserves

The Council also holds a number of Usable Reserves which are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt, or with Council approval to finance transformation projects).

Main reserves held at the end of the 2023/24 financial year

Reserves	31 March 2023 £m	31 March 2024 £m
General Fund Balance (Working Balance)	13.238	13.238
Earmarked General Fund Reserves	43.469	44.286
Capital Receipts Reserve	17.207	14.339
Capital Grants and Contributions Unapplied	45.874	39.855
Total Usable Reserves	119.788	111.718
Total Unusable Reserves	322.115	319.474
Total Reserves	441.903	431.192

Reserve use and retention is an important part of the medium-term financial strategy.

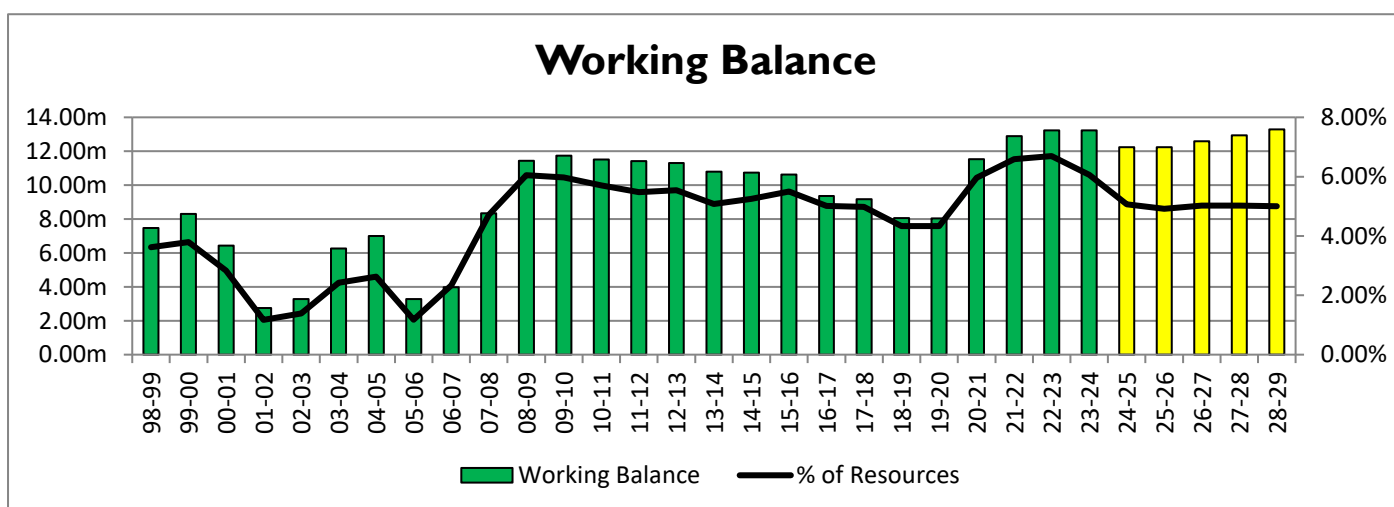
A brief description of the purpose of each of our significant reserves and provisions is as follows:

General Fund Balance (Working Balance)

The Council's Working Balance is the revenue reserve that is put aside to cover any significant business risks that might arise. The minimum level for the Working Balance has been agreed as 5% of the net revenue budget.

In 2024/25 it has been possible to retrospectively apply additional funding no longer required within the Minimum Revenue Provision to the Working Balance. A transaction previously treated as capital has been restated as a revenue transaction, so the provision is no longer needed.

£3.494m has been added to the Working Balance for 2020/21 and further £1.000m in 2021/22 bringing the Working Balance at the end of 2023/24 to £13.238m which is 5.05% of the 2024/25 net budget and will ensure that a 5% level is maintained through to the end of the MTFs period in 2028/29.



Earmarked General Fund Reserves

Provide financing for future expenditure plans and policy initiatives. The main earmarked reserves and their purpose are as follows:

Education Carry Forwards – A number of reserves are held on behalf of several educational establishments which operate under devolved budgets, whereby any surpluses or deficits are carried forward to the following financial year.

School Budget Share – Represents unspent balances at the year-end against schools' delegated budgets. The 31 March 2024 balance relating to the school budget share was £3.149m (31 March 2023: £3.662m).

Collection Fund Reserve – The Collection Fund Reserve holds balances to 'smooth' the impact and movement of grant funding for Business Rates and Council Tax across multiple financial years.

Interest Rate Swap Reserve – The Interest Rate Swap Reserve holds gains from fair value movements in interest rate swaps. These gains will reverse over time as the swaps near maturity and are therefore not used to finance revenue expenditure

Financial outlook for 2025/26 and after

The 2024/25 Budget has promised multi-year settlements but commencing in 2026/27, and probably for a maximum of two years. Meaning the local government finance settlement for 2025/26 will be for 1 year only.

We have been promised the introduction of a revised formula for the allocation of grant funding, possibly for the 2025/26 allocations. We have further been promised a full review of all the grant allocations and funding for adults, children's social care and homelessness amongst other areas. Any changes to the local government finance system, including the re-setting of business rates baselines and any change to the proportion of locally retained rates, have been deferred to 2026/27.

The high levels of inflation and energy prices, increased interest rates and major demand pressures being felt across adults and children's social care remain key factors in the sustainability of local government finance.

Savings/Additional Income

Directorates have been working on evidenced savings proposals for 2025/26 and 2026/27 to support budgets and will continue to do so during this year as part of budget setting.

Also, within the MTFS are assumptions around additional income expected, the largest one being an assumed uplift of £3.500m to Social Care Grant funding. This has been confirmed for 2025/26 onwards. This has been assumed to increase by a further £2m in 2026/27.

There is an additional assumption of a further £1.508m for adult social care during 2025/26.

Having reached the ten-year anniversary of the Energy from Waste plant, the contract now provides for the receipt of an annual dividend. This is based on energy prices and the volumes of waste processed, but for 2025/26 the benefit is £1.3m. This is assumed to continue for the period of the MTFS period.

In 2025/25 there is also the drawdown of £0.770m of capital receipts to fund the 0-25 team within the Children's Directorate. The details are set out in detail earlier in the report.

The total figures assumed for savings and income within the MTFS are shown in the table below.

Savings	2025/26 £m	2026/27 £m
Additional Income Assumptions	(7.078)	(2.000)
Directorate Savings Plans	(10.751)	(3.313)
Total	(17.829)	(5.313)

Directorate Savings for 2025/26 can be summarized as:

Savings	2025/26 £m
Operating Models / staffing changes	(1.920)
Consolidate existing vacancies	(0.917)
Partner contributions / contract management	(1.379)
Demand management	(0.312)
Budget adjustments	(3.421)
Fees and Charges / additional income	(2.152)
One-off reserves	(0.650)
Total	(10.751)

The table below sets out the current overall position for 2025/26 onwards, which shows the Council is still required to achieve annual savings of £3.086m in 2025/26 and cumulatively £9.876m in 2026/27.

Work will continue to reduce and mitigate both the right-sizing additional pressures and the demand-led service area pressures detailed above to address the budget gap. Additional savings opportunities will also be worked up as we prepare for the preparation of a balanced 2025/26 Budget in February 2025.

Feeding these savings and income assumptions into our financial model together with revised resources assumptions gives the following position.

Resources	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
RSG	(12.328)	(12.538)	(13.290)	(13.821)	(14.374)
Council Tax	(139.479)	(150.546)	(156.580)	(163.440)	(171.020)
Business Rates	(84.815)	(85.488)	(85.273)	(85.351)	(86.045)

Reserves	(5.000)	-	-	-	-
Core Resources	(241.622)	(248.571)	(255.144)	(262.613)	(271.440)
Base Budget b/forward		236.622	252.377	265.020	278.199
Add Right-sizing costs / adjustments		12.384	8.630	8.144	4.371
Add Demand-led pressures		11.259	5.841	7.035	6.000
Other pressures		9.941	3.860		
Savings/Income identified		(17.829)	(5.688)	(2.000)	
Total Net Expenditure	241.622	252.377	265.020	278.199	288.570
(Surplus) / Deficit	0.000	3.806	9.876	15.586	17.130

Capital Budget and Programme

Planned capital expenditure and the associated financing is detailed within the budget report approved by Council in March 2024. Amendments to the budget are approved by Council on a quarterly basis, with a full updated programme being prepared for approval by Council in February 2025. The programme will be reviewed and re-profiled in light of inflationary, interest rate and priority changes.

At the end of quarter 2 (September) 2024/25 the amended Capital Programme for the period 2024/25 to 2028/29 stands at £372.669. Funding for the Capital Programme consists of three main components; grant funding received from other organisations, but mainly government departments £122.570m (32.9%); borrowing funded by departments £124.014m (33.3%) and borrowing funded from corporate resources £91.918m (25.4%). The remaining 8.4% comes from funds released by the sale of assets, known as capital receipts £16.549m and contributions from other organisations, mainly developers £17.618m.

We remain committed to a significant capital investment programme. The Council will engage with partners in major regeneration of the city, not only contributing towards improvements, but also to sustain local work opportunities, for example, the construction industry. We will ensure that we maximise the outcomes and revenue savings generated through capital investment. For example, we will grow businesses in the city and build more houses to generate business rate income, and Council tax.

Directorate	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Children's Services	0.735	0.114				0.848
Adults, Health and Communities	28.120	11.922	0.842	0.164		41.048
Growth - Economic Development	34.082	32.181	42.215	16.715	12.582	137.775
Growth - Strategic Planning & Infrastructure	61.444	49.298	28.915	0.672	0.275	140.605
Growth - Street Services	24.860	11.835	0.295	0.234	0.212	37.435
Customer and Corporate	3.465	4.093	0.728	0.280	0.101	8.667
Office for Director of Public Health	6.221	0.070				6.291

Total	158.927	109.513	72.995	18.065	13.170	372.669
Financed by:	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Capital Receipts	3.230	1.763	9.368	0.180	2.008	16.549
Grant Funding	87.765	34.565	0.023	0.023	0.193	122.570
Corporately Funded Borrowing	32.621	35.352	22.539	0.860	0.545	91.918
Service Supported Borrowing	28.800	33.872	34.100	16.920	10.322	124.014
Developer Contributions	3.968	3.129	6.921	0.082	0.102	14.202
Other Contributions	2.542	0.831	0.043			3.416
Total	158.927	109.513	72.995	18.065	13.170	372.669

Officers will remain proactive at securing external grant funding wherever possible in order to continue to deliver significant, ambitious capital investment in the city. The budget will be continually updated as further details of funding are made available.

Projects seeking to fund proposals from service borrowing will be required to meet the principle of “Invest to save”. Business cases will evidence that a loan to fund capital spend can be repaid from the net revenue benefits achieved from the investment, as evidenced in a discounted cash flow.

Key Financial Strategies

Treasury Management

The Treasury Management practices, principles and schedules are in place to ensure the Council's Treasury Management Policy Strategy is adhered to and that working practices are in place to meet the approved strategy. It is reviewed annually and 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.

There is regular engagement with the Council's Treasury Management advisors, Arlingclose, and their advice is sought on strategic direction and key operational decisions.

Full Council will receive reports on its Treasury and Investment management policies, practices and activities including, as a minimum, an annual strategy and plan before the year, a mid-year review and an annual report after its close, in the form prescribed in its treasury management practices and investment management practices.

Borrowing Limits

The Council must have regard to the Prudential Code when setting its Authorised Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and that the impact upon its future Council Tax and Council rent levels is acceptable.

Minimum Revenue Provision (MRP) Policy

The Council is required to put aside funding each year from its revenue budget to provide for the repayment of loans taken out to finance capitalised expenditure. The Government's Capital Financing Regulations place the duty for an authority to make an amount of Minimum Revenue Provision which it considers to be "prudent". The prudent provision is to ensure that debt is repaid over a period reasonably in line with that over which the assets provide benefits.

Flexible use of Capital Receipts

A Flexible Use of Capital Receipts Strategy was submitted to Council as part of the 2024/25 budget process. Flexible use supports Local Authorities to deliver more efficient and sustainable services by allowing local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of transformation projects.

Closing the financial gap and Medium-Term Financial Strategy

The MTFS highlights a budget shortfall of £3.806m in 2025/26 rising, without mitigations to £22.731m by 2028/29.

Local Government is changing rapidly as traditional sources of funding are reducing and the demand for our services is increasing. We know we cannot continue to deliver services in the same way we have done in the past and our transformation portfolio is taking a pioneering and ambitious approach to addressing these challenges while seeking to improve outcomes for Plymouth citizens.

This means providing services in new ways, joining up with partners wherever possible, investing in ways of doing things more efficiently, making the most of our assets, raising income by taking a more commercial approach and a focus and clarity on our organisational purpose.

Our current areas of focus to close the forecast financial gap, after a robust challenge of all of the additional cost pressures and resource assumptions are set out below.

Transformation of Service Delivery

The combination of growth in demand, ambitious plans and reduction in grant funding for Councils has required us to respond strategically to deliver services over the last 12 years.

Our first wave of change in our transformation covered:

In 2014 we **integrated social care** with our CIC community health services provider and set up joint commissioning arrangements and an innovative s75 arrangement with the CCG (now ICB). These arrangements created both savings and a streamlined service provision for patients and clients. Our **Growth and Municipal Enterprise** strand concentrated on increasing the council's income through maximising the New Homes Bonus (NHB), increasing the commercialisation of place-based services including the introduction of an asset investment fund with the twin aims of rejuvenating the city and increasing business rates income. In the first four years this produced an additional income of £13.6m.

Corporate programme:

- Improving customer services with user led digital services and a focus on "getting it right for customers, first time" saving around £1m pa.

- Improving skills retention and staff engagement through modernisation of our approach to people management and organisational development.
- Saving money by reducing our accommodation - exit of the Civic Centre (investment of £6m to achieve cost avoidance of £69m - refurbish the office space).

Our second wave of Transformational change covered:

New ways of working - exploiting collaboration tools to work more efficiently including hybrid working – allowing the Council to maintain delivery during lockdown.

Creating a **‘one council’ approach** - delivering business support and transactional services under a single organisation structure to focus on economies of scale and innovation – saving £1.8m.

Optimising our assets - continued programmes to streamline, simplify and share technology, rationalising our corporate estate and further developing our family of companies.

Delt Shared Services Ltd was founded in 2014 by Plymouth City Council and NHS Devon to run IT services for both partners. Since its creation Delt has grown from revenues of around £9m pa to revenues of over £25m pa, and employment in Delt has grown from a headcount of 95 to around 250 currently. Delt has also broadened the range of services it provides from IT to payroll, printing, facilities management, procurement and finance, to public sector clients in Plymouth and the wider Southwest.

We have also undertaken end to end reviews of services, such as Street Services to maximise efficiency and to help create new income streams generating a gross benefit of over £1.5m pa through commercial offers for waste services.

Our current Transformation portfolio:

Focus on services where there is the biggest demand

- Ensuring Plymouth responds to the changes in client demand and regulatory expectation for Adult Social Care services.
- Implementing plans to continue to keep children safe in the city and manage demand to balance the budget for these services.
- Creating greater capacity in the city and reducing dependency on temporary (B&B) accommodation by investing £15m in a property portfolio which will drive £1m savings pa and avoid a further £1m of increasing costs pa.

The way we work

- Further accommodation rationalisation – exit of two major office buildings saving £900k pa holding costs and likely capital receipts of between £1m and £2m.

- Investing in technology (specifically robotic process automation) to drive efficiencies and aid decision making through turning data into intelligence.
- Community empowerment – working with our communities more closely to ensure some of the most difficult social issues are addressed.
- Through innovation and modernisation of our services to deliver our target operating model, in the period from 2014/15 to 2023/24 we have delivered cumulative savings of £185.2m, of which the 2023/24 savings were £23.4m.

Alongside the large transformation programmes, the Council has also delivered efficiencies from smaller change initiatives delivered across the organisation. These changes have created savings and many other commercial opportunities. The combined effects of the transformation and smaller initiatives has helped avoid having to make further cuts to essential services.

We have streamlined our senior management structure, driving out a £0.960m saving in 2013/14 through a major restructure of our management layers and spans of control, with a further reduction of £0.200m in 2023/24. We are the leanest we have ever been and will constantly keep our structures under review to determine the best way of delivering services.

More recently the Council has embarked on two new commercial ventures, The Plymouth and South Devon Freeport Company, which is a partnership between the public and private sector established in 2022 following our successful bid to host one of the eight English freeports, and the Plymouth Sound National Marine Park Charitable Incorporated Organisation (CIO), established to create the country's first National Marine Park.

Our Response to the Challenges

Plymouth City Council is committed to continuous improvement as we look to the future. The challenges ahead remain substantial, but we are determined to meet them head-on. Through our new three-year Organisational Effectiveness Plan, we are building on our successes to become more resilient, efficient, and impactful. By strengthening our foundations and adapting to new pressures, we aim to set a course that will see us through the next three years with both stability and ambition.

Organisational Effectiveness

Organisational effectiveness is fundamental to Plymouth City Council's success, ensuring our operations are as efficient and impactful as possible. A successful organization continually questions its operational efficiency, employee performance, and leadership styles. Throughout the past year, we have invested in improvements across recruitment, procurement, data presentation and analysis, management development programs, and critical services, especially within Children's Services.

The true test of our organizational strength came with our response to Operation Foster - the major Keyham bomb incident - while maintaining our core activities. The Council rose to the occasion, demonstrating agility, resilience, and commitment. Moving into 2025-26, our focus on effectiveness remains unwavering. We will expand management and leadership programs, introduce a new People Strategy, streamline technology use, and launch an updated customer services strategy. These initiatives, aligned with our corporate plan, will simplify work for our staff and improve service access for our residents.

Changing and Transforming the Council

The Council's transformation journey is one of adaptation, learning, and development, driven by increasing demand, ambitious goals, and the realities of reduced funding. Over the last 12 years, we have strategically redefined our approach to delivering services, continually refining our operations to make the most of available resources.

Our transformation efforts have focused on key areas like integrating social care, increasing income through the commercialization of place-based services, and developing a "right-first time" customer service program. To empower our staff, we have implemented new collaborative work models, including hybrid working, and restructured our business support functions. These changes alone have saved £1.8 million by optimizing our asset base and simplifying technology. We also consolidated our corporate estate and expanded our family of companies.

As we look forward, we are driven by our core priorities: focusing on customer needs, empowering communities, ensuring financial stability, delivering services that inspire confidence and trust, and reducing our carbon footprint. Our operating model reflects a pragmatic approach, recognizing that the Council can no longer do everything and prioritizing services where there is the greatest demand:

- **Adult Social Care:** Responding proactively to shifting demand and regulatory expectations, ensuring services adapt to meet these evolving needs.
- **Children's Services:** Implementing robust plans to safeguard children across Plymouth while carefully managing budgets in light of increasing demand.
- **Temporary Accommodation:** Investing £15 million in a property portfolio to create greater capacity and reduce reliance on costly temporary solutions like B&Bs. This investment will drive an estimated £1 million in annual savings and prevent a further £1 million in increasing costs.

Continuing to Transform the Way We Work

The Council's transformation efforts are designed to create a leaner, more agile organisation that operates efficiently. Key initiatives include:

- **Accommodation Rationalisation:** Exiting two major office buildings, which is anticipated to save £900,000 annually and generate capital receipts between £1 million and £2 million.
- **Technology Investment:** We are investing in automation and Artificial Intelligence to enhance decision-making and turn data into actionable insights.
- **Community Empowerment:** Collaborating closely with our communities to address some of the most challenging social issues, empowering residents to take a more active role in solutions.
- **Innovation and Modernisation:** Since 2014/15, our transformative approach has delivered cumulative savings of £185.2 million, including £23.4 million in 2023/24 alone.

Smaller change initiatives have also delivered efficiencies and commercial opportunities, allowing us to avoid further cuts to essential services. A significant change in our senior management structure in 2013/14 generated £960,000 in savings, with an additional £200,000 reduction in 2023/24. We remain committed to a lean structure that supports service delivery.

Recent commercial ventures include the Plymouth and South Devon Freeport Company, a public-private partnership established in 2022 after our successful bid to host one of England's eight freeports. Another major initiative is the Plymouth Sound National Marine Park, established as a Charitable Incorporated

Organization (CIO) to create the UK's first National Marine Park. Our goal is to continue enhancing our data insights to improve both service quality and strategic planning.

Our Approach to Balancing the Books

Our financial approach centres on strategic revenue maximization, cost optimization, and demand management. This includes maximizing income within Children's Social Care, Short Breaks, and Adult Social Care by strengthening joint funding strategies and conducting a comprehensive review of the Better Care Fund. By taking a proactive approach, we aim to better balance the costs and services required to support our community.

Demand Management

The Council is focused on managing demand for services in areas of high need, while seeking to provide long-term, sustainable support.

- **Homelessness Provision:** Demand remains high, but our emphasis on early intervention and “front door” prevention has helped manage some pressures. We delivered 27 new units in 2024/25 and anticipate delivering an additional 114 units in 2025/26. We are also exploring partnerships with organizations such as BCHA and PCH to increase available temporary accommodations.
- **Adult Social Care Provision:** The new Colwill and The Vine facilities, expected in May 2026, will expand day and respite services, reducing the need for high-cost out-of-area placements. Additionally, our Housing Needs Assessment has identified ways to support people who may provide Adult Social Care services within the community.
- **Children's SEND Provision:** Plymouth has seen a 9.6% increase in children with an Education, Health, and Care Plan (EHCP) since 2022/23, reflecting a national trend. With the SEND Sufficiency Plan approved in September 2024, we aim to expand and reconfigure our special educational estate, reduce reliance on costly independent placements, and strengthen mainstream schools' capacity to serve complex needs. Key next steps include forming a project team, assessing site viability, and establishing timelines for feasibility and procurement.

Children's Homes – Residential and Short Breaks

The “Family Homes for Plymouth Children” program envisions Plymouth City Council as a direct provider of residential care for children. The proposal includes three core elements:

1. A hub for short residential breaks for children with complex health needs and disabilities.
2. Residential care options with a “circuit break” component for children in care.
3. Dedicated residential services for children with complex emotional and behavioural needs, developed in partnership with the ICB.

Income Generation – Growth and Municipal Enterprise

Our strategy for growth and municipal enterprise involves leveraging property and regeneration to support revenue generation and economic development.

- **Property and Regeneration Fund (PRF):** Since 2016, the PRF has invested £205 million across 27 property assets, generating a net income of £21 million after costs. This investment has created approximately 215,000 sq. ft. of Grade-A employment space, supporting over 650 full-time jobs.

Business rates generated by these developments also add value, though they are not included in the PRF's net income figures.

- **Fees and Charges:** Each year, we adjust over 600 fees and charges in line with CPI and inflation. For 2025/26, we have set a minimum uplift of 5% across services, from building control applications to library fees, contributing essential revenue to departmental budgets. Parking fees are similarly reviewed, with CPI-linked increases included in budget calculations.

Driving Efficiencies

Efficient operations are a priority, ensuring that we maximize resources while preserving service quality.

- **Home to School Transport:** Rising EHCP demand and limited city-based SEND provisions have stressed transport budgets. We are optimizing routes, increasing minibus capacity, promoting independent travel training, and revising policies for efficiency.
- **Adult Social Care Contracts:** Through contract reviews, we have identified potential reductions for 2025-27, applying a cost/benefit lens to ensure sustainable service delivery without compromising quality.

Enablers of Change

The Council's transformation is underpinned by initiatives that enhance our capacity and capabilities.

- **The Way We Work:** This program focuses on reducing accommodation needs, modernizing assets, and creating shared spaces. Flexible work, public access, and reduced accommodation costs are essential drivers, aligning with our carbon neutrality goals by 2030.
- **Asset Management Plan:** The Council's Asset Management Plan will be refreshed in 2025/26, as we continue to rationalize our estate. To date, we have disposed of 197 assets, generating £25.4 million. Recent examples include vacating Midland House (saving £150,000 annually) and transferring Windsor House to the PRF, reducing costs by £600,000 annually.
- **IT and Digital Investment Strategy:** The 2025-27 IT Strategy aims to secure reliable systems, support hybrid working, and enhance public services. Recognizing rising cybersecurity risks, we have fortified protections to maintain service continuity, while focusing on value, security, and innovation. Key strategy principles include standardization, simplification, shared practices, and, where beneficial, income generation.

Looking to the future

Plymouth City Council is on a solid path toward sustainable growth and service excellence. By focusing on organizational effectiveness, transformative strategies, financial stability, demand management, and continuous improvement, we are well-equipped to navigate the next three years. With a robust plan in place, our commitment remains firm: to serve Plymouth's residents with efficiency, transparency, and resilience, building a city where everyone has the opportunity to thrive.

Conclusion

Plymouth City Council is on a solid path toward sustainable growth and service excellence. By focusing on organizational effectiveness, transformative strategies, financial stability, demand management, and continuous improvement, we are well-equipped to navigate the next three years. With a robust plan in place, our commitment remains firm: to serve Plymouth's residents with efficiency, transparency, and resilience, building a city where everyone has the opportunity to thrive

The financial risks facing the Council in the medium term are assessed within the MTFS. This includes assessing the risks around Government funding and other income streams of the Council, the subsequent budget shortfalls that the Council would then face and overall local and national economic factors which can affect the financial stability of the Council.

In setting the annual budget and the MTFS the Council will ensure potential risks are assessed and actively managed so that their impact is minimised or can be contained within Contingencies, Balances or Earmarked Reserves as is necessary. In year, the Council will monitor its revenue and capital budgets monthly and report to Cabinet on a quarterly basis.

It is important to note that the revised forecast represents the best estimate of the forecast position moving forward. However, there are risks associated with these revised forecasts. The main risks are:

- **Financial** – most of the future years' forecast and model is based on a series of assumptions, the further into the future you look the higher the risk that these assumptions are inaccurate.
- **Political** – The 2025/26 local government finance settlement will be only for 1 year. Changes to the local government finance system have been deferred until 2025 at the earliest, with a Spring Finance Event scheduled. The Chancellor has indicated wide ranging reforms to key funding areas, including adult and children's social care. The impact of any positive or negative change to our future funding because of any such changes and sufficiency of funding for any social care reforms will need to be considered in due course.
- **Treasury Management** – the MTFS is based on a reasonably stable global financial position going forward. If the assumptions change it may have a major impact on the financial position of the council particularly around the cost of borrowing.
- **Capacity and skills** – transforming the way we work and our approach to long-term financial solutions, as set out in the MTFS, will require additional capacity and different skills to be employed. We will ensure projects are not compromised by ensuring the required resources are available as required.

The MTFS highlights the budget shortfalls from 2024/25 onwards and the need to take action to ensure the Council can continue to be financially sustainable over the medium term. The current forecast position is extremely challenging, with additional budgetary pressures, particularly in children's social care, adult social care and homelessness all growing faster than the funding available.

The Council continues to improve its financial and governance arrangements. Financial Management has improved, performance management has improved, scrutiny has developed, and an independent audit and governance committee is operating well.

The Council's medium-term strategy focuses on joining up the individual elements to ensure effective, integrated monitoring and management of:

- Corporate Plan and Priorities
- Benchmarking spend and key performance indicator information
- Revenue budget and spending linked to priorities
- Delivery against revenue delivery plans
- Delivery of the capital programme

At this stage, savings have not been identified to help offset future pressures. With reserves having been depleted to balance recent financial years' outturns there is little opportunity to replenish in the short term.

We will continue to have require robust challenge of the additional pressures before accepting them into future budgets plus urgent action will need to be taken to find solutions for addressing the future years' budget shortfalls.

We must find the required savings and identify efficiencies to close the 2025/26 financial gap ahead of the Full Council Budget meeting in February 2025. We will not have full clarity of grant allocations until the December Provisional Settlement. In the period from now until February, the MTFS will be presented to the Scrutiny Board in December and senior officers and the Cabinet will continue to work towards the February deadline.

An MTFS does not replace the annual budget setting process; it supplements and sets out a future view of risks and opportunities. The final decision on key elements, including any changes to the Council Tax, including the Adult Social Care precept, rests with the Full Council at the February budget meetings each year.



Medium Term Financial Strategy

Published by:

Plymouth City Council
Ballard House
West Hoe Road
Plymouth PL1 3BJ

Email david.northey@plymouth.gov.uk

www.plymouth.gov.uk

This page is intentionally left blank

Cabinet



Date of meeting:	11 November 2024
Title of Report:	Corporate Plan Monitoring Report
Lead Member:	Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development, and Communities)
Lead Strategic Director:	David Haley (Director for Children's Services)
Author:	Ross Jago. Head of Governance Performance and Risk
Contact Email:	Ross.jago@plymouth.gov.uk
Your Reference:	CPRUQ2.2425
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report provides the Cabinet with an overview of how the Council is performing against its priority performance indicators that were agreed as part of the Corporate Plan 2023-2026 in June 2023.

Tackling crime and anti-social behaviour, filling in potholes, creating cleaner streets, building new homes, green investment and better access to healthcare and dentistry are front and centre of the administration's vision for Plymouth's future. This report provides an analysis of performance as at the end of September 2024 against these Corporate Plan priorities.

This report highlights the resilience and innovation demonstrated by Plymouth City Council in the face of challenging circumstances we currently face.

Prioritising community safety is making an impact on crime and anti-social behaviour, fostering a safer environment for all our residents and initiatives such as the Safer Plymouth Plan and the Serious Violence Reduction Strategy underscore our proactive stance approach to these issues.

Our investment in new machinery and technology has resulted in more efficient road and pavement repairs, ensuring that our city's streets are well-maintained. The introduction of new litter bins and moveable cameras to combat fly-tipping exemplifies how we are using new technology to enhance cleanliness and environmental health.

We are committed to housing and by collaborating with Homes England and focusing on brownfield sites, we are unlocking new housing opportunities and addressing the housing crisis head-on. This approach not only provides much-needed homes but also stimulates economic growth and regeneration within our city.

In the areas of education and employment, our focus on improving school standards and supporting young people in education, employment, or training is yielding positive results. The increase in good and outstanding schools demonstrate our dedication to fostering a skilled and educated workforce.

Financially, we are managing our resources wisely, with strong tax collection rates and strategic investments in low-carbon infrastructure. Despite the challenges posed by high debt servicing costs, our prudent financial management ensures that essential services are maintained and improved.

Recommendations and Reasons

That Cabinet notes the Corporate Plan Performance Report, Quarter Two 2024/25.

Reason: To update Cabinet on the performance of the Council in terms of progress in delivering against the Corporate Plan.

Alternative options considered and rejected

The Corporate Plan Performance Report is a key reporting document that provides transparency on the Council's performance and as such reporting this performance is considered best practice.

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.

Implications for the Medium Term Financial Plan and Resource Implications:

The Medium Term Financial Strategy is a core component of the Council's strategic framework and has a vital role to play in translating the Council's ambition and priorities set out in the Corporate Plan 2023-26.

Financial Risks

Associated risks regarding performance are managed within the strategic and operational risk registers.

Carbon Footprint (Environmental) Implications:

Environmental sustainability is a key priority of the administration, and the waste management, recycling and traffic management commitments are specifically aimed at reducing the city's carbon footprint.

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.*

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	Corporate Plan Monitoring 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	DJN. 24.25. 116	Leg	LS/00 0036 09/23 /LB/0 4/11/ 24	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
-----	-----------------------	-----	--	------------	-----	----	-----	--------	-----	---------------	-----

Originating Senior Leadership Team member: David Haley (Director for Children's Services)
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 22/10/2024
Cabinet Member approval: Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development, and Communities) Date approved: 28/10/2024

Plymouth City Council



Corporate Plan Monitoring Report

PLYMOUTH CITY COUNCIL CORPORATE PLAN 2023-2026

The Plymouth City Council Corporate Plan 2023-2026 sets out our vision of Plymouth being one of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone. It was approved by Full Council in June 2023.

At the heart of the plan is the Council's ambition to make Plymouth a fairer, greener city where everyone does their bit, making Plymouth a great place to grow up and grow old, whilst minimising the impact of the cost of living crisis.

Tackling crime and anti-social behaviour, filling in potholes, creating cleaner streets, building new homes, green investment and better access to healthcare and dentistry are front and centre of the new administration's vision for Plymouth's future.

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 departmental business plans.



Working with the Police to Tackle Crime and Anti-Social Behaviour				
		Previous	Current	▲ ▼
ASB Incidents reported directly to the Council	Monthly	230	245	▲
High threshold interventions	Monthly	3	6	▲
ASB early interventions	Monthly	75	44	▼
Community Engagement / Events	Monthly	17	12	▼
Rate of ASB and Crime Report to the Police (Per 1k Pop.)	Monthly	10.16%	10.41%	▲
Fewer Potholes, Cleaner Greener Streets and Transport				
		Previous	Current	▲ ▼
% Carriageway Works completed in time	Monthly	99%	100%	▲
Number of incoming Carriageway works within the month	Monthly	91	94	▲
Number of completed carriageway works within the month	Monthly	105	82	▼
Cumulative Sqm of pavement repairs since beginning of financial year	Monthly	2168	7010	▲
Average No. of Cycle trips taken on DfT count day	Annual	136	143	▲
% of customers satisfied with the cleanliness of pavements	Annual	39%	36%	▼
% of customers satisfied with the condition of pavements and footpaths	Annual	44%	44%	▲ ▼
% of customers satisfied with the traffic flow	Annual	39%	42%	▲
Condition of highways satisfaction score	Annual	29%	24%	▼

Build More Homes - for social rent and affordable ownership				
		Previous	Current	▲ ▼
% of Major Developments determined on time	Quarterly	100%	100%	▲ ▼
% of Minor developments determined on time	Quarterly	96%	98%	▲
% Major Applications overturned at appeal	Quarterly	0%	0%	▲ ▼
Net Additional Dwellings	Annual	339	397	▲
Total (Gross) Additional Affordable Dwellings	Annual	63	123	▲
Additional Affordable Rent Dwellings	Annual	48	9	▼
Additional Social Rent Dwellings	Annual	7	56	▲
Additional units of affordable home ownership	Annual	0	0	▲ ▼
Additional units of Shared Ownership	Annual	8	58	▲
Total Additional Dwellings (Cumulative)	Annual	6785	7182	▲
Green Investment, jobs, skills and better education				
		Previous	Current	▲ ▼
Plymouth Employment Rate	Quarterly	73%	73%	▲
Under 25 year old Universal Credit Claimants % of all claimants	Quarterly	23%	21%	▼
Business births per 10,000 residents	Annual	39%	36%	▼
Business Survival at five years	Annual	39%	45%	▲
Corporate Scope 1/2 Co2 Emissions (Tonnes Co2e) Co2 Emissions	Annual	6312	6932	▲
PCC Investment in Low Carbon Infrastructure (3 Year Average)	Annual	£5,862,152.00	#####	▲
Good and Outstanding Primary Schools	Annual	81%	95%	▲
Good and Outstanding Secondary Schools	Annual	74%	85%	▲
Overall Absence Primary Schools	Annual	7%	5%	▼
Persistent Absence Primary Schools	Annual	7%	8%	▲

Overall Absence Secondary Schools	Annual	11%	10%	▼
Persistent Absence Secondary Schools	Annual	4%	5%	▲
Overall Absence Special Schools	Annual	14%	11%	▼
Persistent Absence Special Schools	Annual	5%	4%	▼
%Pupils Achieving 9-5 in English and Maths	Annual			
% People 16/17 years going to / remaining in, Educations, Employment or Training (EET)	Monthly	93.5%	93.5%	▼
Number of Pupils with an EHCP (End of month)	Monthly	2948	2922	▼
Working with the NHS to provide better access to health, care and dentistry				
		Previous	Current	▲ ▼
% of primary care patients seen within 2 weeks	Monthly	84%	83%	▼
% of Primary Care patients whose needs are met within one day	Monthly	54.9%	55.1%	▲
Mental health clients supported in the community (Primary Care Mental Health Team Caseload)	Monthly	366	378	▲
Mental health contacts in the community (Community Mental Health Team Caseload)	Monthly	1592	1491	▼
Referrals to the Community Crisis Response Team (CCRT)	Monthly	172	180	▲
% of patients with no criteria to reside	Monthly	8.00%	8.04%	▲
No. of emergency department attendances (average daily)	Monthly	304	298	▼
Adults (> 16 years) on NHS dental waiting list	Quarterly	18131	18702	▲
Children (<16 years) on NHS dental waiting list	Quarterly	4189	4230	▲

Keeping Children, Adults and Communities Safe				
		Previous	Current	▲ ▼
Referral and Triage forms sent to adult safeguarding	Monthly	436	431	▼
% Referral and Triage that become a concern	Monthly	12%	11%	▼
Average time (working days) to complete a S42 safeguarding enquiry - LWSW	Monthly	109	84.8	▼
Average time (working days) to complete a S42 safeguarding enquiry – Other	Monthly	104	72	▼
Making Safeguarding Personal outcomes fully/partially achieved	Monthly	94%	93%	▼
Safeguarding Risks reduced or removed	Monthly	82%	82%	▼
Number of children with a child protection plan	Monthly	329	306	▼
Number of children with a child protection plan per 10,000	Monthly	63	59	▼
Number of looked after children	Monthly	521	517	▼
Number of looked after children per 10,000	Monthly	100	99	▼
Number of food businesses on the register	Annual	2193	2210	▲
Number of food inspections carried out	Annual	1049	830	▼
Number of food premises compliance checks undertaken.	Annual	130	156	▲
Number of food hygiene enforcement actions taken	Annual	13	17	▲

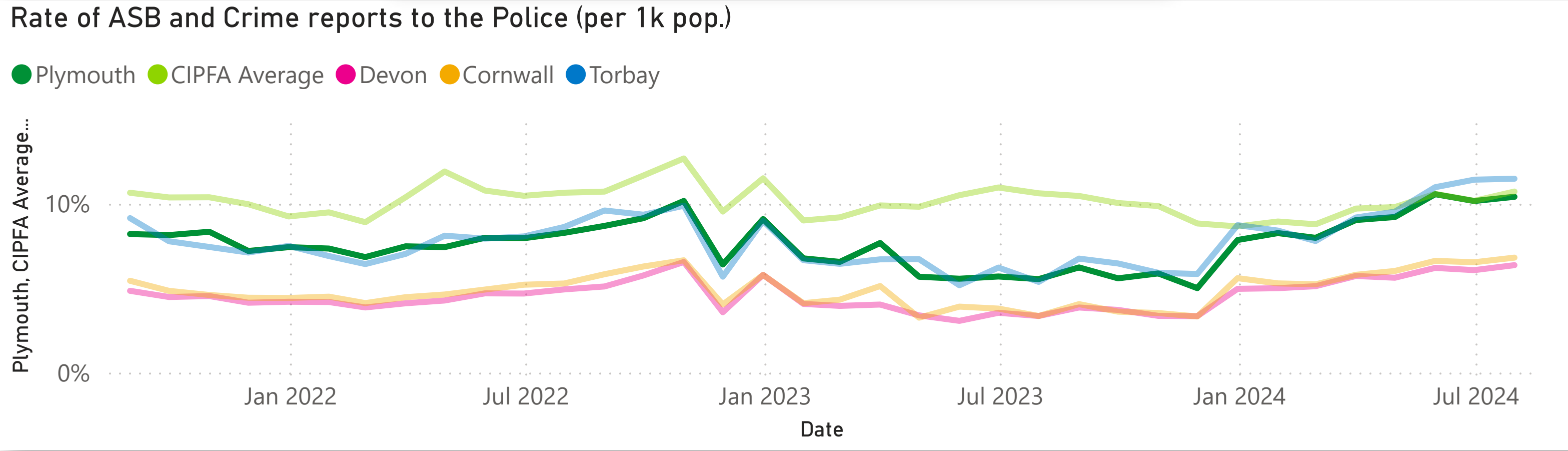
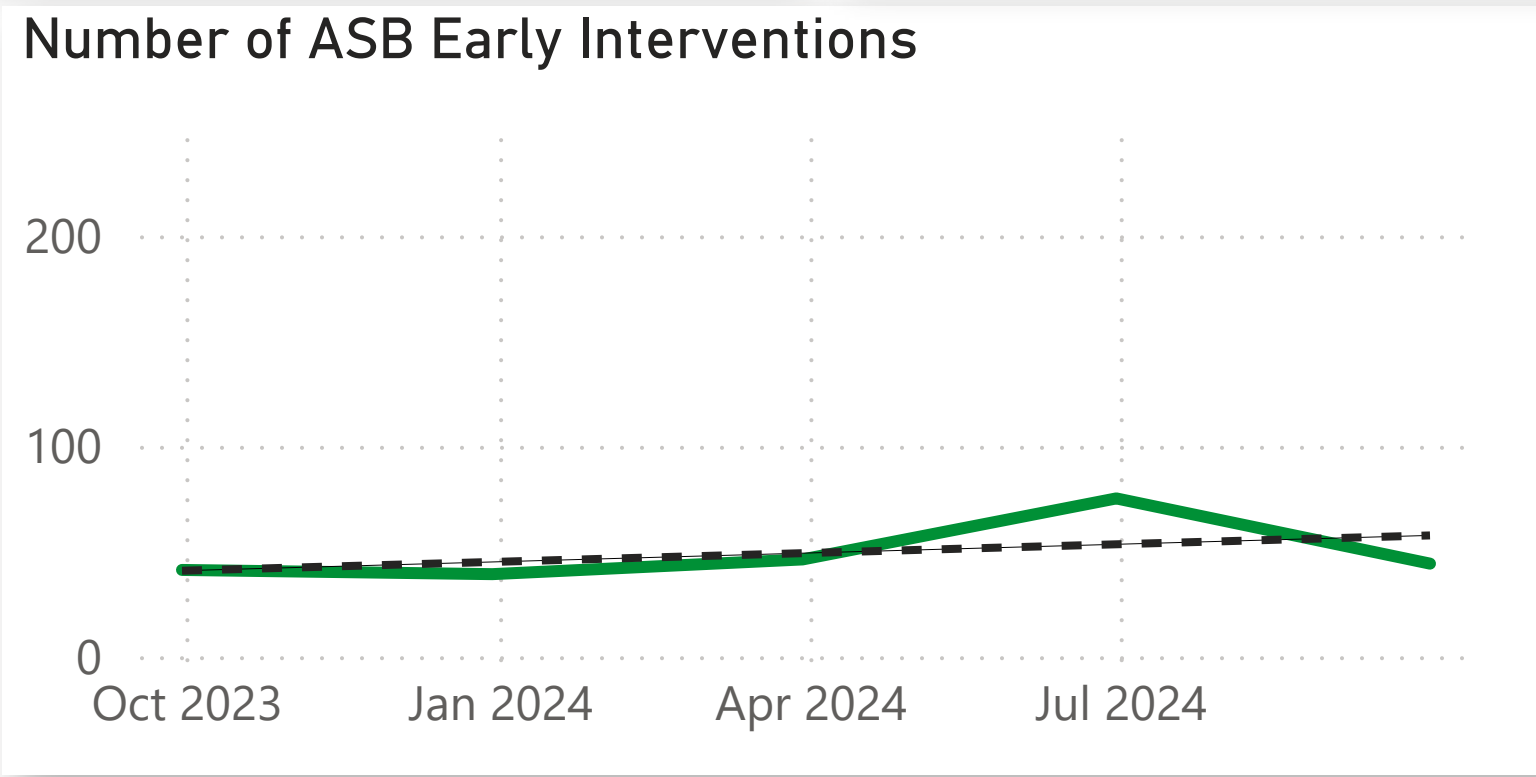
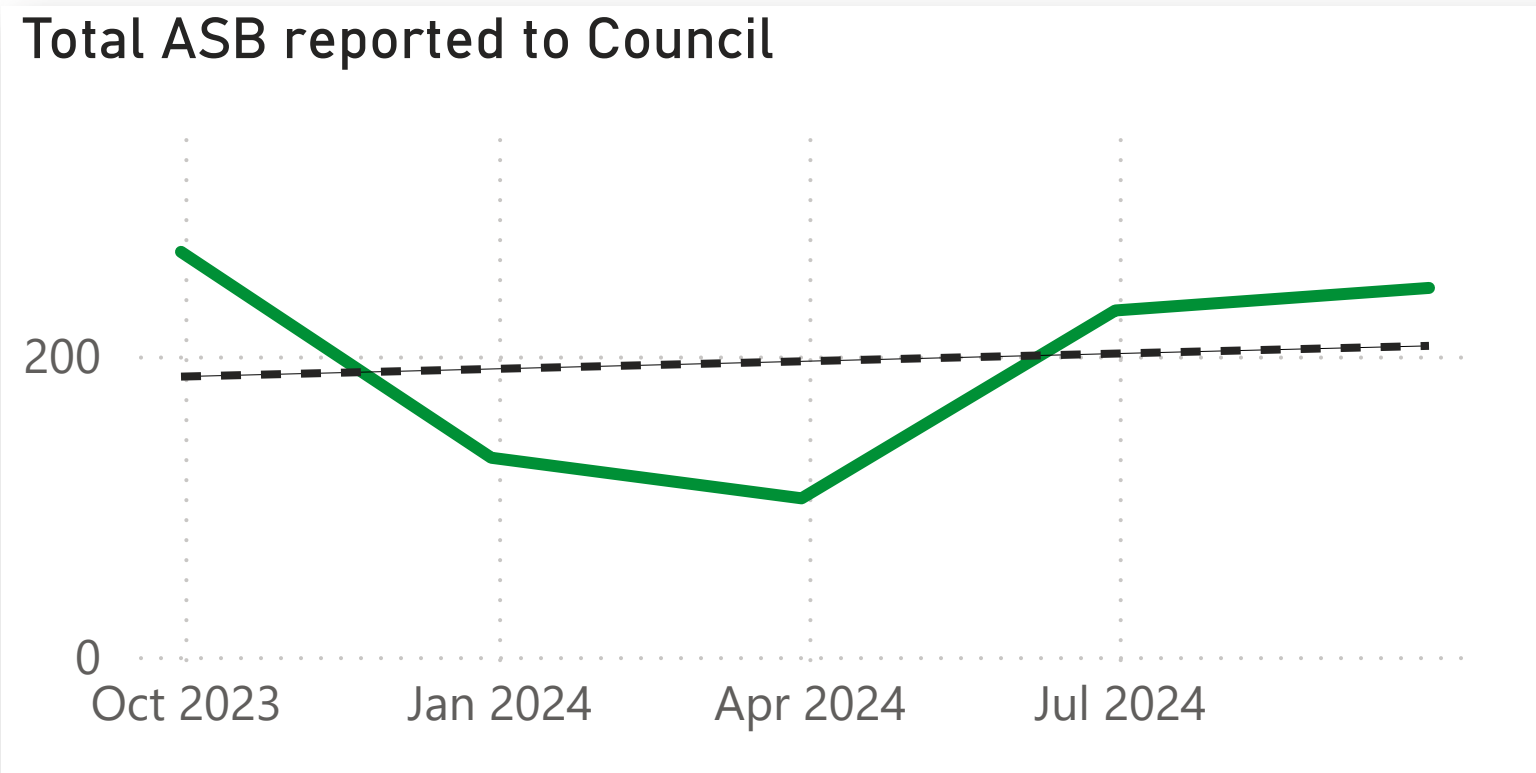
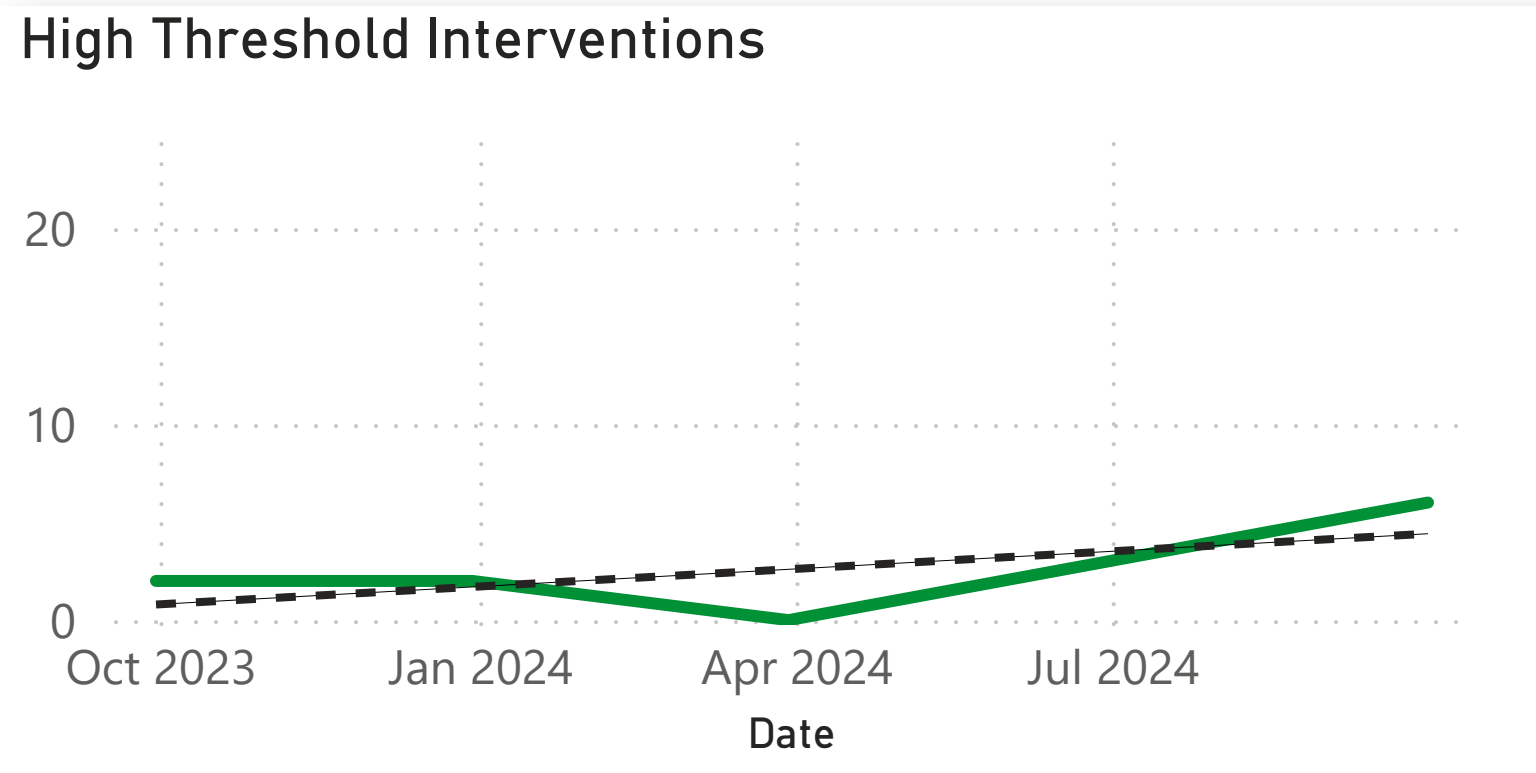
Providing Quality Public Services				
		Previous	Current	▲ ▼
% Calls Answered (Quarterly Average)	Quarterly	95%	97%	▲
Average Wait Mins (Quarterly Average)	Quarterly	1	1	▲ ▼
Number of stage one complaints received	Quarterly	1561	1298	▼
% Stage One Complaints Closed in 10 days (Quarterly Average)	Quarterly	89%	87%	▼
% FOI requests closed in 20 days (Quarterly Average)	Quarterly	87%	85%	▼
Trusting and Engaging Our Communities				
		Previous	Current	▲ ▼
No. residents involved in developing new community led activities (Cumulative)	Quarterly	118	154	▲
No. of new community led activities (Cumulative)	Quarterly	43	45	▲
No. of active volunteers supporting the PCC volunteering programme (Cumulative)	Quarterly	616	660	▲
Adults registered to vote in local elections (Cumulative)	Annual	196442	198902	▲
Focus on Early Intervention and Prevention				
		Previous	Current	▲ ▼
No. of h'holds prevented from becoming homeless or relieved of homelessness	Monthly	233	354	▲
Smoking Quit Rate	Quarterly	49%	47%	▼

Spending Money Wisely				
		Previous	Current	▲ ▼
Average Band D (Paid to all local services)	Annual	£ 1,669.88	£ 1,753.21	▲
Core spending power per dwelling	Annual	£ 1,890.31	£ 2,090.71	▲
Debt servicing as a % of core spending power	Annual	13%	15%	▲
Reserves as % of net revenue expenditure	Annual	22%	20%	▼
Total debt as % of core spending power	Annual	379%	408%	▲
Empowering and Engaging Our Staff				
		Previous	Current	▲ ▼
% of headcount leaving PCC in previous 12 months (labour turnover)	Monthly	11.1%	11.2%	▲
Staff sickness in days (average days per FTE rolling 12 months)	Monthly	10.23	9.89	▼
% Core training completed	Monthly	73%	73%	▼
Agency' Spend as % of employee budget	Monthly	8%	10%	▲
Overtime Spend as % of employee budget	Monthly	1%	1%	▲

Plymouth City Council

Working with the Police to tackle crime and anti-social behaviour

Qtr Year	ASB Incidents reported directly to the Council	High threshold interventions	ASB early interventions	Community Engagement / Events
Q2 2024-2025	245	6	44	12
Q1 2024-2025	230	3	75	17
Q4 2023-2024	105	0	46	



Plymouth City Council

Working with the Police to tackle crime and anti-social behaviour

Safer Plymouth is our community safety partnership that helps agencies work together to improve residents' safety. Guided by the Safer Plymouth Plan, the City Council undertakes various activities to support community safety.

Safer Plymouth (Community Safety Partnership)

MoRiLE Workshops: These workshops have set priorities for the next Strategic Crime Assessment, informing the next Community Safety Partnership Plan. The Serious Violence Reduction Strategy and Action Plan are managed by a new multi-agency 'Preventing Serious Crime' sub-group.

Prevent

An updated Counter Terrorism Local Profile (CTLP) has been produced by Devon & Cornwall, with recommendations incorporated into the Plymouth Prevent Action Plan. Plymouth's Prevent Partnership has applied for funding from the Home Office's 'Preventing Radicalisation' fund and is awaiting the outcome.

Modern Slavery

The Modern Slavery Toolkit is being reviewed and updated. A new working group has been established to enhance understanding of modern slavery in the city.

Anti-Social Behaviour

- **OP HAWKSBILL:** 31 youths involved in violent disorder in August were visited, leading to various interventions including civil orders and safeguarding referrals.
- Recent rough sleeping in city centre car parks has led to anti-social behaviour issues. Occupants have been given Notice to Quit and dispersed. PCC is considering a PSPO to cover behaviour in all car parks.
- Safer Communities are working with the PCC legal team to tackle ongoing "cuckooing" in Devonport. Injunctions with power of arrest have been issued against an individual exploiting 27 vulnerable victims.
- Significant engagement work has been conducted with ethnically diverse community groups following the violent disorder in August.

Evening and Night-time Economy

Plymouth has retained its Purple Flag for exceptional standards and partnership working within the night-time economy. Initiatives include a Safe Bus, Street Pastors, and Plymouth Night Patrol. Partnership work continues to identify predatory behaviour in the ENTE and consider civil tools and powers where criminal offences have not occurred or the evidential threshold has not been met.

Domestic Abuse and Sexual Violence & Violence Against Women and Girls:

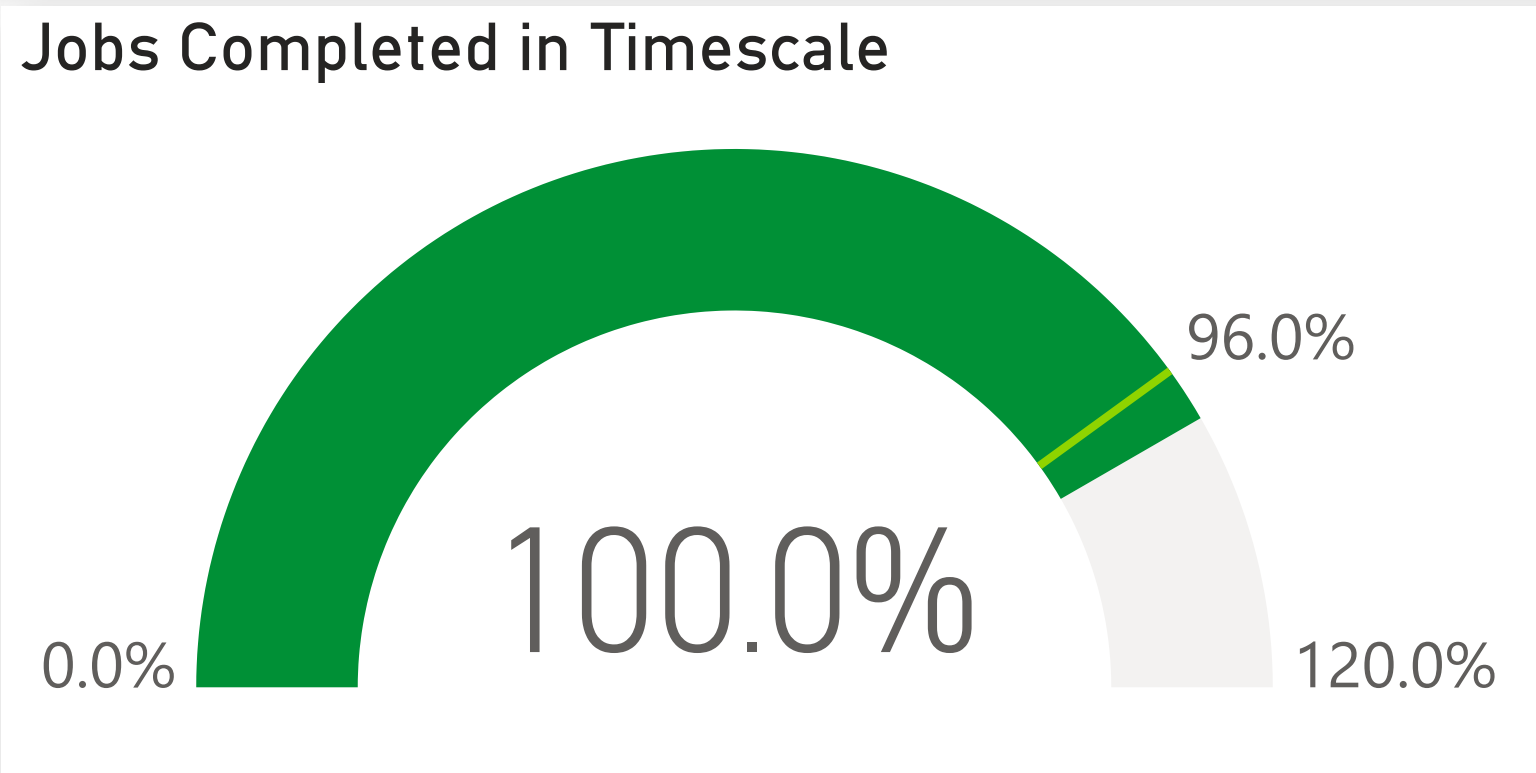
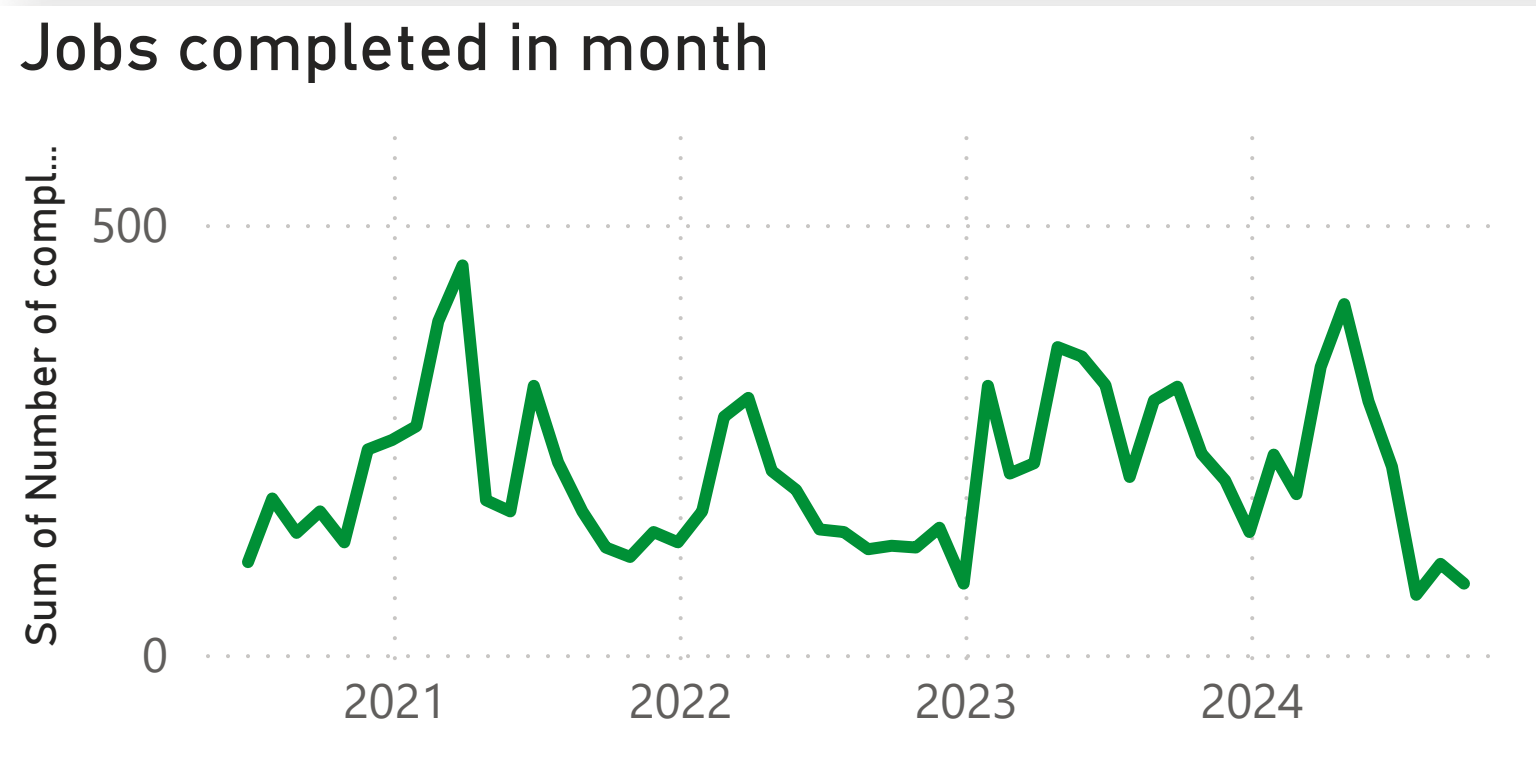
- The multi-agency tasking and coordination (MATAC) pilot, the first across the peninsula, is set to launch in early November.
- New Risk Assessment and Safety Planning training is being co-developed with partners to replace the DASH training, updating it in line with legislative changes and practice advances.
- A Whole Family Approach to domestic abuse practice guidance and toolkit for professionals working with children and families is being co-developed, expected to be finalised by the end of Q3.
- A citywide VAWG Bystander project has been commissioned to develop community and school-based active bystander intervention training and a train-the-trainer programme, starting this month (October).

Working with the Police to tackle crime and anti-social behaviour

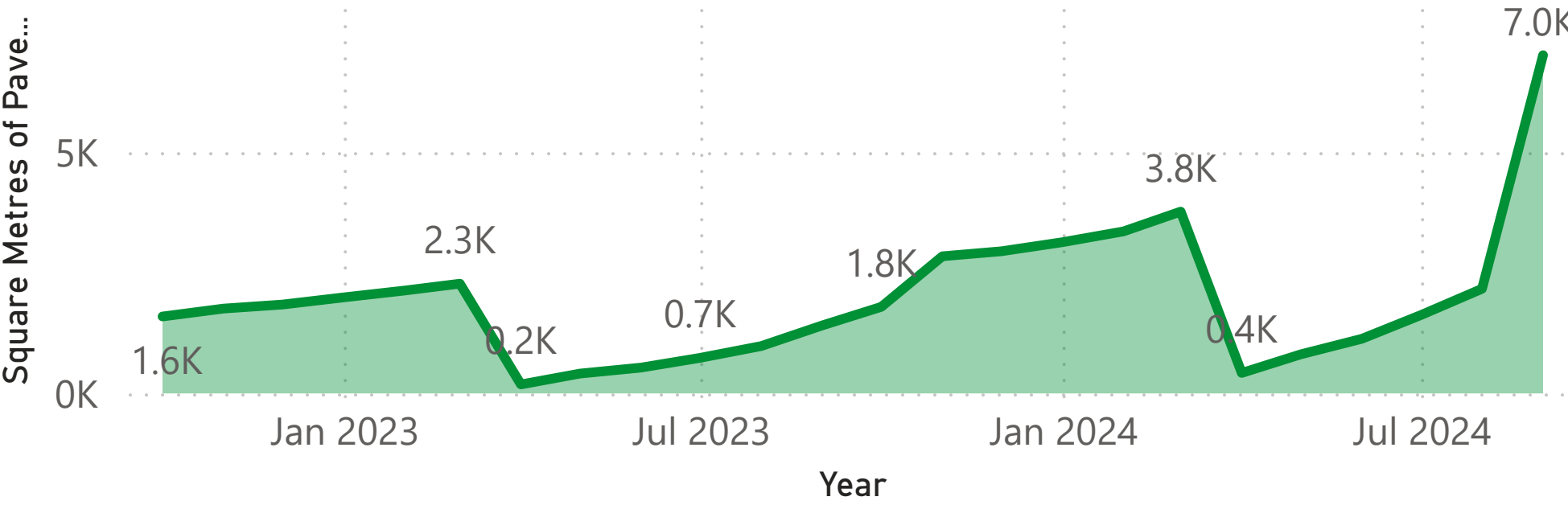
Plymouth City Council

Fewer Potholes, Cleaner Greener Streets and Transport

Year	Month	% Carriageway Works completed in time	Number of incoming Carriageway works within the month	Number of completed carriageway works within the month
2024	September	100.0%	94	82
2024	August	99.0%	91	105
2024	July	100.0%	63	69
2024	June	99.0%	156	218
2024	May	100.0%	275	294



Square metres of improved pavement (annual cumulative measure)



FY	Average No. of Cycle trips taken on DfT count day	% of customers satisfied with the cleanliness of pavements	% of customers satisfied with the condition of pavements and footpaths	% of customers satisfied with the traffic flow	Condition of highways satisfaction score
2020-2021	159	40.0%	46.0%	38.0%	30.0%
2022-2023	146	36.0%	44.0%	42.0%	24.0%
2021-2022	136	39.0%	44.0%	39.0%	29.0%

Plymouth City Council

Fewer Potholes, Cleaner Greener Streets and Transport

The Council have embedded the new fleet 10 small mechanised sweepers which were introduced earlier this year. They have a range of functions including changeable brushes depending upon the nature of sweeping required.

The machines benefit from integrated weed brushes; power wash attachments; and suction hoses which operatives will use to target tricky dirt and litter traps between parked cars. A further fleet of 3 x large mechanical road sweepers were delivered and commissioned into service over the summer. This investment has improved operational time and reduced instances of breakdowns and faults which were associated with the old machines.

Working with the City Centre project teams a new design for litter bins has been introduced including very clear vinyl stickers which help clarify what is and what isn't recyclable. A big challenge is the deposit of coffee cups into recycling bins as they require specialist treatment to recycle – a process which isn't part of the Material Recycling Facility function.

The cleansing service continue to work closely with Enforcement colleagues to target areas and are continuing to work together to secure the roll out of the Defra funded investment in moveable cameras to target rear lane fly-tipping. The cameras are in our possession and the teams are working with Highways colleagues to get them operational.

We use a contractor to litter pick the A38, this was last done in March and whilst originally planned for a further pick in November the team are monitoring litter levels to ensure we achieve value for money. The plan will be to hold off as long as possible whilst litter levels are relatively low.

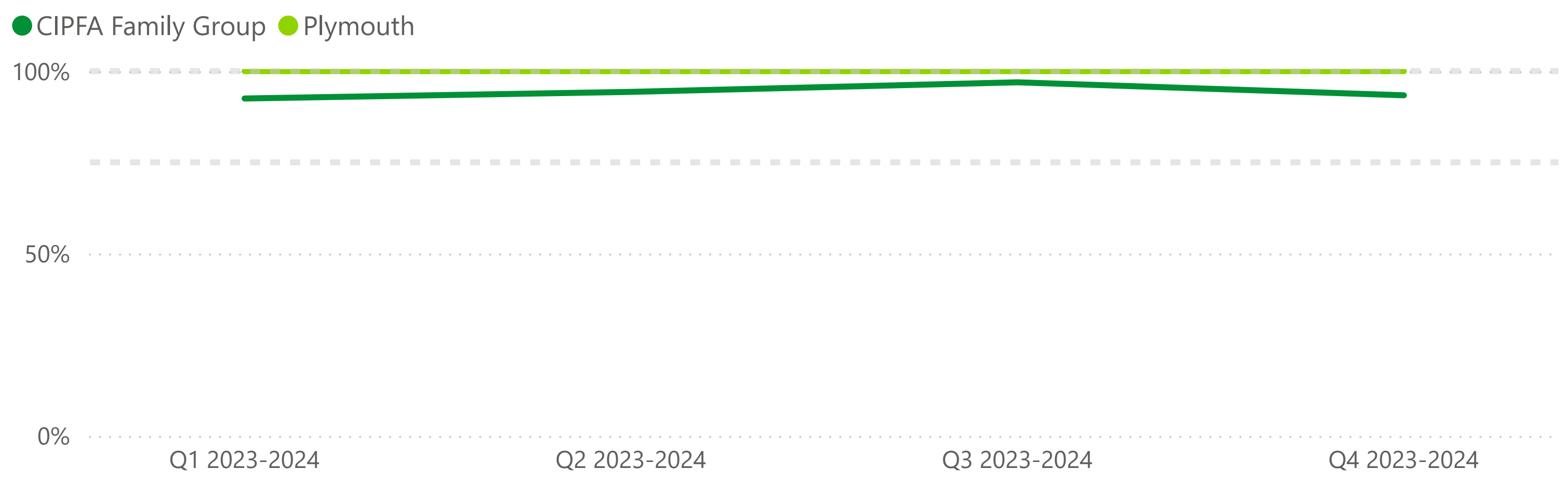
A weed treatment contractor was successful in 2024, having had challenges with previous providers in 2022 and 2023. The team are in process of securing a contract for 2025.

Plymouth City Council

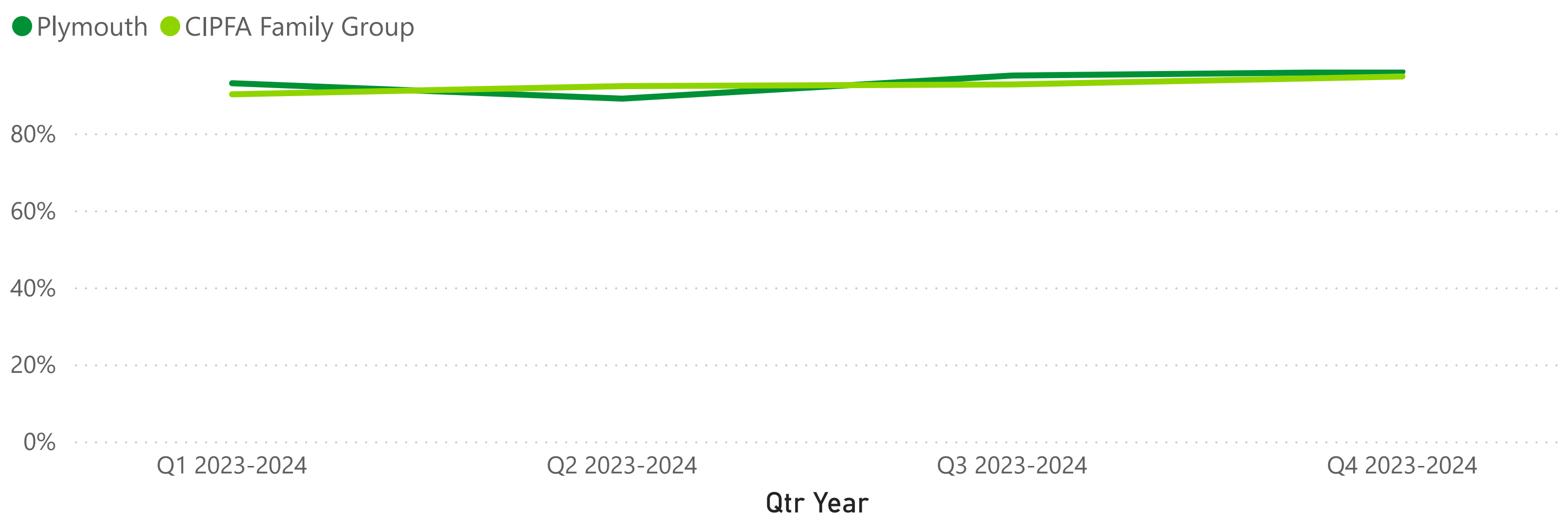
Build More Homes - for social rent and affordable ownership

Qtr Year	% of Major Developments determined on time	% of Minor developments determined on time	% Major Applications overturned at appeal
Q2 2024-2025	100%	97.56%	0.0%
Q1 2024-2025	100%	96.00%	0.0%
Q4 2023-2024	100%	100.00%	0.0%
Q3 2023-2024	100%	95.00%	0.0%
Q2 2023-2024	100%	89.00%	0.0%

% Major Applications decided on time



% Minor Applications decided on time

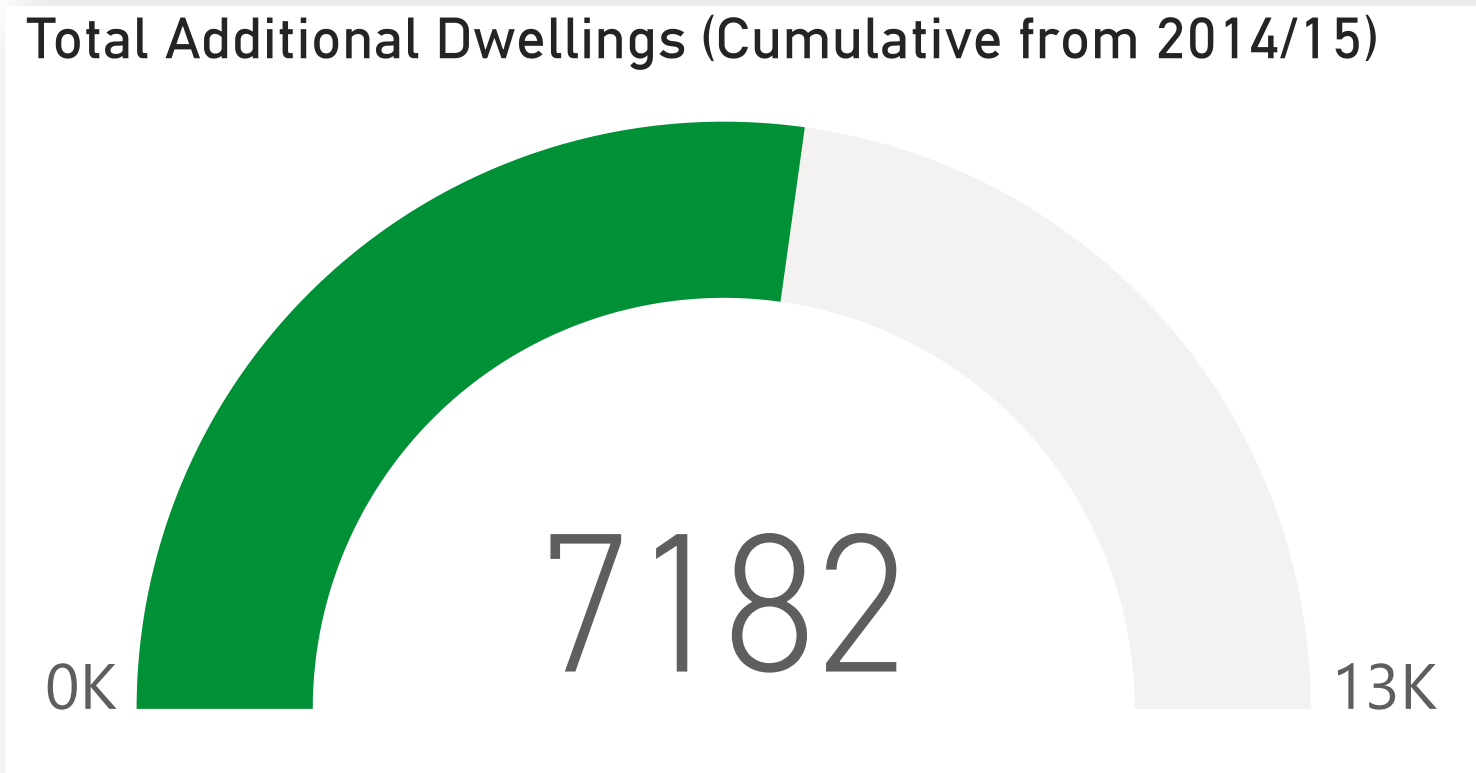
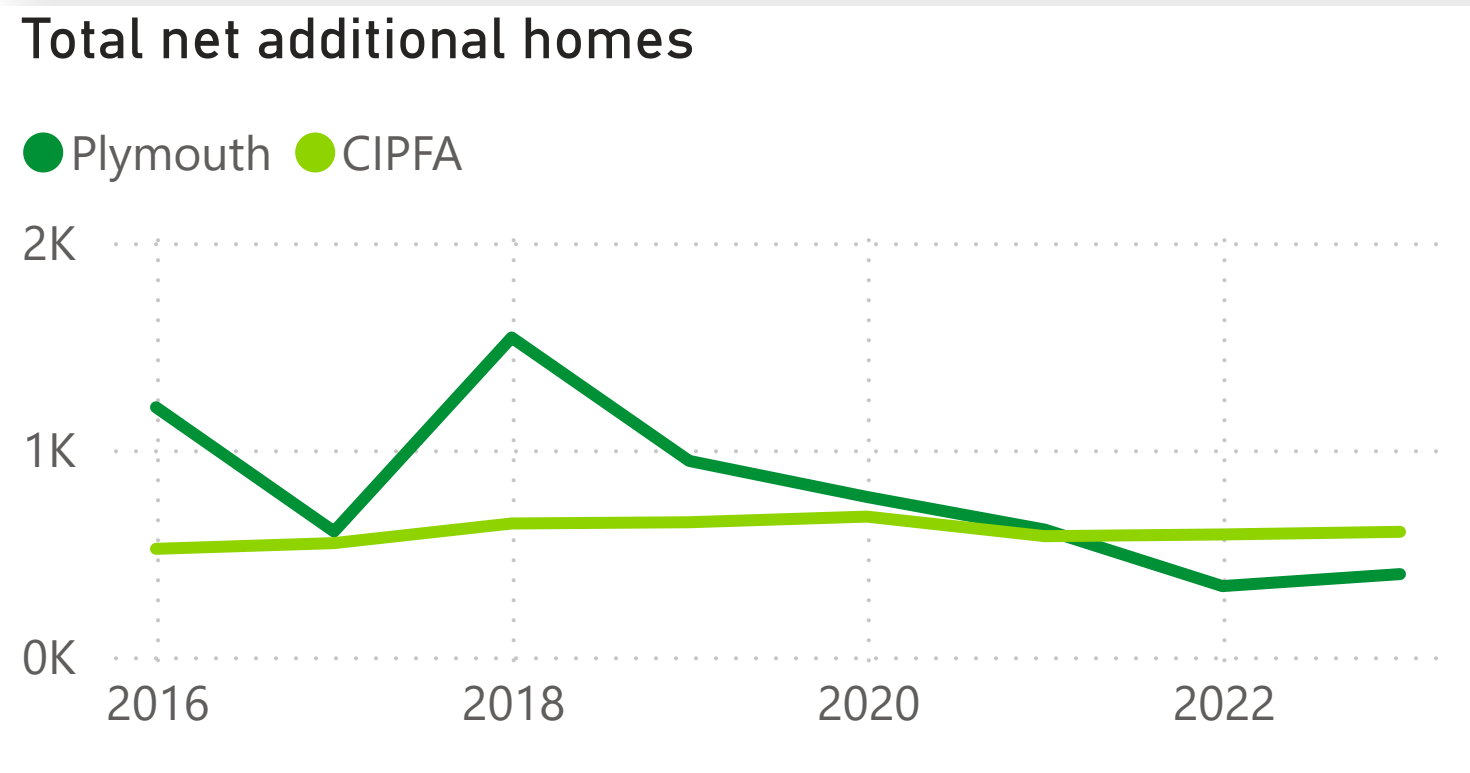
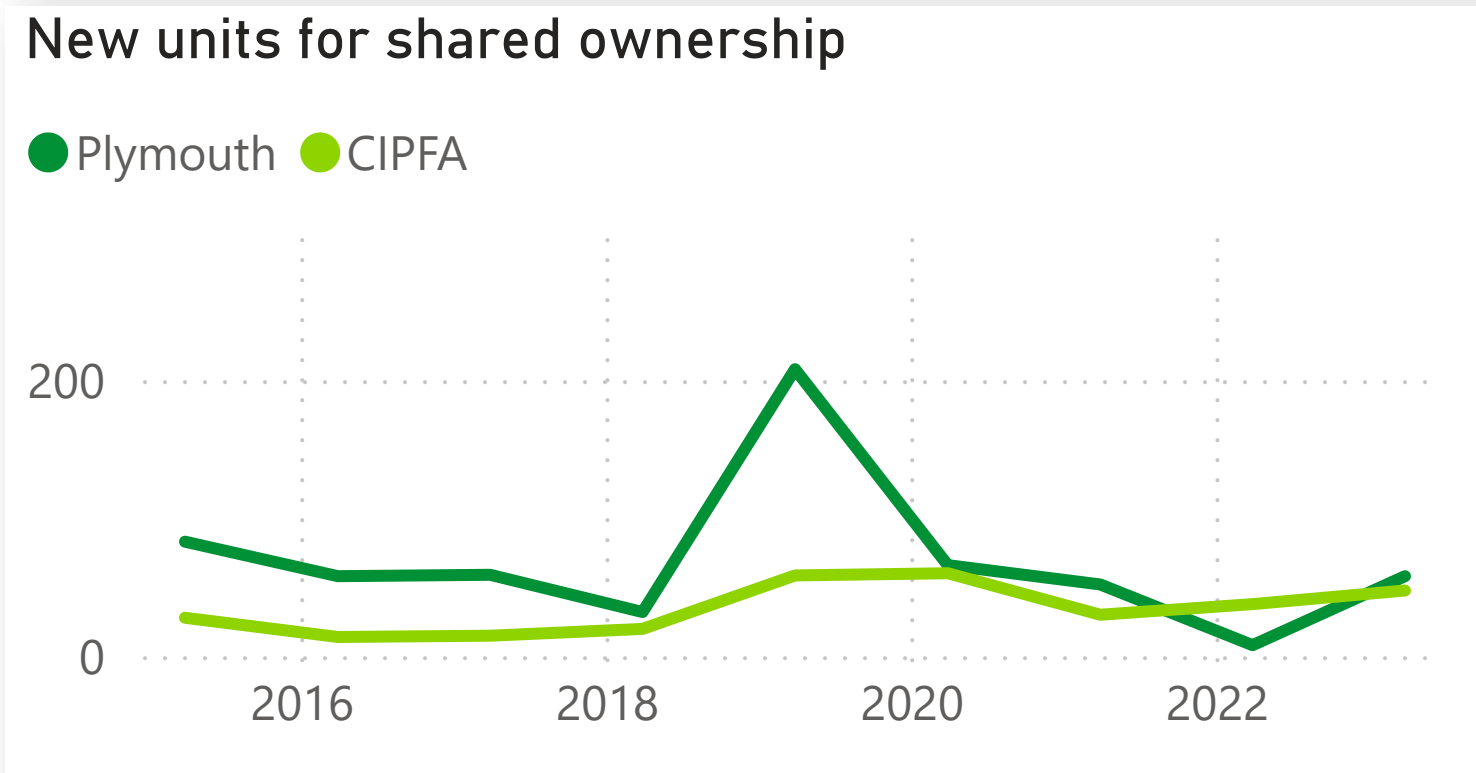
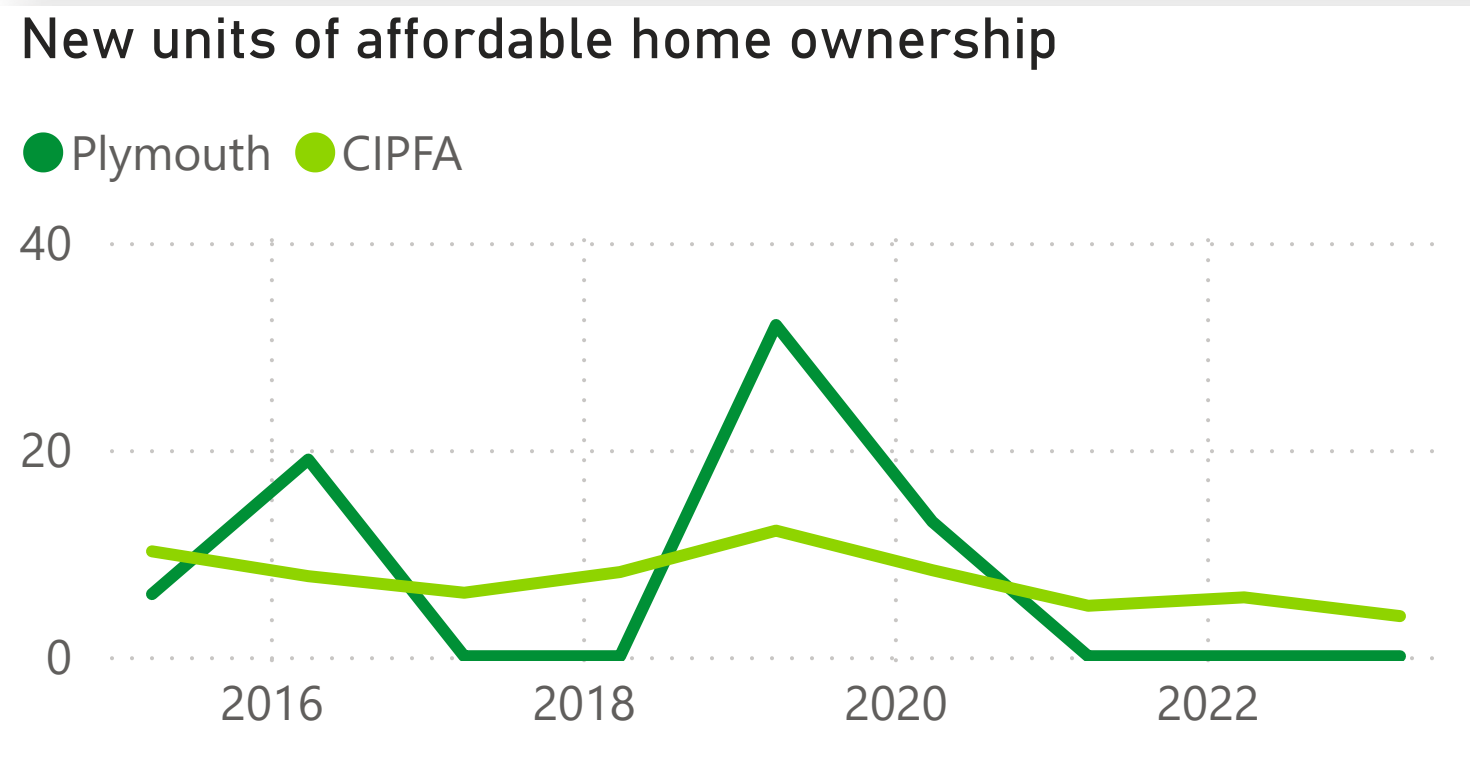
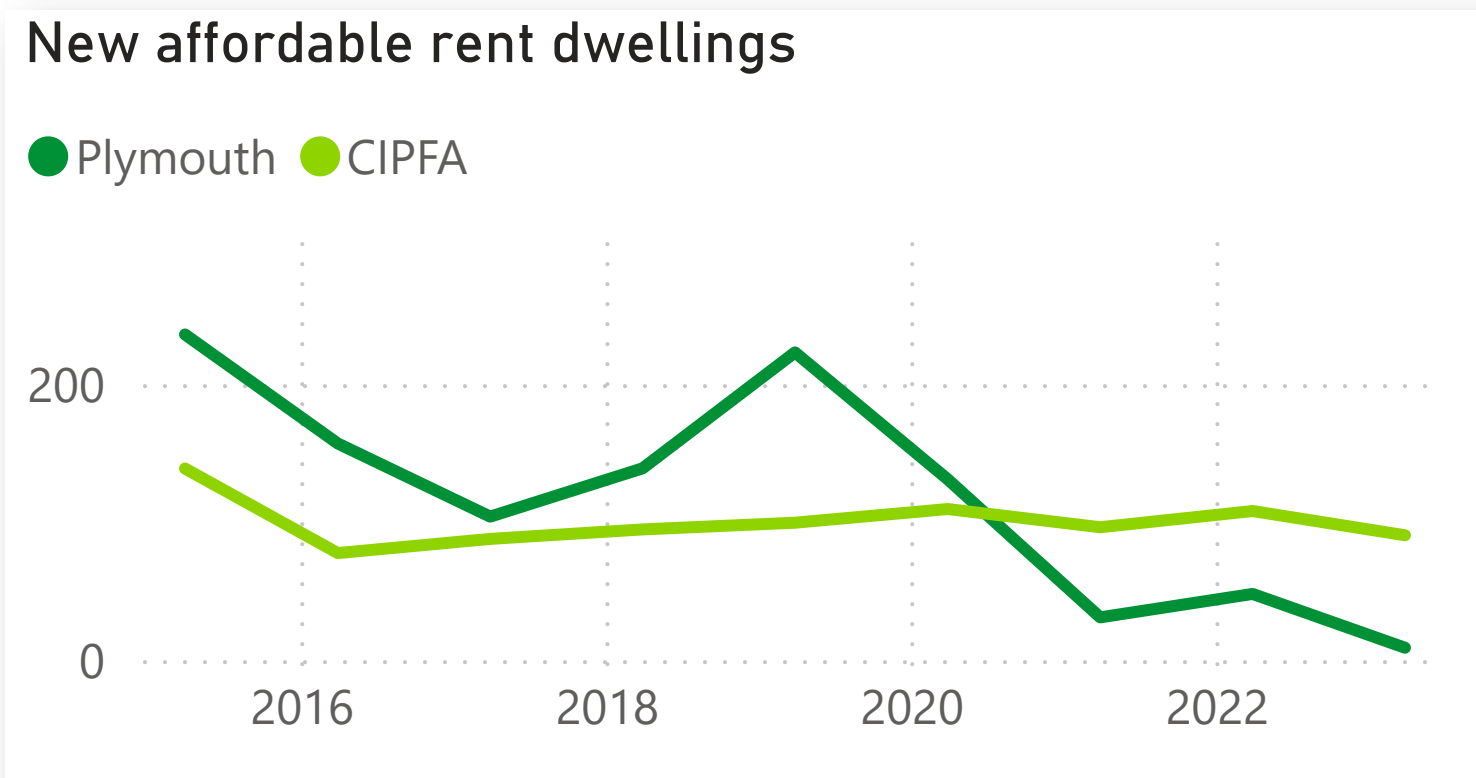
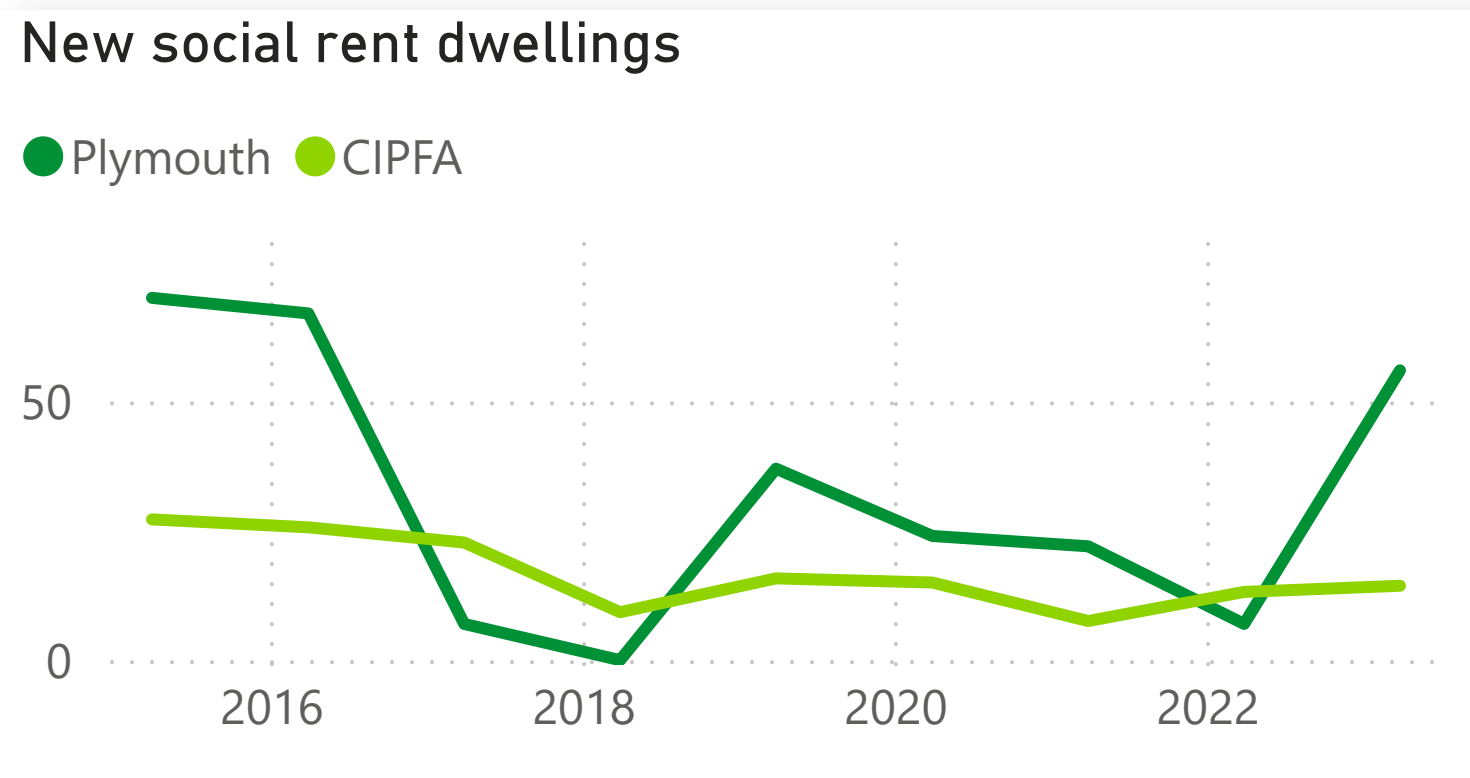


Build More Homes - for social rent and affordable ownership

Plymouth City Council

Build More Homes - for social rent and affordable ownership

Year	Net Additional Dwellings	Total (Gross) Additional Affordable Dwellings	Additional Affordable Rent Dwellings	Additional Social Rent Dwellings	Additional units of affordable home ownership	Additional units of Shared Ownership
2023	397	123	9	56	0	58
2022	339	63	48	7	0	8
2021	612	105	31	22	0	52
2020	770	234	131	24	13	66
2019	944	500	223	37	32	208



Plymouth City Council

Build More Homes - for social rent and affordable ownership

Plan for Homes 4 aims to deliver at least 5,000 new homes in Plymouth over the next five years. The city is facing a severe housing crisis, with over 7,000 households on the housing register. Building the right homes in the right places at the right prices is essential for Plymouth's citizens to thrive. Without new and improved housing, the city's economic and physical regeneration will be limited.

Plymouth continues a strong track record of delivery out performing CIPFA comparator authorities. However, recent years have seen a decline in new and affordable housing due to macroeconomic and local challenges. High build costs and low housing values make it difficult to develop complex brownfield sites, which require significant upfront investment. The housing market has been further impacted by factors such as Covid, rising inflation, and the cost of living crisis, leading to increased homelessness and use of temporary accommodation.

Housing delivery has been falling year on year since 2018/19 due to market disruptions like Brexit, Covid, and the war in Ukraine. Although affordable housing numbers are starting to recover, overall delivery remains low. Plymouth relies heavily on brownfield land for housing, while neighbouring areas have more high-value greenfield sites.

Looking forward we now have a bespoke regeneration partnership with Homes England to enable the delivery of transformational regeneration opportunities, including significant numbers of homes. We are already working with Homes England to unlock the delivery of over 1,000 homes across 4 priority sites in the city centre, as well as the potential for direct support from the agency's Acquisitions Team.

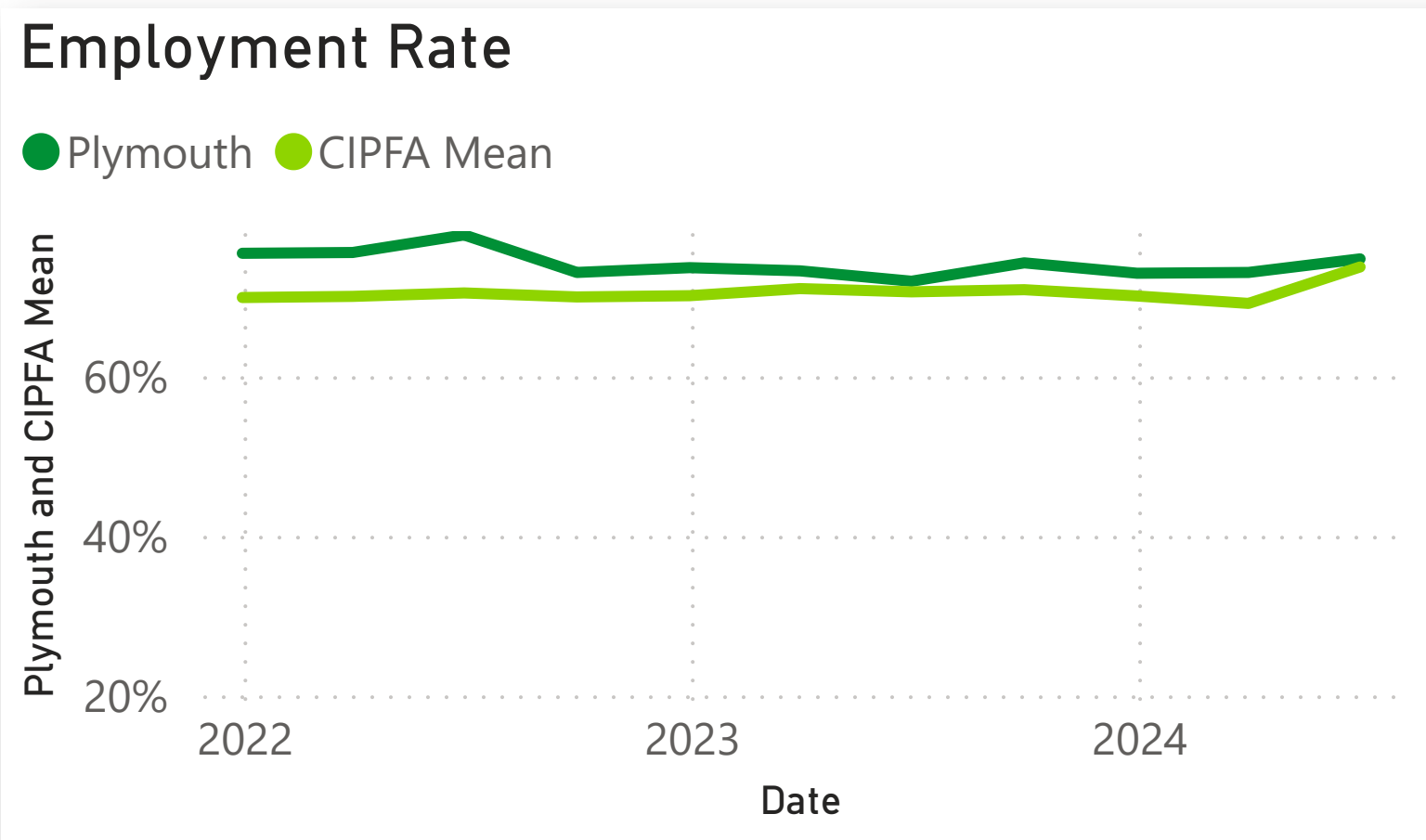
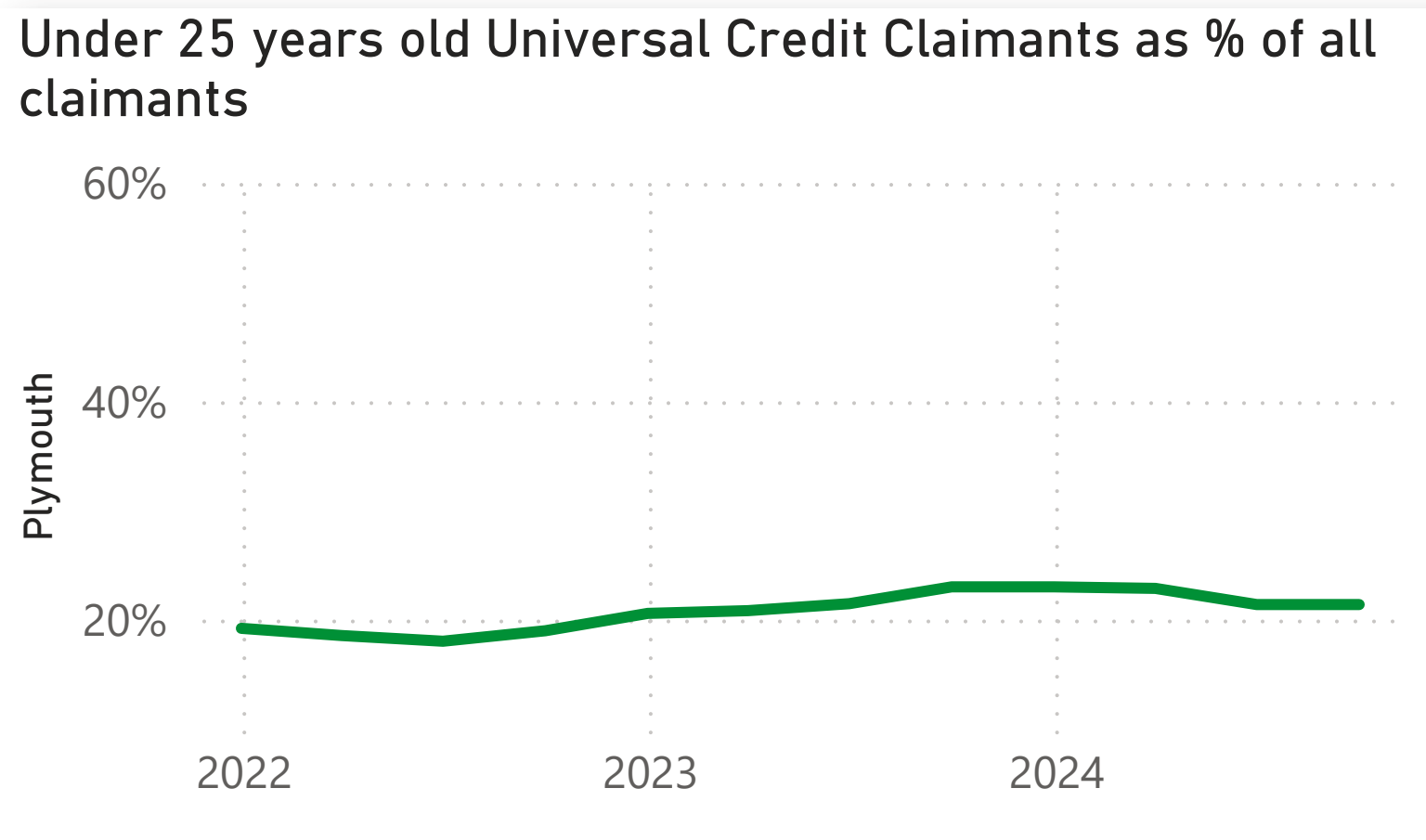
Performance information shows that Plymouth's Strategic Planning and Infrastructure team excels in processing planning applications efficiently. Their streamlined procedures and online public access system keep applicants well-informed and reduce waiting times, benefiting housing developers by minimising financial risks and allowing projects to start sooner.

The new UK housing targets have significant implications for West Devon and the JLP area, particularly in terms of the increased number of homes required to be planned for. The targets, which aim to deliver 1.5 million more homes across England, could result in a 102% increase in the current JLP housing requirement and a 130% increase in delivery in the JLP area over the previous 3 years. For Plymouth, this translates to a staggering 500% increase in housing delivery compared to the 23/24 period. These figures highlight the challenges in achieving such rapid growth, especially given the historical delivery rates and the need to factor in other spatial requirements. It is clear that meeting these targets will require careful planning, difficult conversations, and innovative solutions to address the challenges associated with housing delivery.

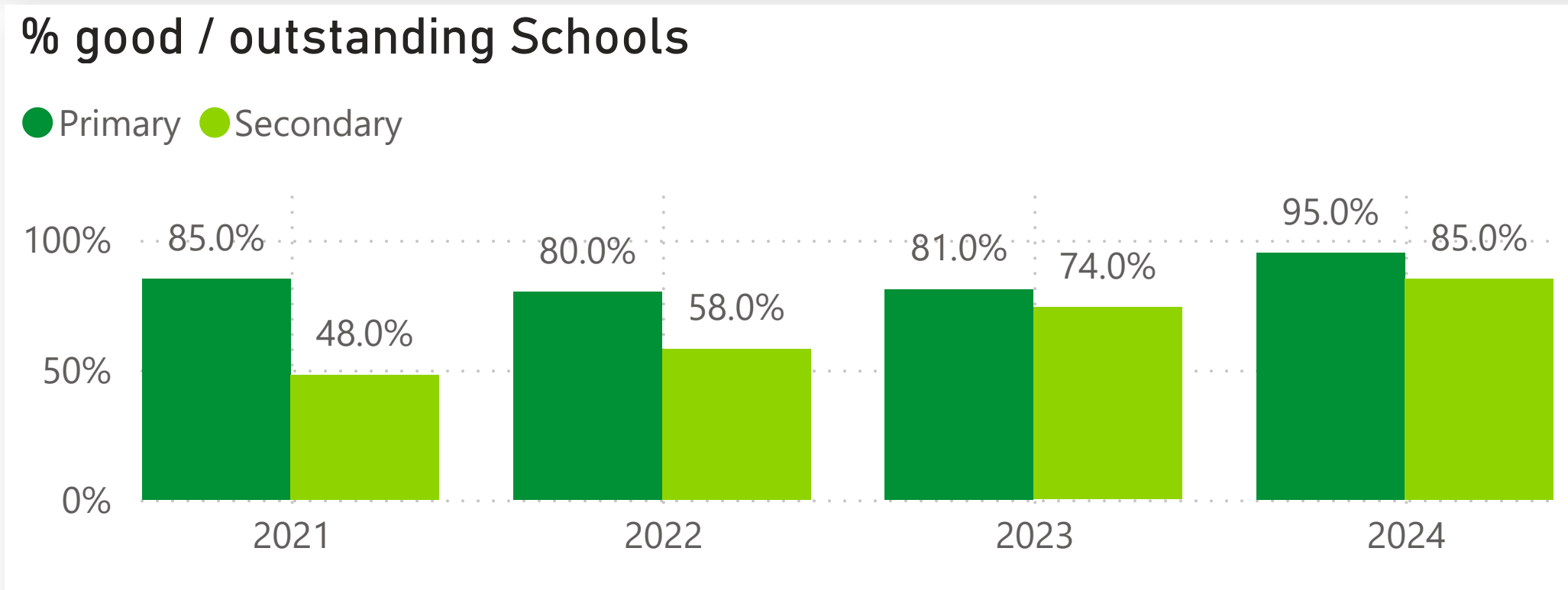
Plymouth City Council

Green Investment, jobs, skills and better education

Qtr Year	Plymouth Employment Rate	CIPFA Mean Employment Rate	Under 25 years olds) Universal Credit claimants % of all claimants
Q1 2024-2025	74.7%	73.7%	21.4%
Q4 2023-2024	73.0%	69.1%	22.9%
Q3 2023-2024	72.9%	70.1%	23.0%



FY	Business births per 10,000 residents	Business survival 5 years (5 years to year end)	Corporate scope 1/2 Co2 emmissions (tonnes Co2e)Co2 Emmissions	PCC investment in low carbon infrastructure (3 year average)
2022-2023			6932.00	£8,458,112.00
2021-2022	35.80	45.1%	6312.00	£5,862,152.00
2020-2021	39.29	39.4%	7007.00	
2019-2020	36.33	35.4%	7075.00	
2018-2019	33.96	37.6%	7924.00	

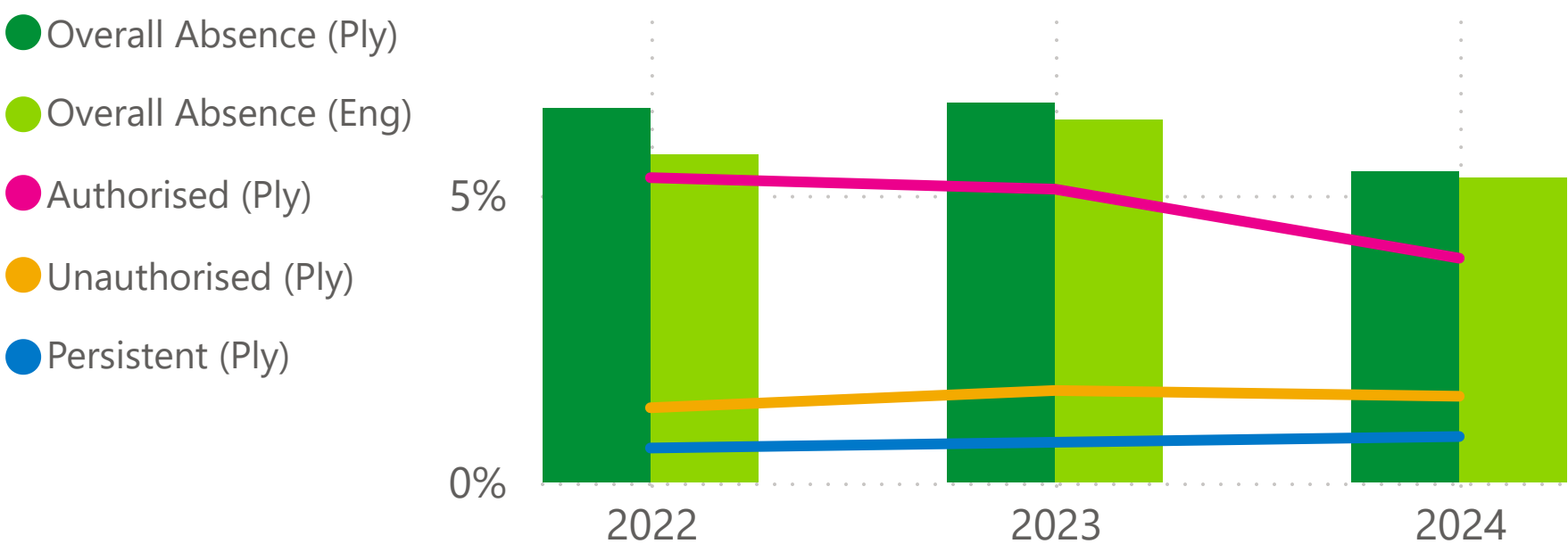


Green Investment, jobs, skills and better education

Plymouth City Council

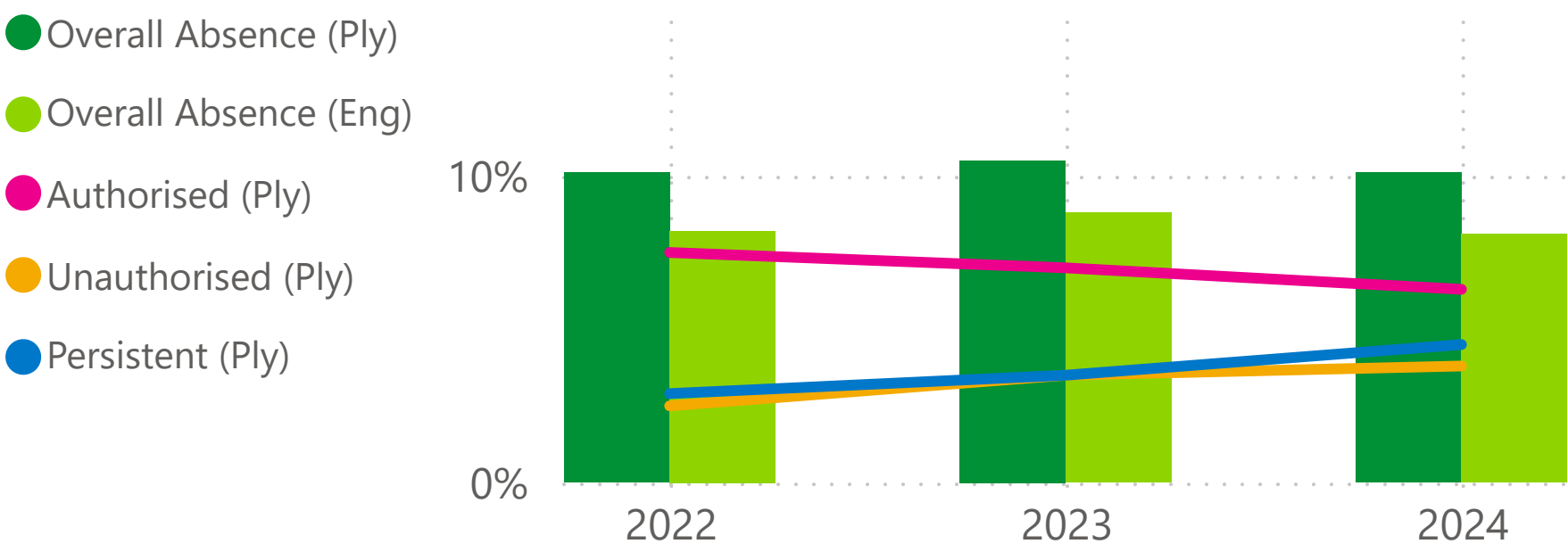
Green Investment, jobs, skills and better education

Primary Schools - Absence



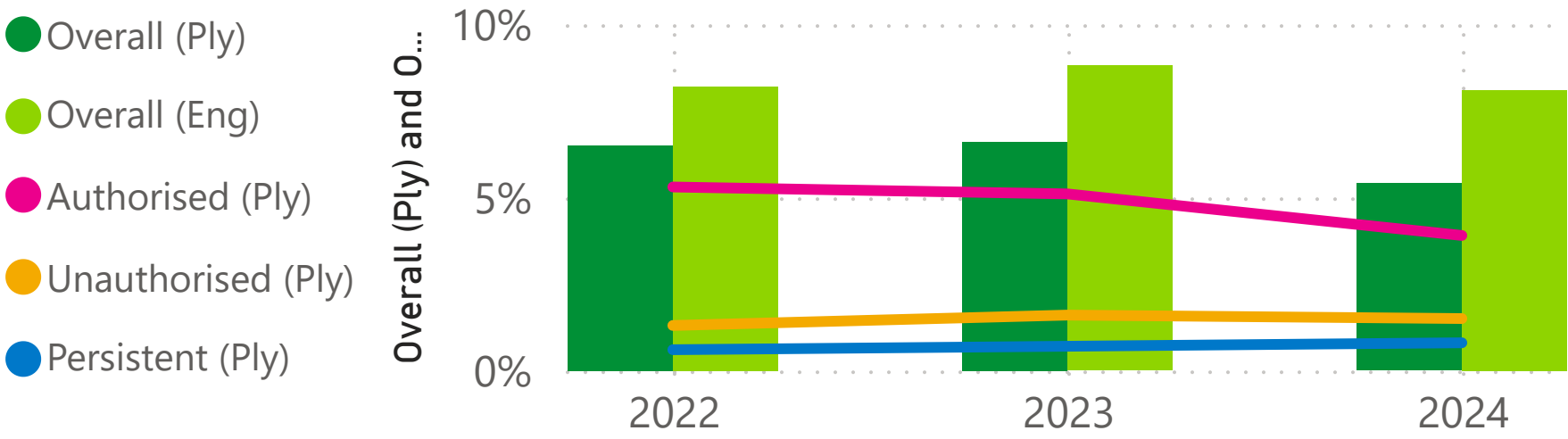
FY	Primary Persistent Absence (>50%)	Primary Overall Absence
2023-2024	0.80%	5.40%
2022-2023	0.70%	6.60%
2021-2022	0.50%	6.50%

Secondary Schools - Absence



FY	Secondary Persistent Absence (>50%)	Secondary Overall Absence
2023-2024	4.50%	10.10%
2022-2023	3.50%	10.50%
2021-2022	2.90%	10.10%

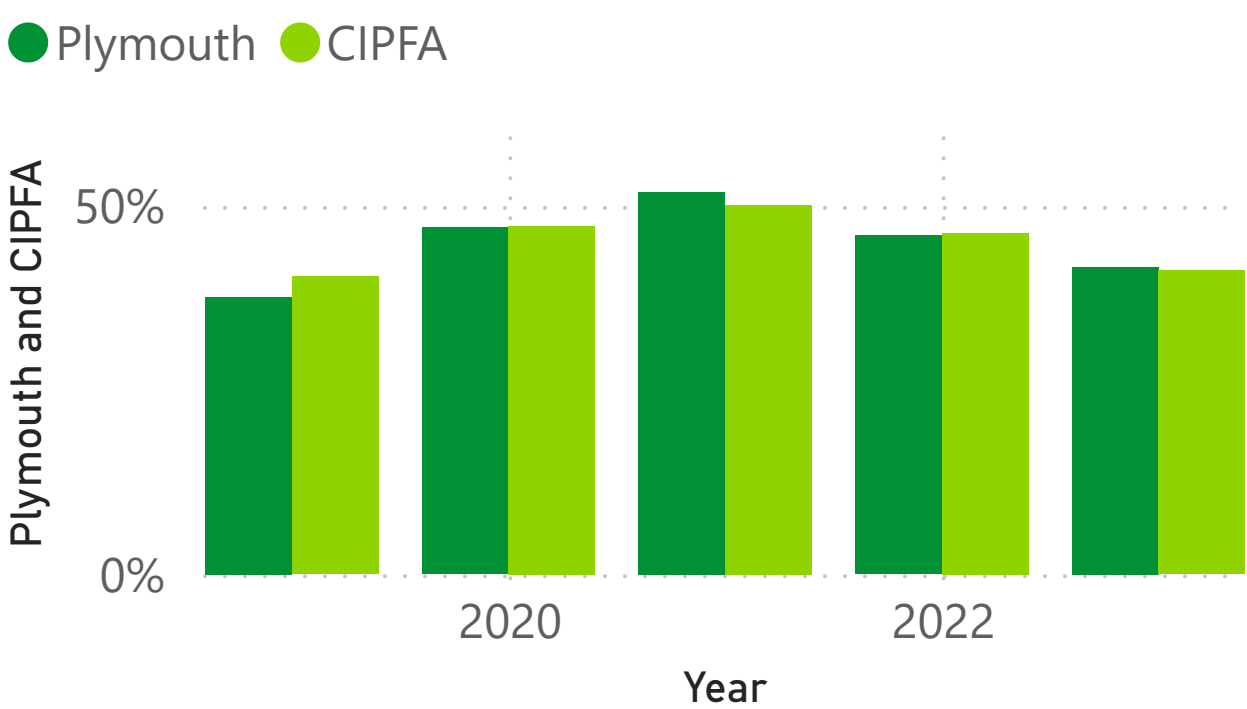
Special Schools - Absence



FY	Special School Persistent Absence (>50%)	Special School Overall Absence
2023-2024	3.80%	11.30%
2022-2023	5.10%	13.80%
2021-2022	4.10%	12.70%

Date	% of people 16/17 years going to or remaining in, Education, Employment or Training (EET)	No. of pupils with an EHCP - End of Month
31 May 2024	93.66%	2925
30 June 2024	93.60%	2932
31 July 2024	93.54%	2948
31 August 2024	93.50%	2922

% Pupils achieving 9-5 in English and Maths



Green Investment, jobs, skills and better education

Plymouth City Council

Green Investment, jobs, skills and better education

Plymouth has launched a comprehensive Children, Young People, and Families Improvement Plan to address systemic issues and enhance service quality. This plan responds to Ofsted inspections and internal reviews, highlighting areas needing significant improvement.

Educational Engagement and Achievements

- 93.7% of young people are in education, employment, or training (EET), exceeding the 93% target. For post-16 young people with an EHCP, 88.1% are in EET, with a new target of 92% for 2024/2025. Supported Internship placements have grown to 65, and the Your Future programme has a 100% success rate in securing positive outcomes for young people with SEND.
- 97.14% of early years providers are rated good or better by Ofsted. Five settings improved from inadequate to Requires Improvement (2) or Good (3) within six months, thanks to targeted support. Schools rated good or better by Ofsted have increased to 90.6%, up from 76% in 2021/22. Now, 90.4% of pupils attend good or outstanding schools, compared to 77.1% in 2021/22.
- Attendance Action Plan: School attendance is below expectations at primary, secondary, and Alternative Provision levels. An Attendance Action Plan is in place to address this.

Plymouth Economic Strategy

The previous Plymouth Economic Strategy (Delivering Economic Growth 2020-2025) was written pre-pandemic and was built on solid logic and well-reasoned economic evidence. Our refresh to the Plymouth Economic Strategy evolved this plan, updating the evidence base and realigning to more current challenges and aims, specifically floating offshore wind, the importance of defence and the uniqueness of our ports.

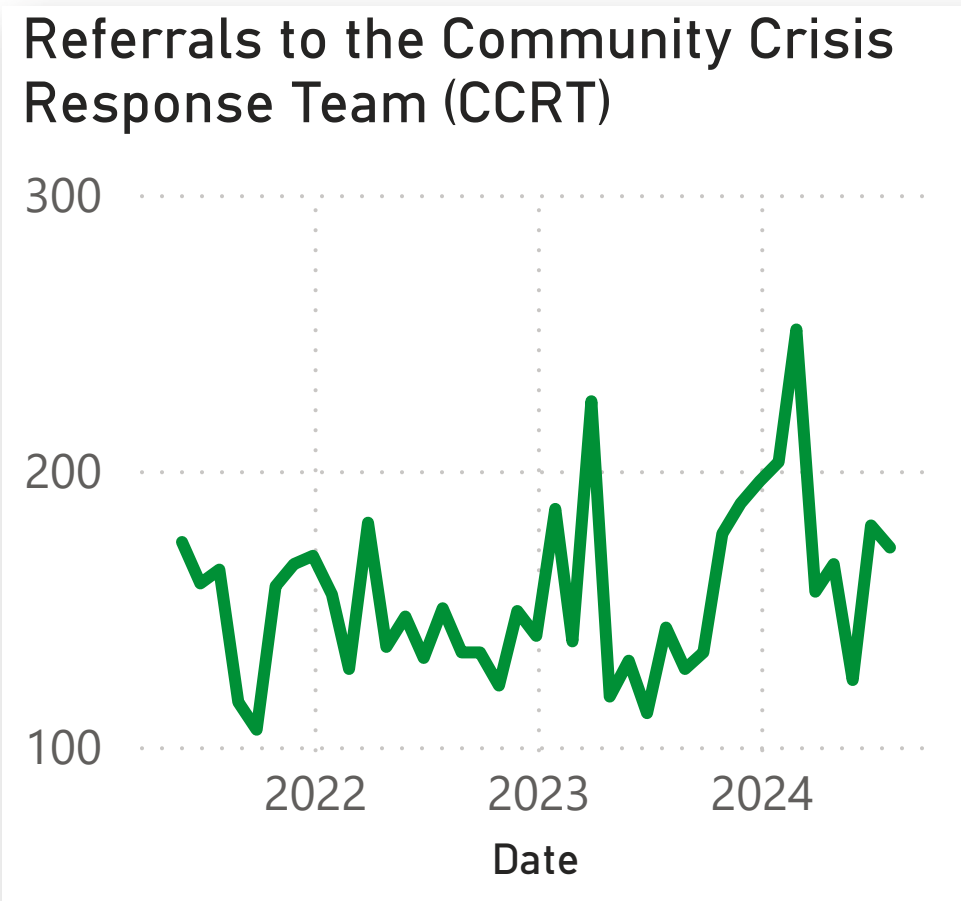
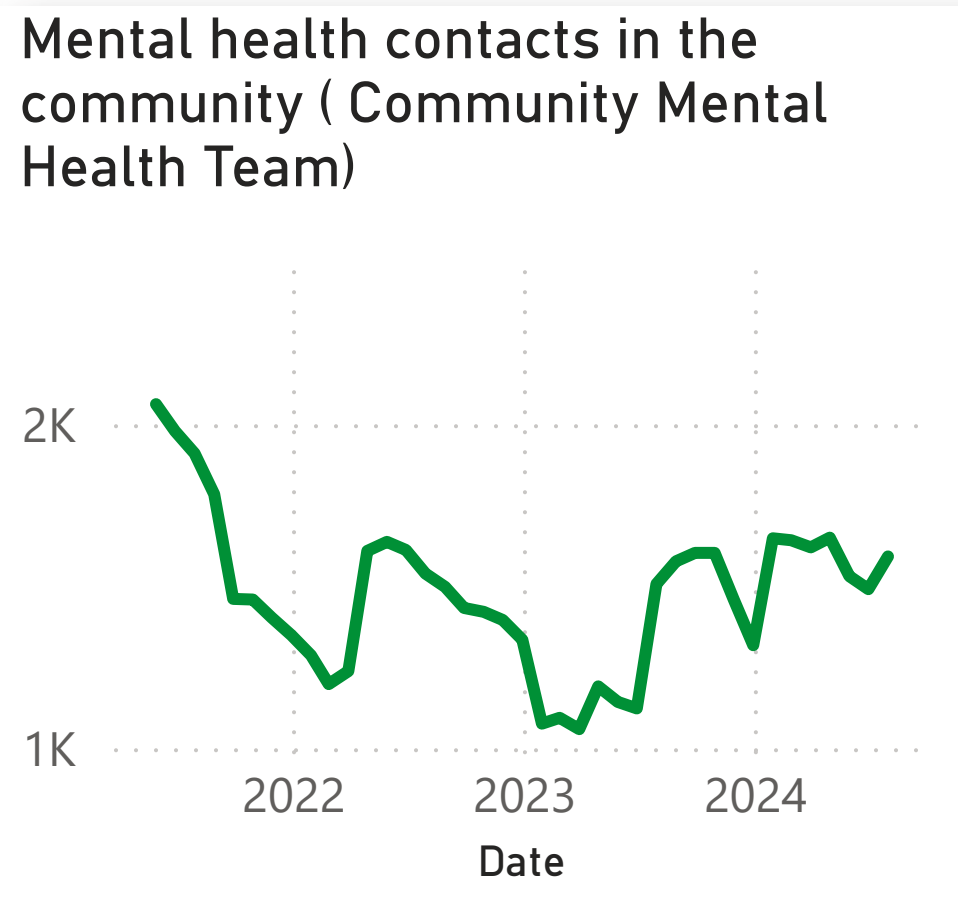
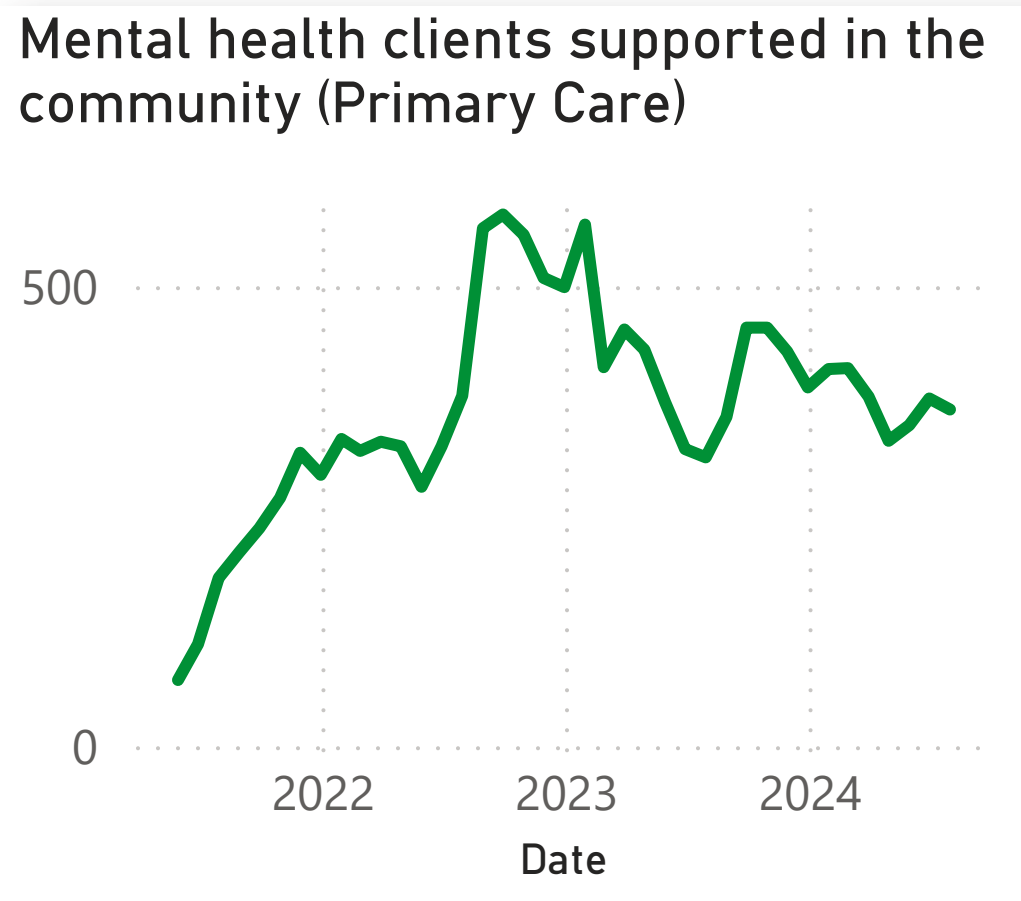
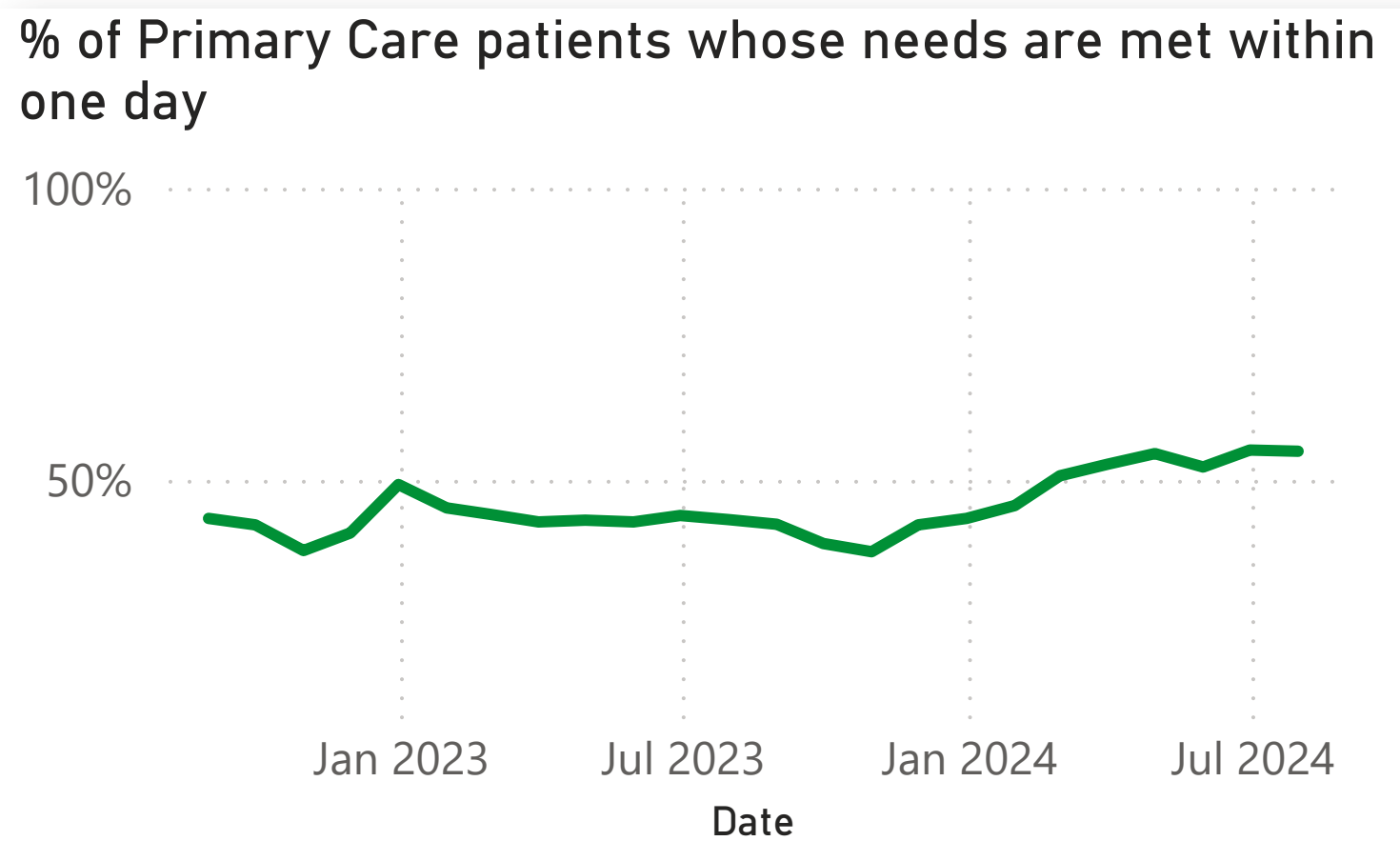
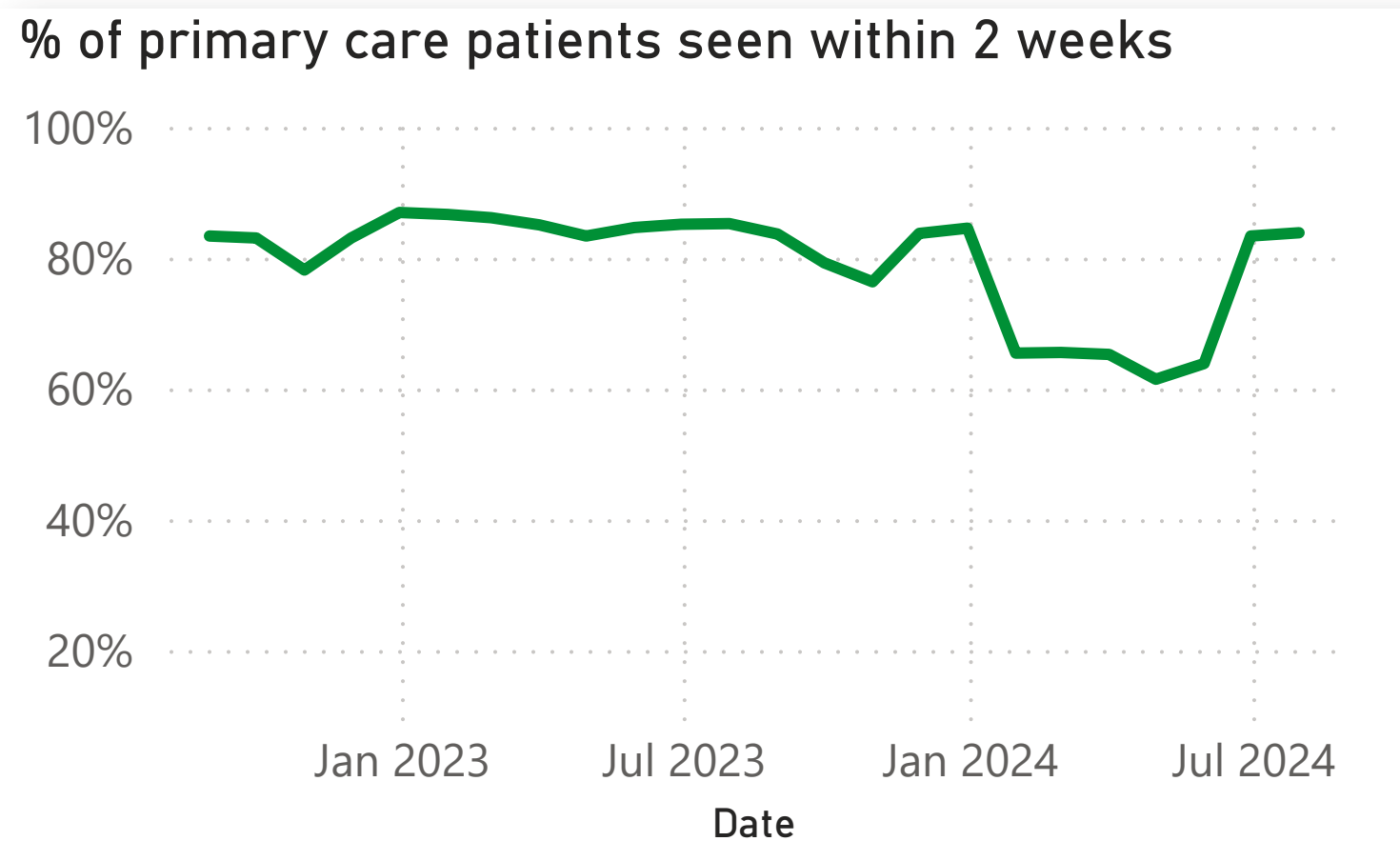
The Plymouth's Economic Strategy 2024 is a successor to Delivering Economic Growth 2020 and the Plymouth Local Economic Strategy 2014. It will continue to be led by the Plymouth Growth Board and managed by Plymouth City Council's Economic Development service.

This Economic Strategy sets out how Plymouth will build on its distinctive assets, which include: the largest naval base in western Europe; a vibrant manufacturing and engineering sector employing over 13% of the workforce; a burgeoning creative and cultural sector; one of only 16 critical care teaching hospitals in the UK and the associated Plymouth Science

Plymouth City Council

Working with the NHS to provide better access to health, care and dentistry

Date	% of primary care patients seen within 2 weeks	% of Primary Care patients whose needs are met within one day	Mental health clients supported in the community (Primary Care Mental Health Team Caseload)	Mental health contacts in the community (Community Mental Health Team Caseload)	Referrals to the Community Crisis Response Team (CCRT)
▼					
31 July 2024	83.80%	54.90%	366	1592	172
30 June 2024	83.30%	55.10%	378	1491	180
31 May 2024	63.80%	52.20%	349	1531	124

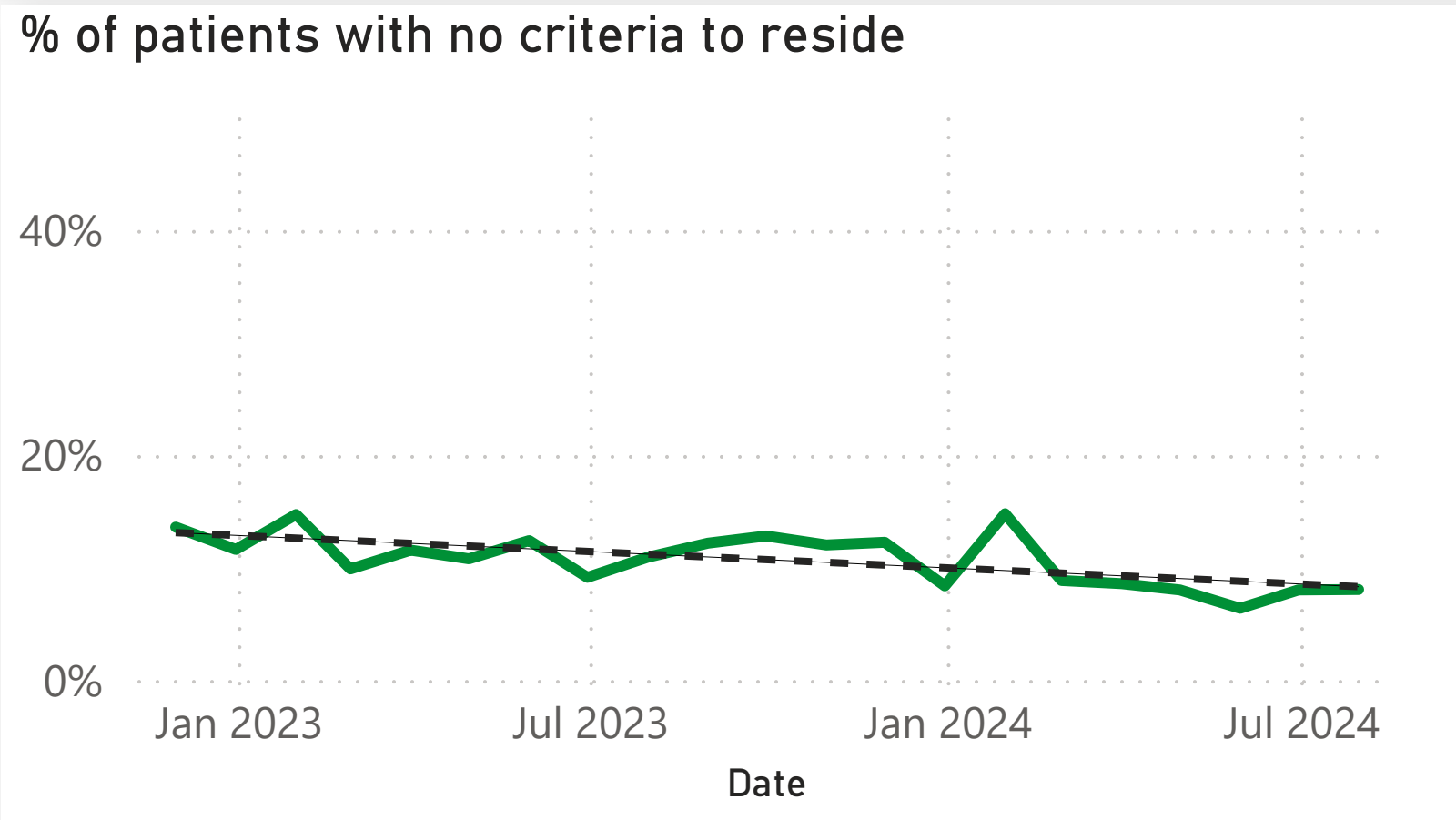


Working with the NHS to provide better access to health, care and dentistry

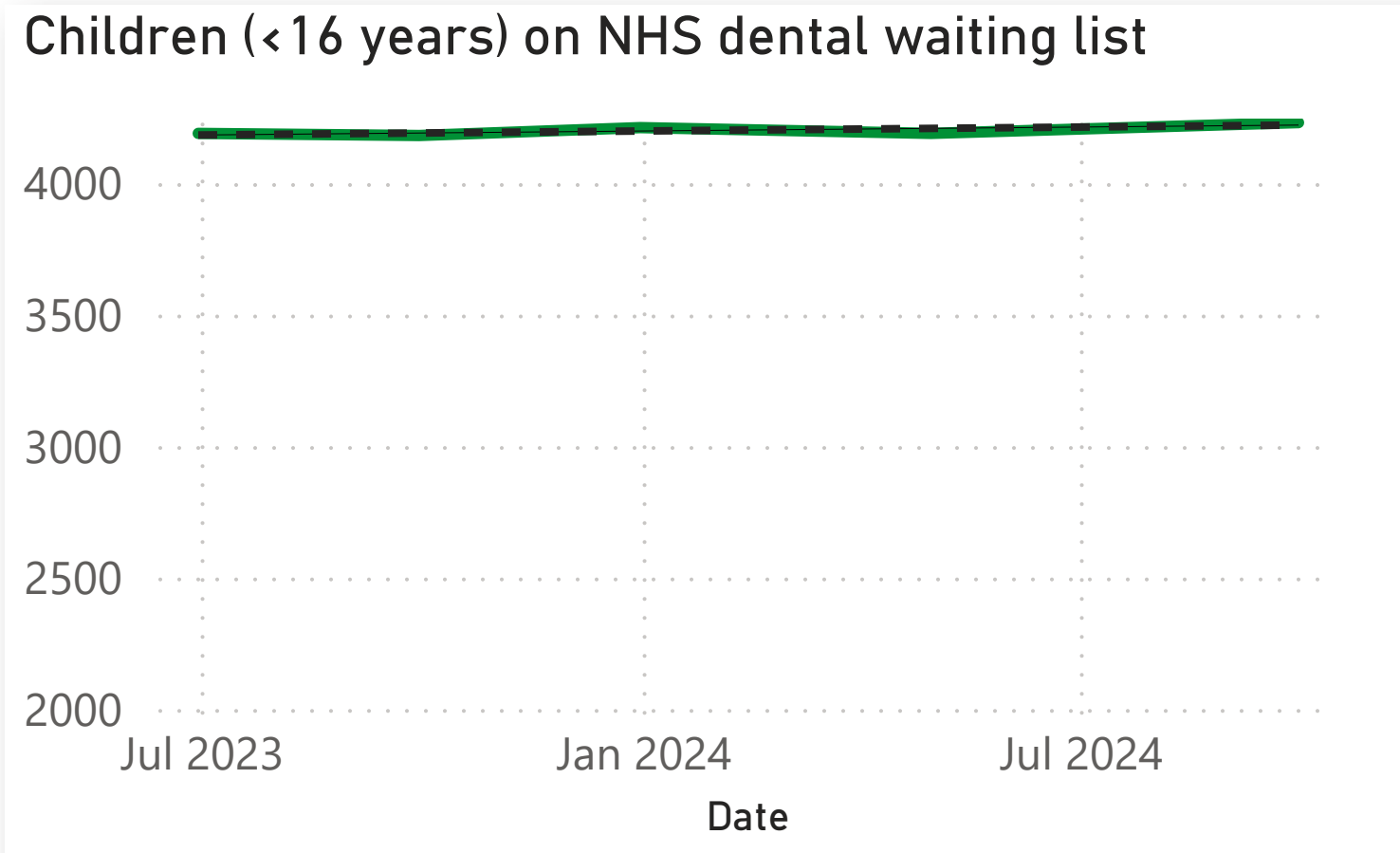
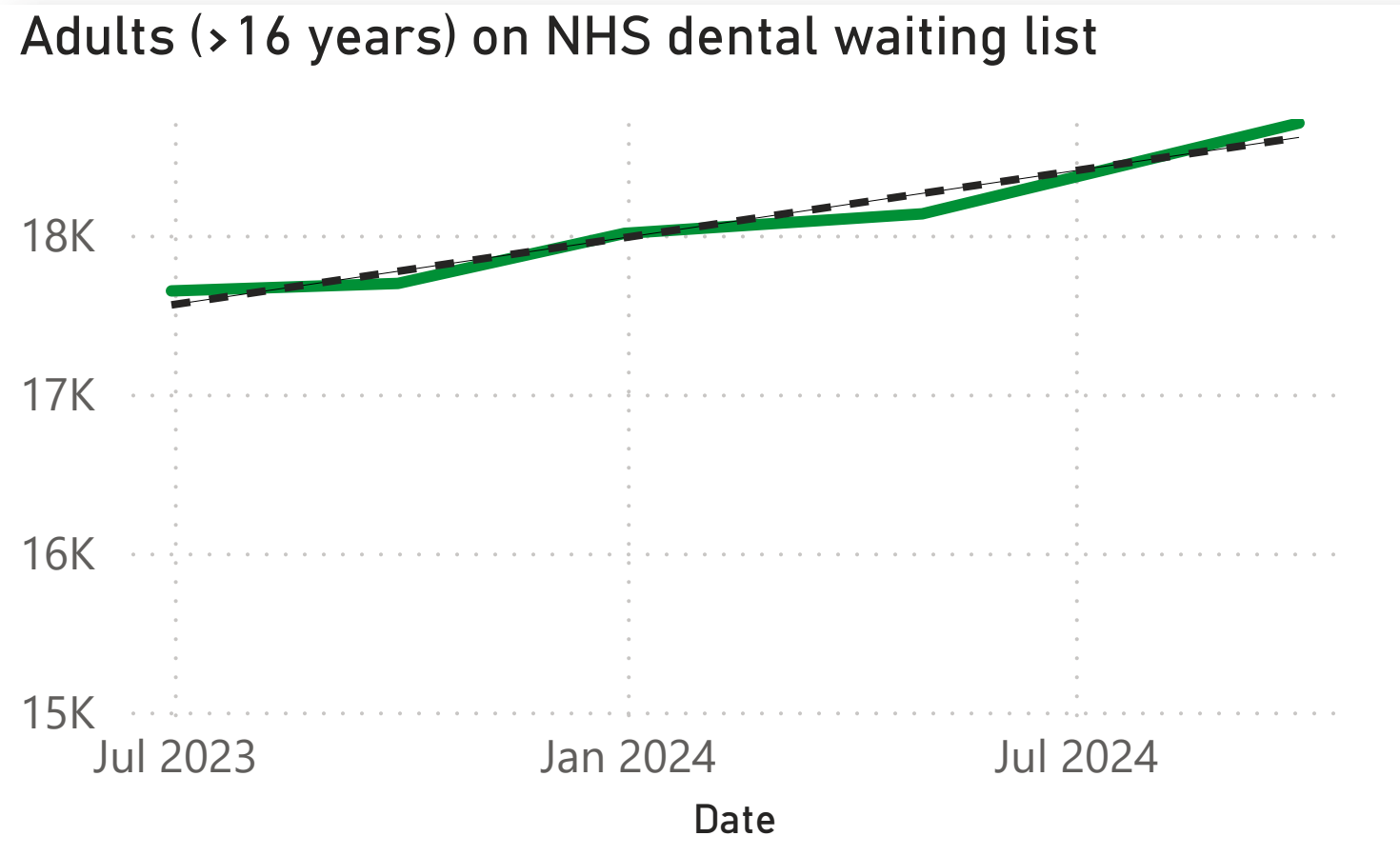
Plymouth City Council

Working with the NHS to provide better access to health, care and dentistry

Year	Month	% of patients with no criteria to reside	No. of emergency department attendances (average daily)
2024	July	8.04%	297.78
2024	June	8.00%	303.63
2024	May	6.37%	299.06



Qtr Year	Adults (> 16 years) on NHS dental waiting list	Children (< 16 years) on NHS dental waiting list
Q2 2024-2025	18702	4230
Q1 2024-2025	18131	4189
Q3 2023-2024	18008	4211
Q2 2023-2024	17693	4181
Q1 2023-2024	17646	4189



Working with the NHS to provide better access to health, care and dentistry

Plymouth City Council

Working with the NHS to provide better access to health, care and dentistry

Dental Task Force

The Plymouth Dental Taskforce, a cross party group, has been meeting regularly with the commissioners of dental services to ensure that the issues faced by our residents are addressed. In April 2023, Devon ICB took over responsibility for dentistry in Plymouth, and a recovery plan is in development for dentistry. The Taskforce has agreed a number of workstreams and funding has been secured for some of these. One key priority is to deliver a new dental facility in the City Centre run by the Dental School and aligned to the oral health needs in the city. This is progressing well .

Update on Key Priority Areas

The Plymouth Local Care Partnership (LCP) is one of five within the Devon Integrated Care System, aiming to create an integrated health and care system that prioritises local needs over individual organisations.

Building a Compassionate and Caring City

Progress includes enhancing support services at Derriford Hospital and addressing capacity issues. An anti-racism allyship Network meeting was held, and the Trauma Informed HR toolkit shared. Upcoming actions include signing the No Wrong Door for Young Carers MOU, extending hospitality services, and preparing for CQC Assurance.

Developing a Sustainable System of Primary Care

Efforts to enhance primary care include the Trusted Voice initiative to support parents and carers and Primary Care Networks are developing business cases to improve urgent care. Planned actions include implementing these decisions, launching Trusted Voice, and continuing work across estates, digital, workforce, and vaccination areas.

Empowering Communities to Help Themselves and Each Other

The Southway Hub launched on August 22, with media coverage from BBC Spotlight. The Efford family and wellbeing hub had a soft launch on August 28, and a new Petanque pitch opened at Brickfields on August 21. New Wellbeing Hubs Alliance Programme Lead and Wellbeing Advisor roles have been filled. Upcoming actions include completing evaluations and impact reports, developing collaboration with the Wellbeing Hubs Alliance Lead, and initiating a social supermarket in Millfields HQ (Stonehouse).

Ensuring the Best Start to Life through “A Bright Future”

A transitions workshop was conducted to inform long-term projects for adulthood preparation. An Early Help proposal was presented at the August LCP Delivery Group, and a three-year plan was agreed upon. The outline for tranche 2 of the CYP delivery programme has been established. Future actions will focus on implementing these plans and continuing to support early help initiatives.

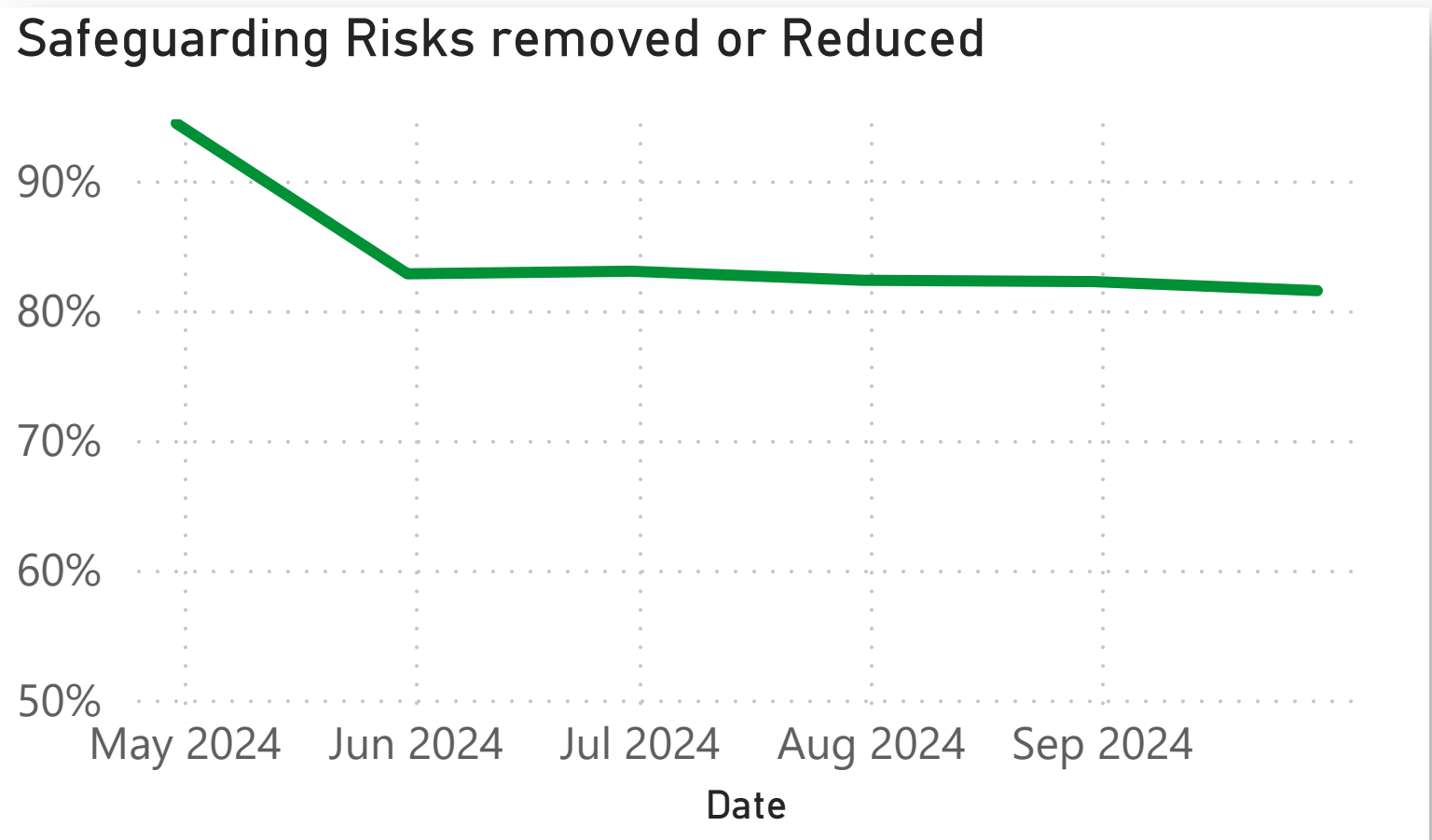
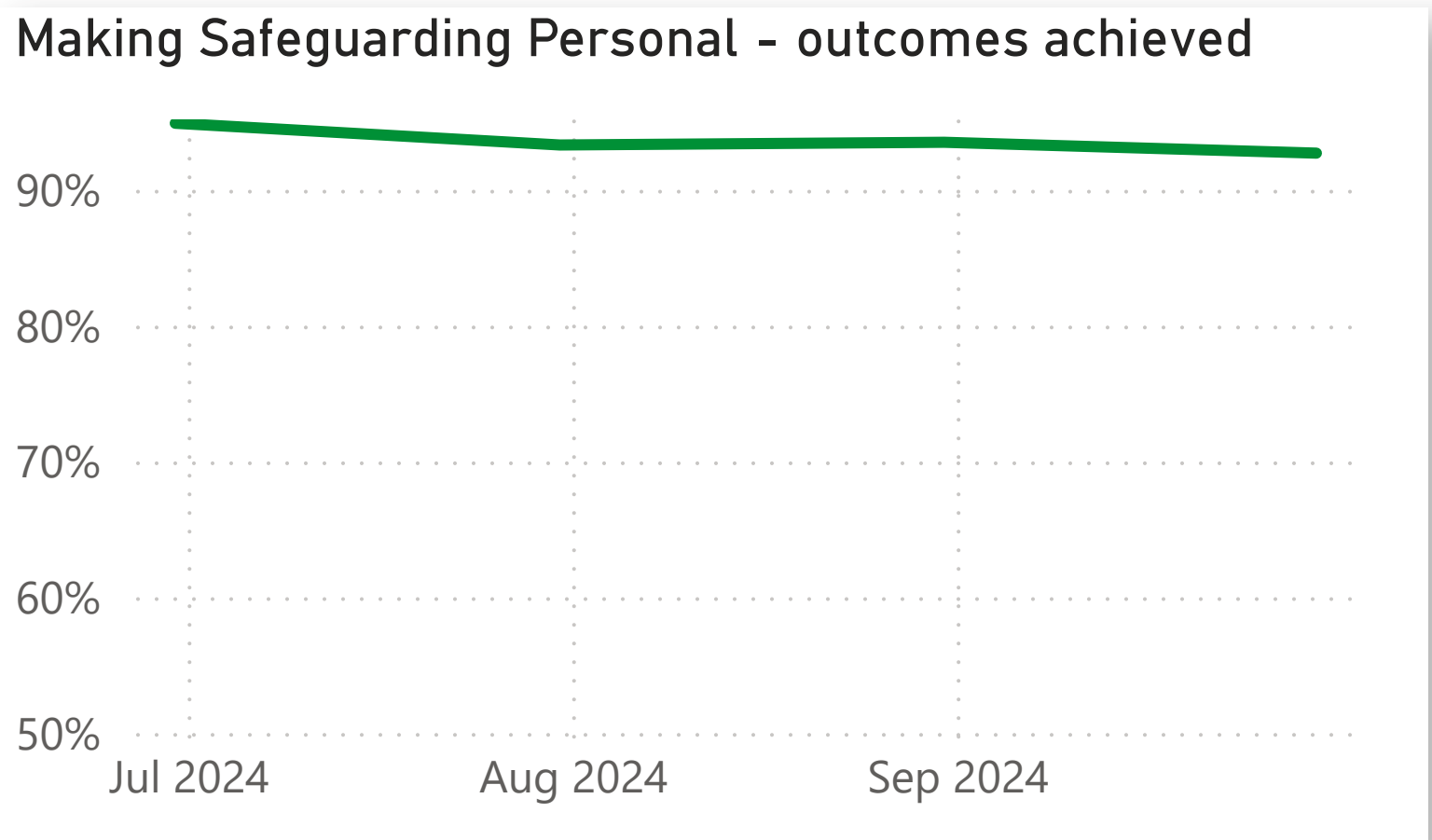
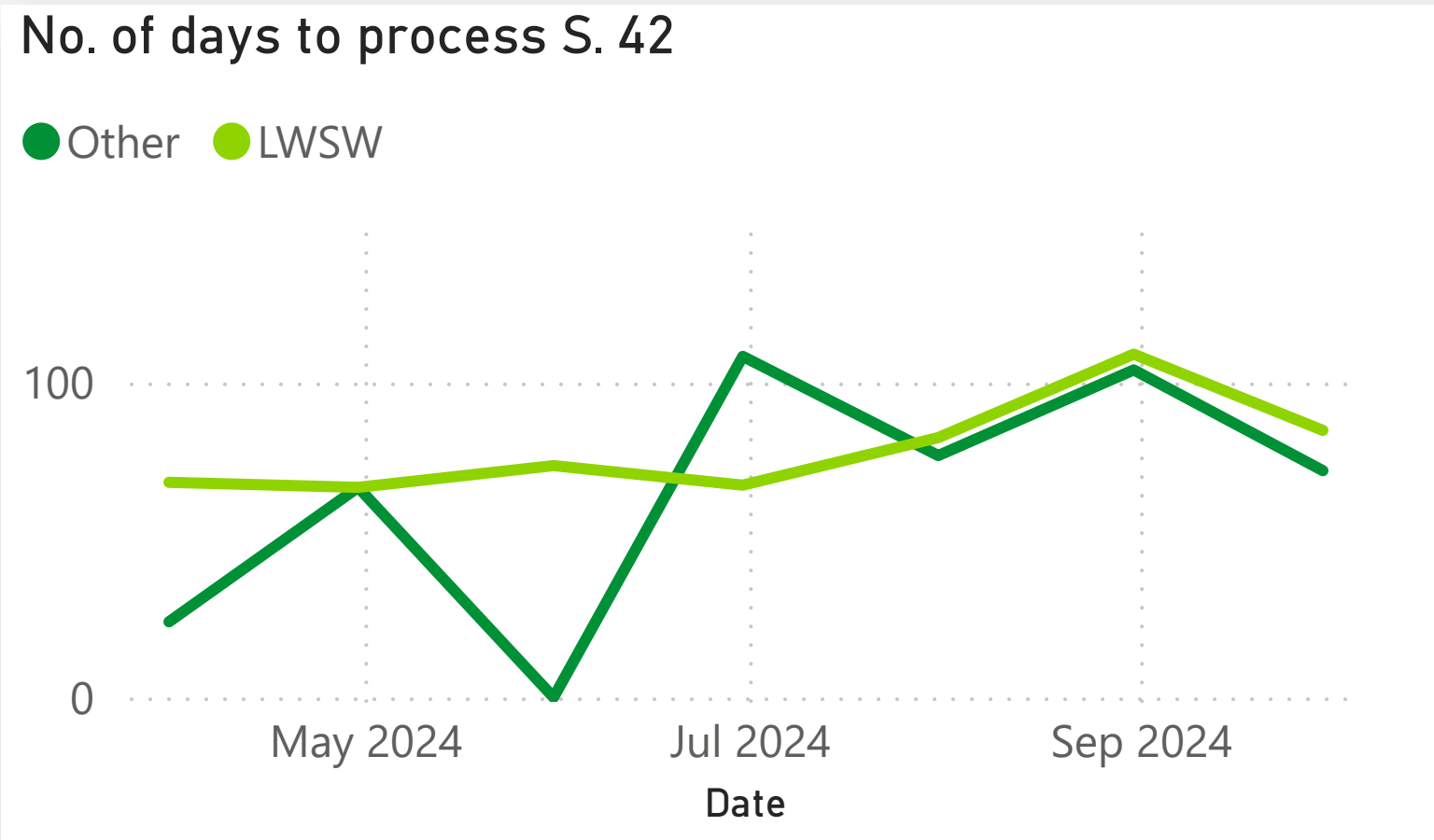
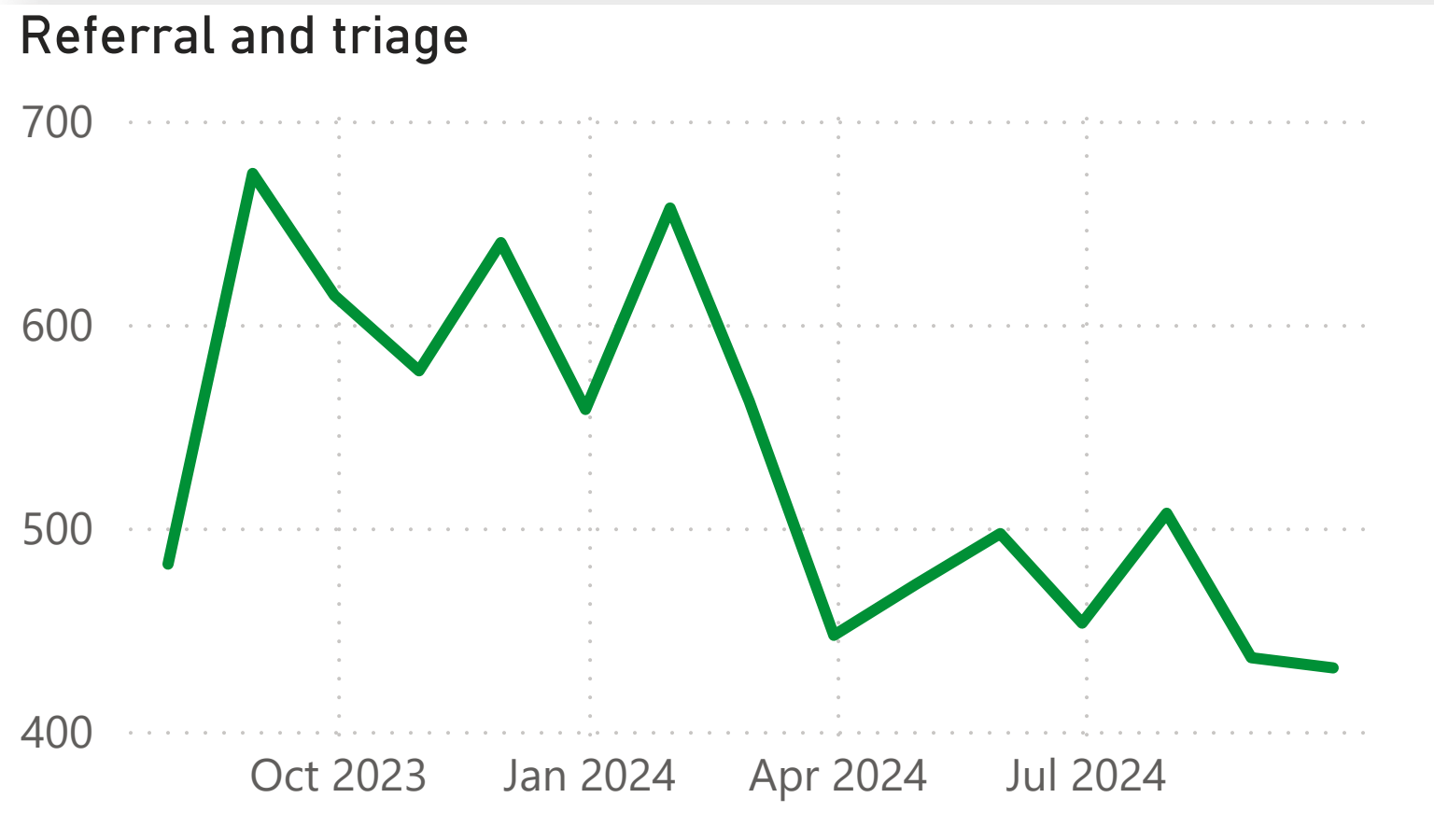
Relentlessly Focusing on Homelessness Prevention

A plan has been agreed to address capacity issues, and six bids have been submitted to DLUHC/Homes England, with four being successful. A large hotel has been block-booked for reduced nightly charges to accommodate those in need. Future actions include developing a project around the Hospital Discharge Service, securing £10m for property acquisition, and holding a Rough Sleeping Round Table to review and update the action plan.

Plymouth City Council

Keeping Children, Adults and Communities Safe

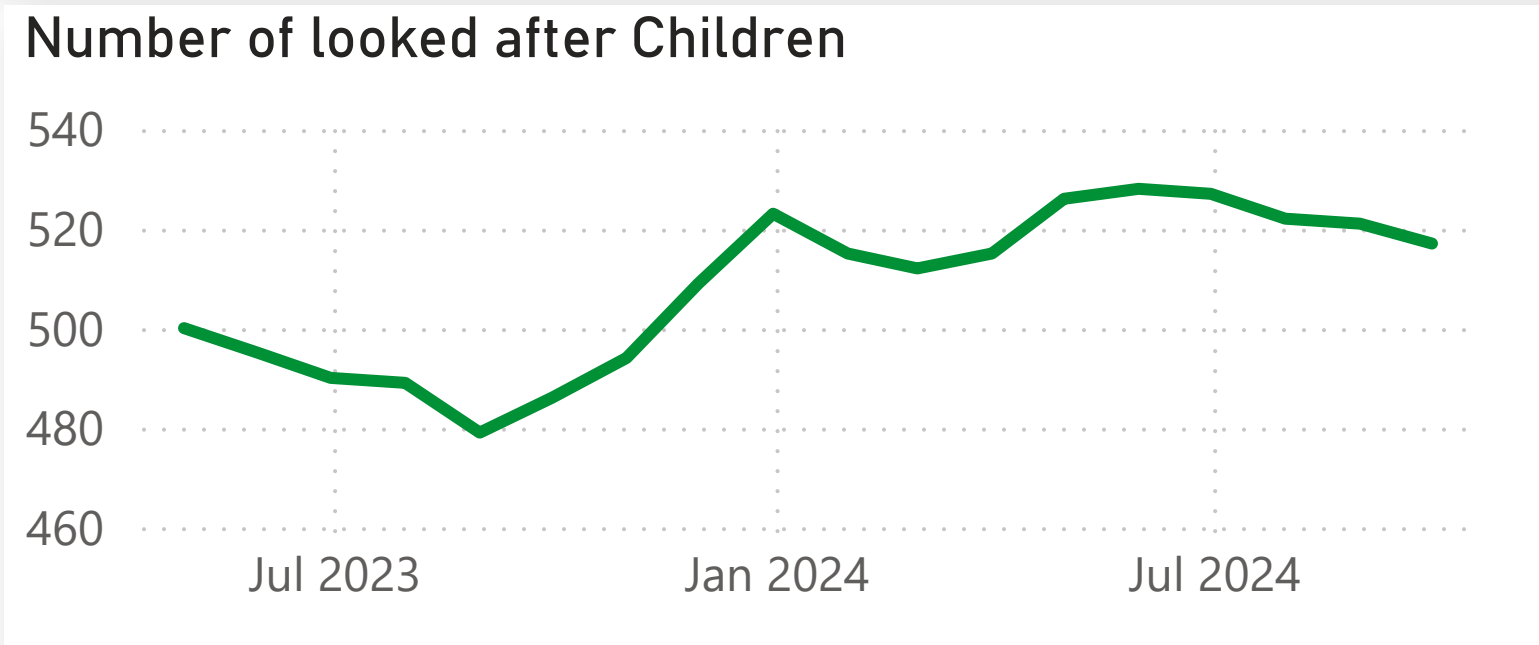
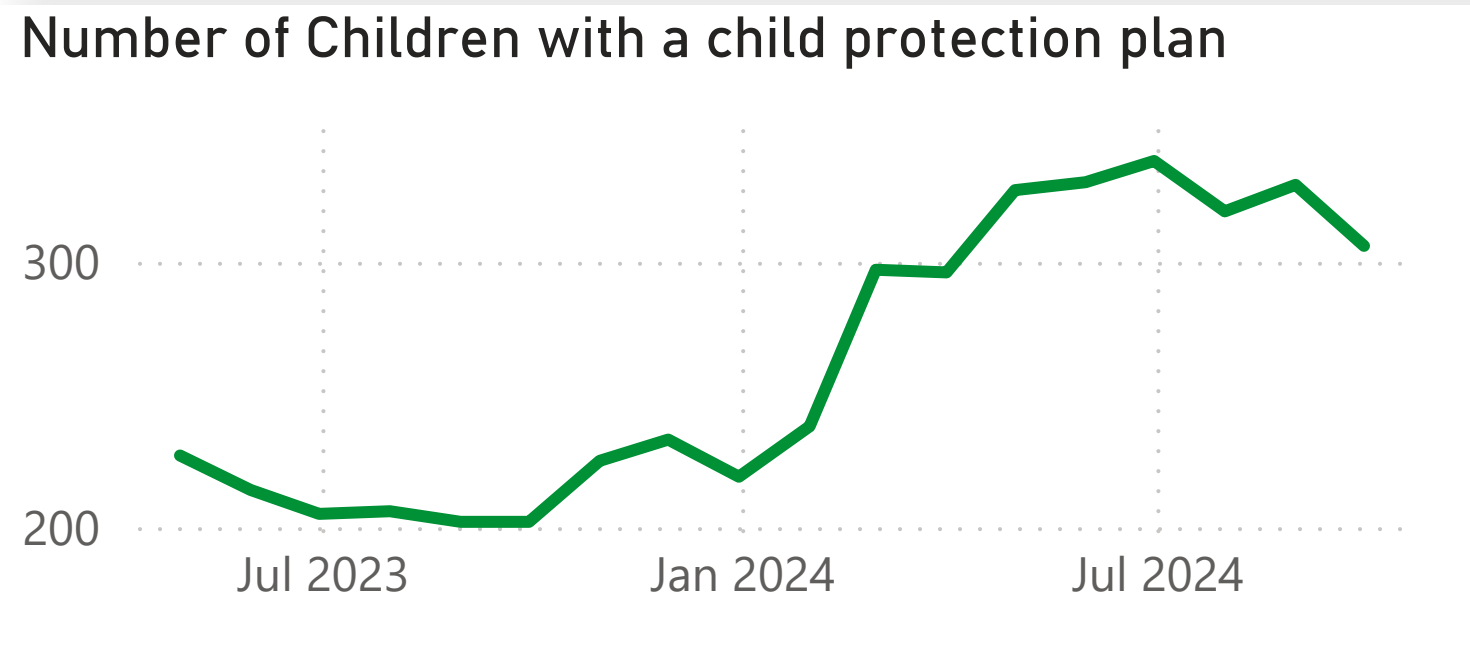
Year	Month	Referral and Triage forms sent to adult safeguarding	% Referral and Triage that become a concern	Average time (working days) to complete a S42 safeguarding enquiry - LWSW	Average time (working days) to complete a S42 safeguarding enquiry – Other	Making Safeguarding Personal outcomes fully/partially achieved	Safeguarding Risks reduced or removed
2024	September	431	11.4%	84.80	72.0	92.7%	81.5%
2024	August	436	12.2%	109.00	104.0	93.5%	82.2%
2024	July	507	18.5%	82.50	76.8	93.3%	82.3%
2024	June	453	15.9%	67.40	108.3	94.9%	83.0%



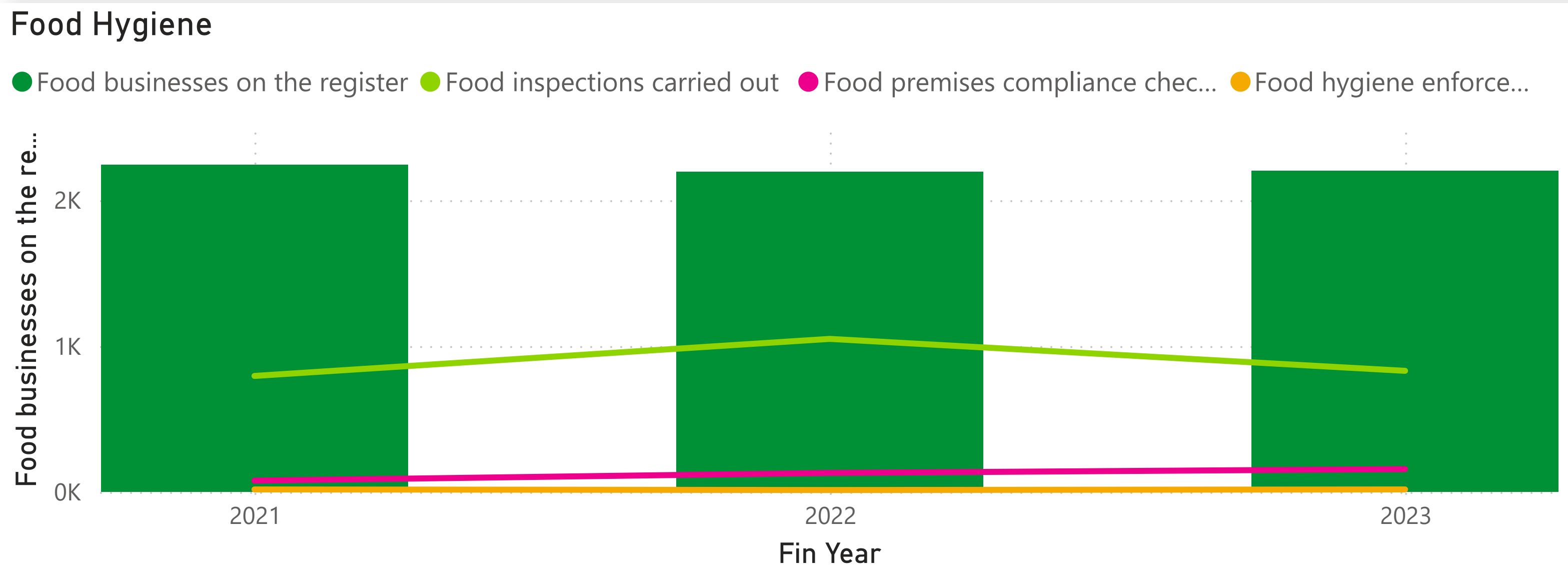
Plymouth City Council

Keeping Children, Adults and Communities Safe

Year	Month	Number of children with a child protection plan	Number of children with a child protection plan per 10,000	Number of looked after children	Number of looked after children per 10,000
2024	September	306	58.90	517	99.50
2024	August	329	63.30	521	100.30
2024	July	319	61.40	522	100.50
2024	June	338	65.10	527	101.40
2024	May	330	63.50	528	101.60



FY	Number of food businesses on the register	Number of food inspections carried out	Number of food premises compliance checks undertaken.	Number of food hygiene enforcement actions taken
2023-2024	2201	830	156	17
2022-2023	2193	1049	130	13
2021-2022	2243	795	77	17



Plymouth City Council

Keeping Children, Adults and Communities Safe

Plymouth City Council ensures the safety of adults, children, and communities through a comprehensive approach that includes robust safeguarding practices, multi-agency collaboration, and proactive interventions.

For adults, the council addresses safeguarding concerns and community safety issues, enhances prevention strategies, and supports vulnerable individuals. It has strengthened partnerships and improved case management systems. In Quarters 1 and 2 of 2024/25, demand continued to be significant, with receipt of a total of 3,042 referrals; an average of 15% of those resulting in a statutory safeguarding response. Priorities have particularly focused on cases involving self-neglect, and the development of a more streamlined and integrated safeguarding pathway. We continue to support the Plymouth Safeguarding Adults Partnership in its workstreams and sub groups as lead agency. Future plans focus on enhancing prevention strategies, community engagement, and robust safeguarding practices, including a review of Equality, Diversity and Inclusion support, and safeguarding those transitioning from adolescence to adulthood and those experiencing homelessness.

In 2023/24, significant progress was made in adult safeguarding, with 1,092 concerns handled, a 27% increase from the previous year. The council strengthened partnerships and improved case management systems. Future plans focus on enhancing prevention strategies, community engagement, and robust safeguarding practices, including support for individuals transitioning from adolescence to adulthood and safeguarding homeless individuals.

For children's safeguarding, the Plymouth Safeguarding Children Partnership (PSCP) achieved notable successes, improving multi-agency collaboration and support for at-risk children. Enhanced safeguarding protocols have been implemented, along with regular training for staff to recognize and respond to safeguarding concerns effectively. This ensures that all staff are aware of their responsibilities and know how to take appropriate action to protect children. Strengthened collaboration between various agencies, including social services, health services, and law enforcement, has been a key focus. This multi-agency approach ensures a comprehensive safeguarding framework that addresses the needs of children and young people from multiple perspectives. Regular monitoring and evaluation of safeguarding practices are conducted to identify areas for improvement and ensure compliance with statutory requirements. This includes reviewing policies and procedures to ensure they are effective and up-to-date.

Through the Devon Trading Standards Partnership, the council protected consumers and businesses from unfair practices through proactive inspections, sampling projects, and effective responses to complaints. Future plans involve tackling issues like illegal tobacco and cybercrime, and enhancing collaboration with regional and national bodies.

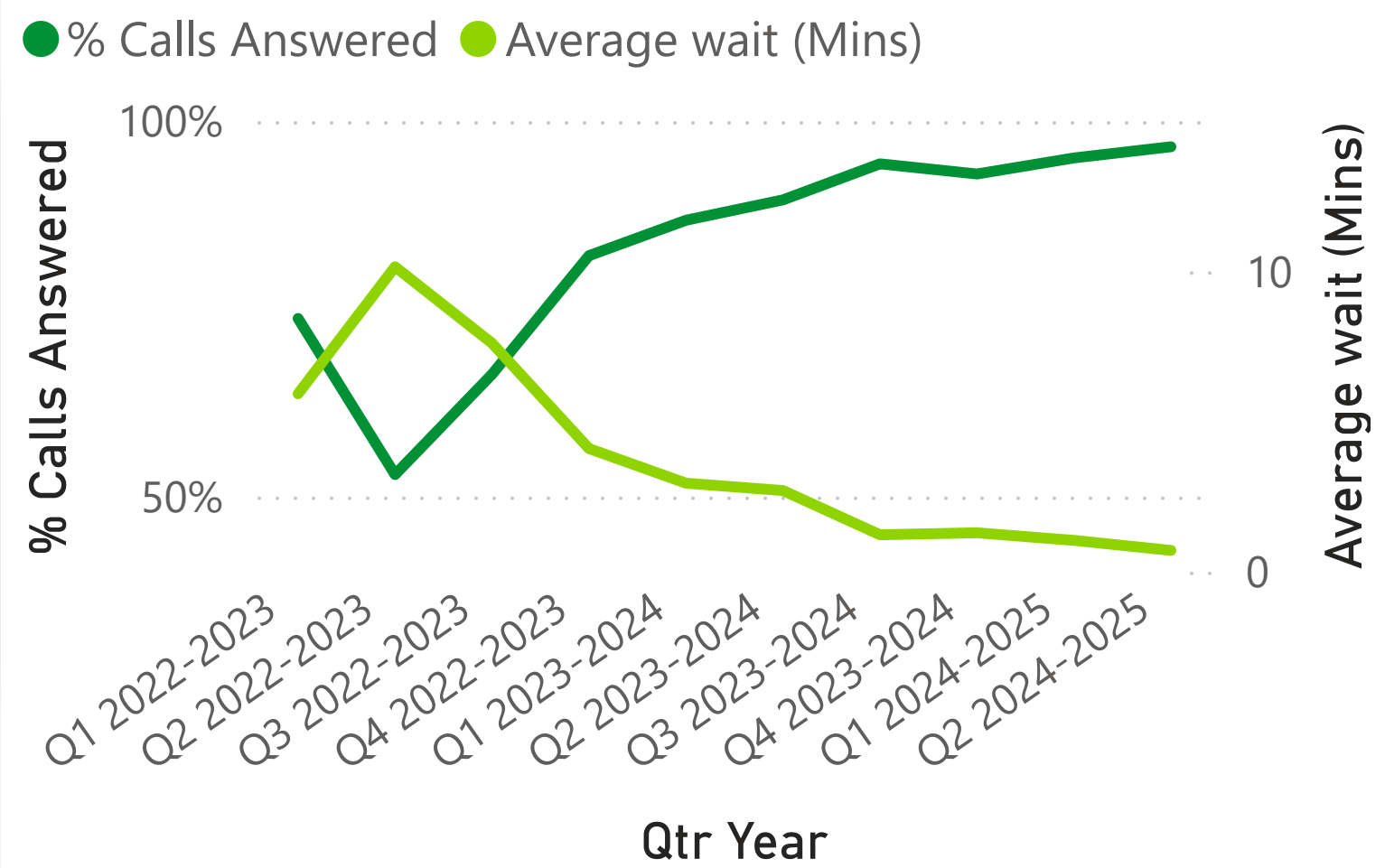
Environmental protection saw advancements in addressing pollution issues related to land, air, and waste. Key achievements include maintaining high standards in food safety and port health, and managing environmental complaints effectively. Future plans focus on enhancing air quality monitoring, continuing rigorous food safety inspections, and improving environmental enforcement for a cleaner, healthier city.

Plymouth City Council

Providing Quality Public Services

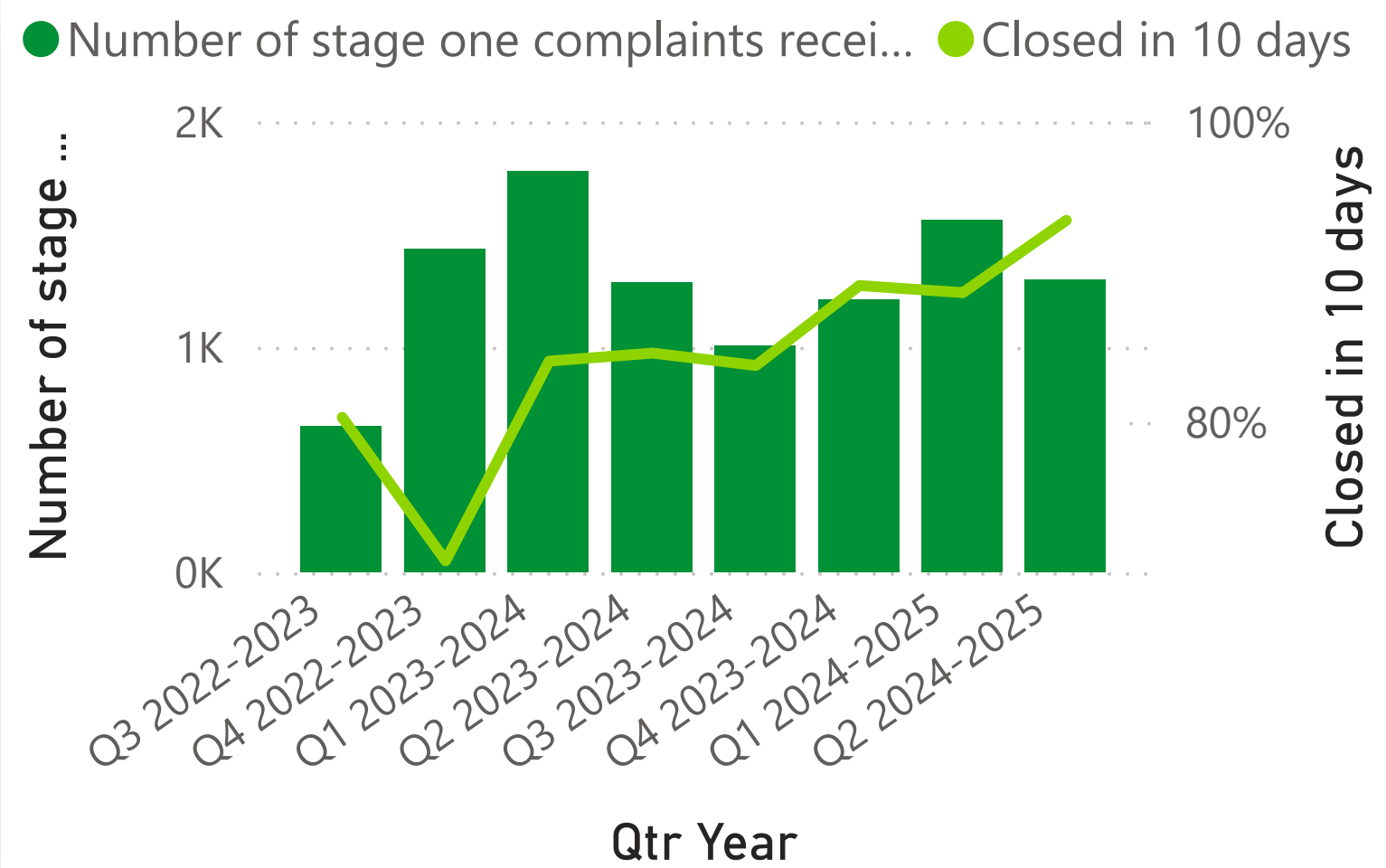
Qtr Year	% Calls Answered (Quarterly Average)	Average Wait Mins (Quarterly Average)
Q2 2024-2025	96.58%	1
Q3 2023-2024	95.94%	1
Q1 2024-2025	95.09%	1
Q4 2023-2024	92.95%	1

Calls answered and wait times (Quarterly Average)



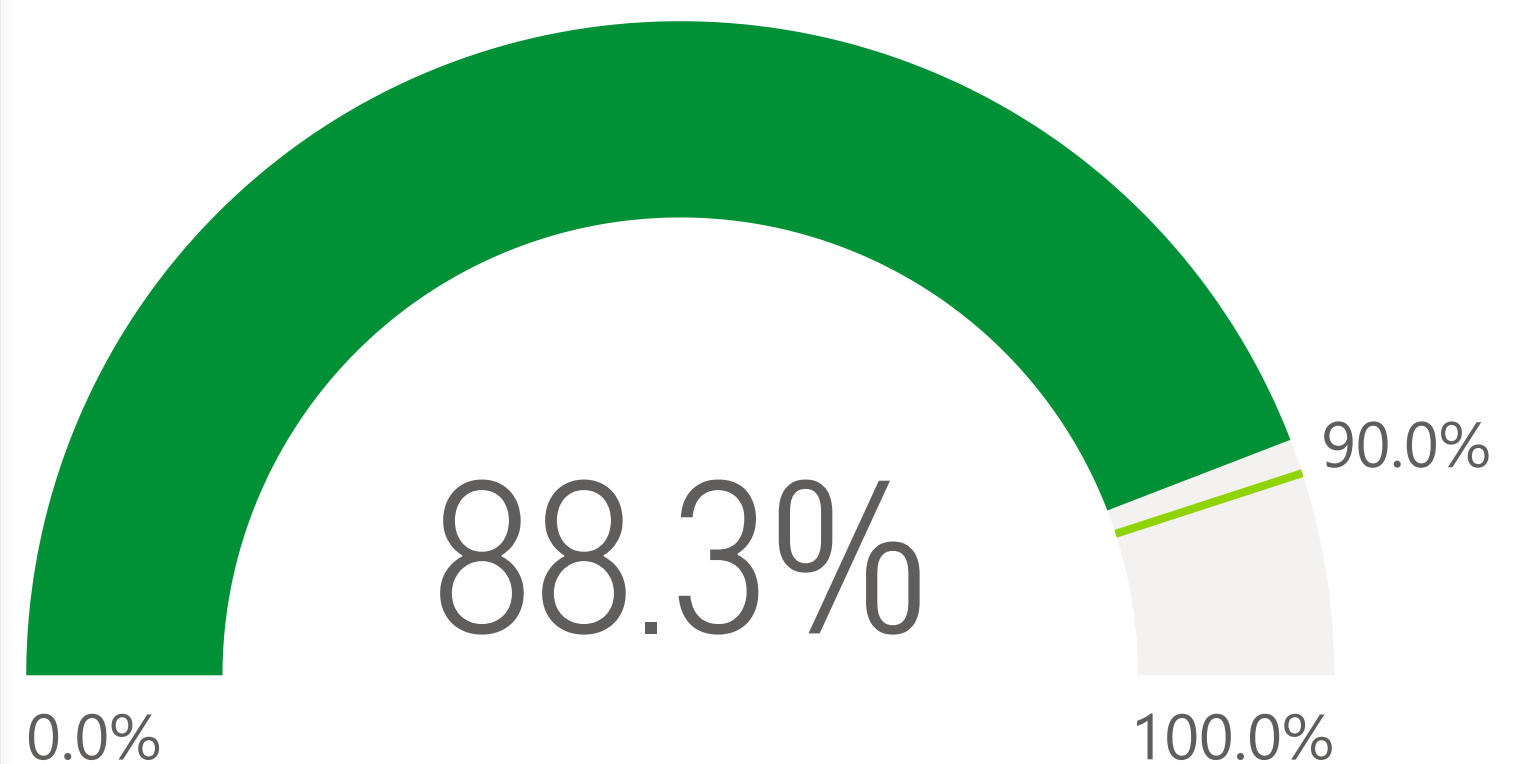
Qtr Year	Number of stage one complaints received	% Stage One Complaints Closed in 10 days (Quarterly Average)	% FOI requests closed in 20 days (Quarterly Average)
Q2 2024-2025	1,298.00	93.4%	85.1%
Q1 2024-2025	1,561.00	88.6%	86.9%
Q4 2023-2024	1,208.00	89.1%	84.2%
Q3 2023-2024	631.00	77.4%	83.6%

Number of complaints received and closed within 10 days



Over the past year, Plymouth City Council has significantly improved call handling, reducing waiting times and abandonment rates on prioritised lines. Despite these improvements, customer complaints are inevitable when service issues arise. The Local Government and Social Care Ombudsman, who assesses council services annually, reported that the council’s compliance with their timescales needs improvement. In response, the council has initiated staff communication efforts to enhance complaint response processes and is developing a new customer service strategy to ensure high-quality consistent, and responsive services for residents.

Fol closed in timescales

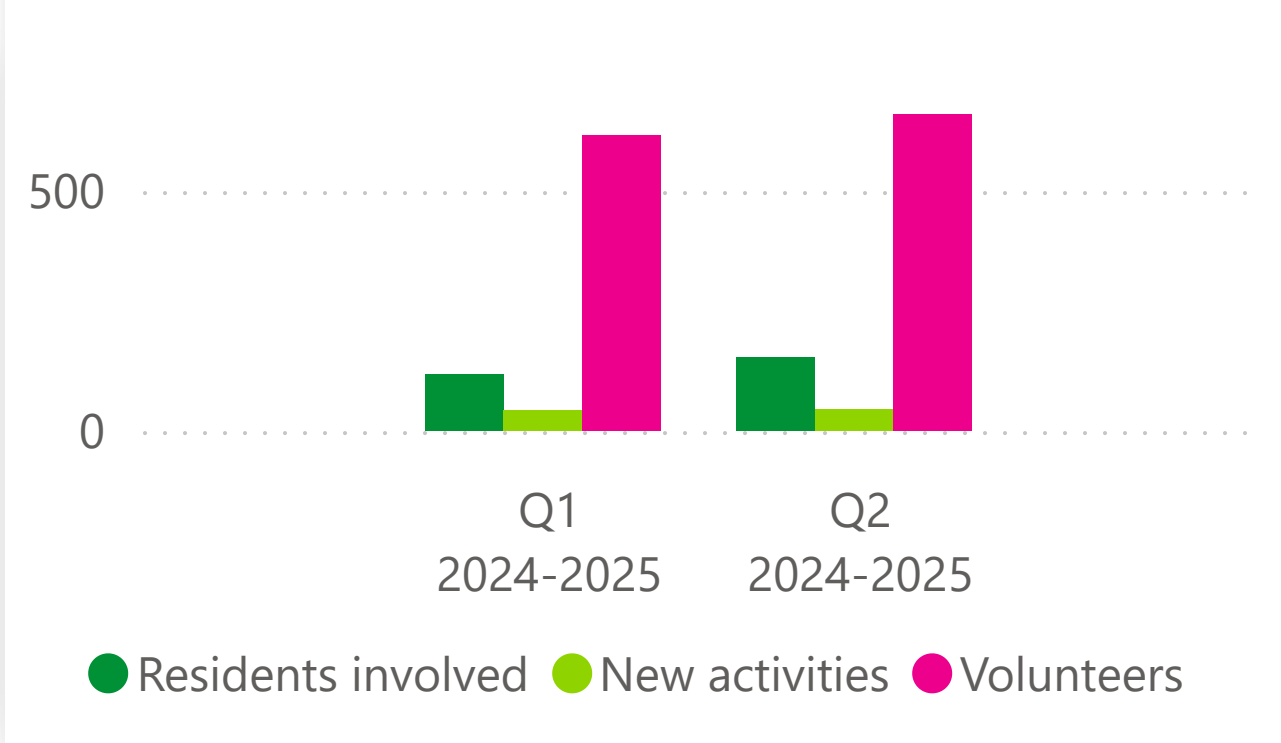


Plymouth City Council

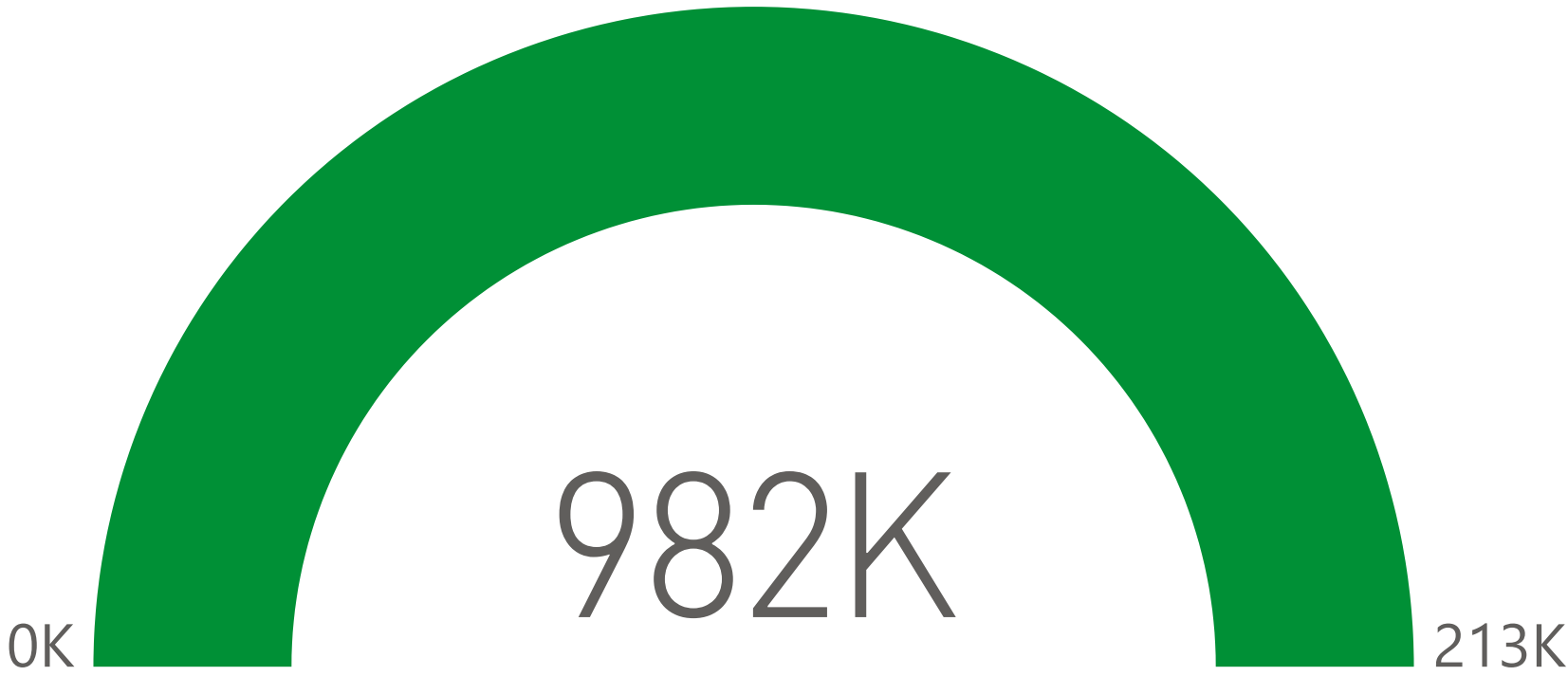
Trusting and Engaging Our Communities

Qtr Year	No. residents involved in developing new community led activities	No. of new community led activities	No. of active volunteers supporting the PCC volunteering programme
Q2 2024-2025	154	45	660
Q1 2024-2025	118	43	616

Community Activity



Adults registered to vote in local elections



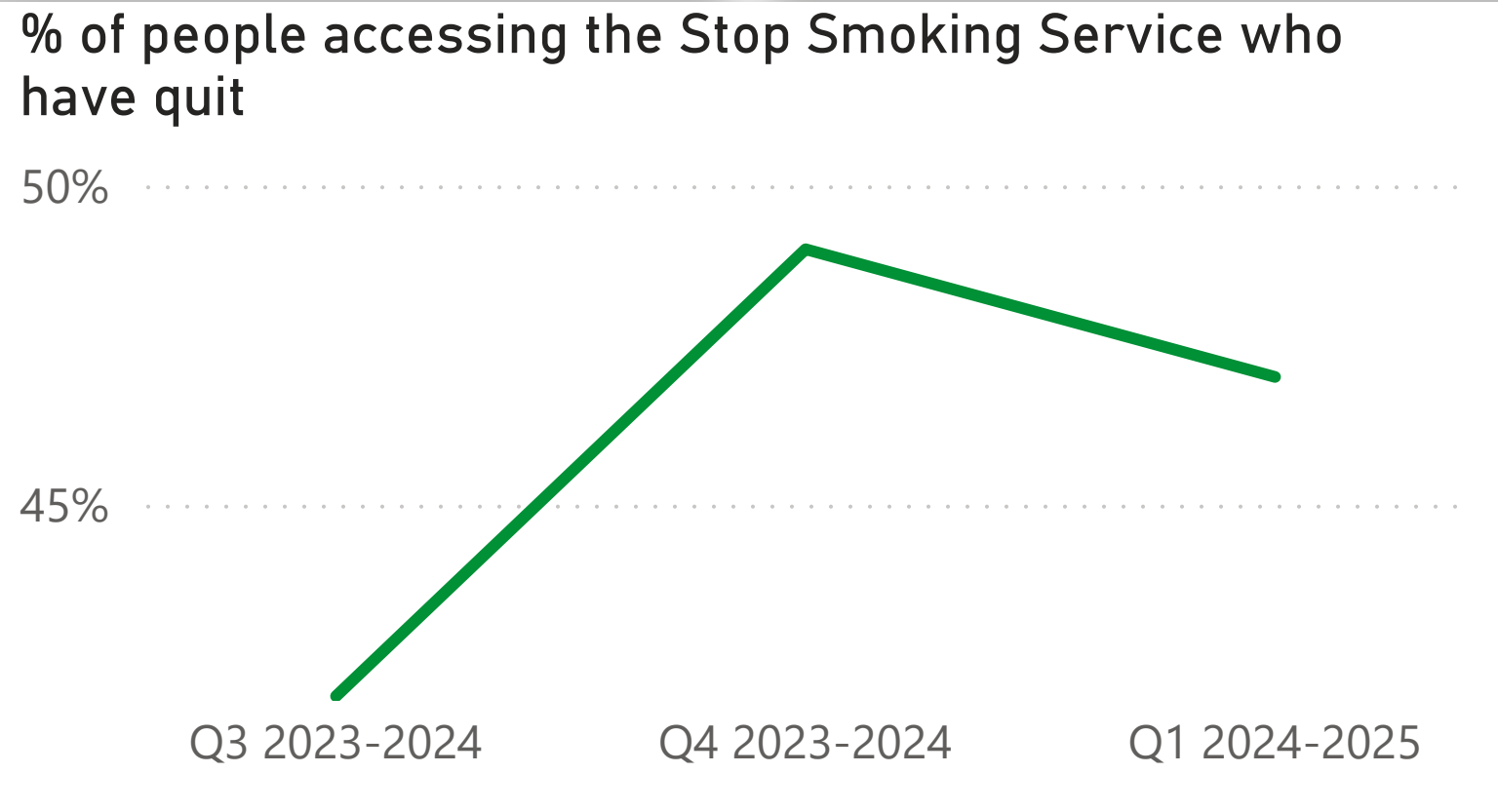
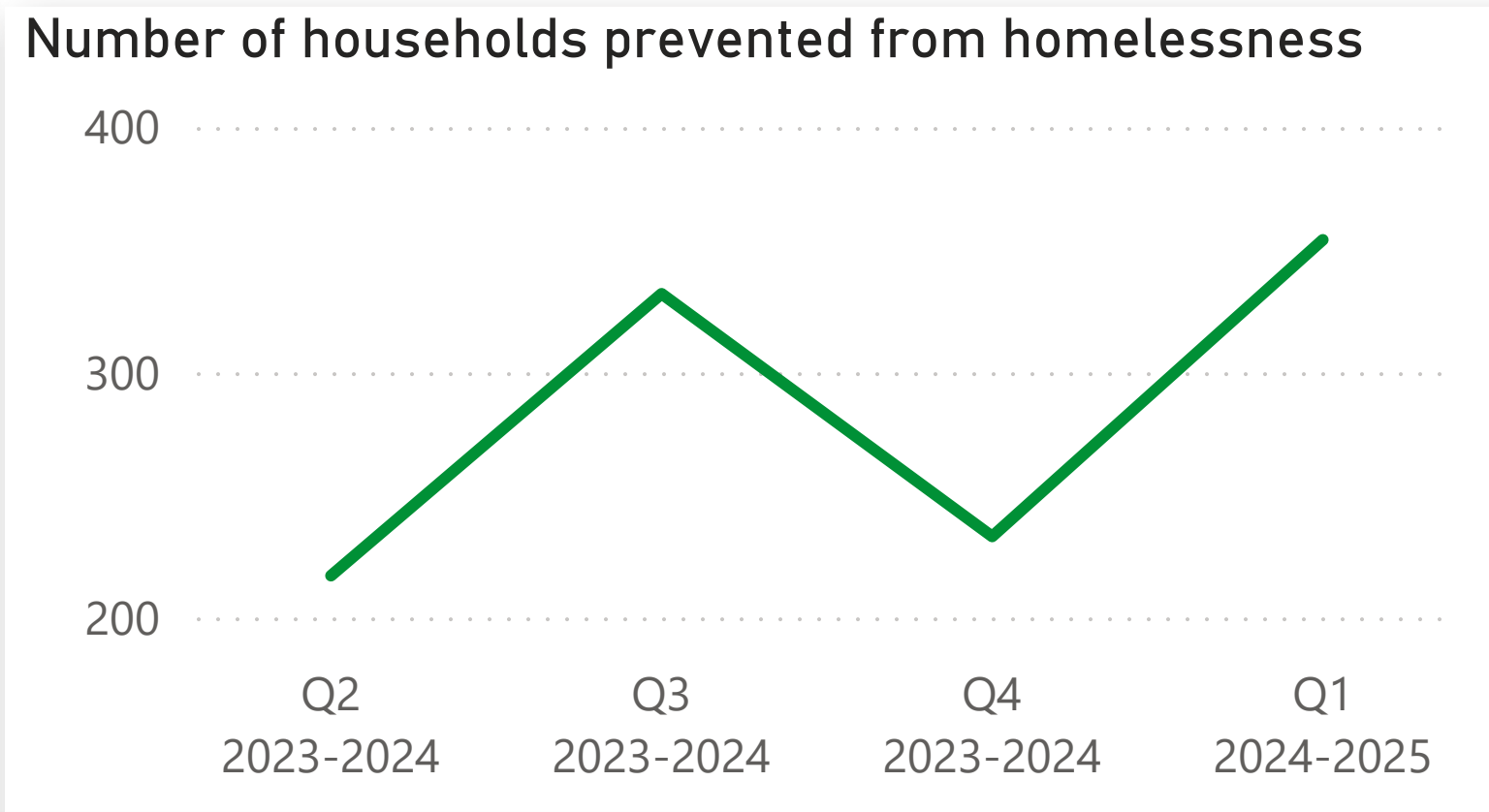
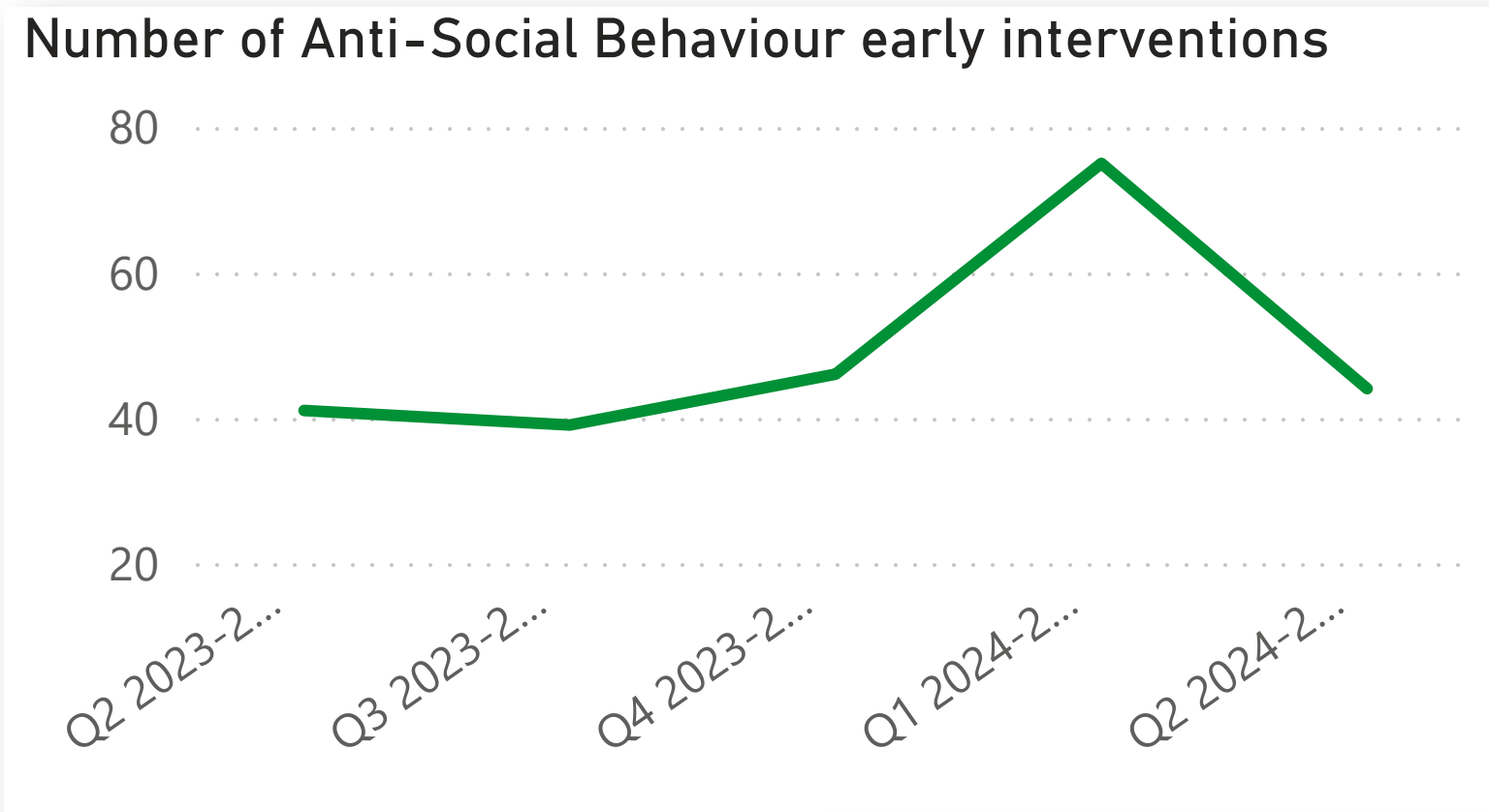
Plymouth’s Community Empowerment Programme enables residents to take control of their lives and actively shape their communities. The programme supports community-led initiatives and fosters collaboration among local organisations, focusing on areas like Equality and Diversity, Climate Emergency, and Inclusive Growth. Community builders engage with residents, identify local champions, and support grassroots projects, ensuring all voices are heard and valued.

To increase voter registration and participation, Plymouth City Council runs campaigns emphasising the importance of civic engagement. These efforts include outreach through community events, social media, youth parliament and partnerships with local organisations to reach underrepresented groups. By making the registration process more accessible and raising awareness about voting, the council aims to ensure all eligible residents can participate in the democratic process.

Plymouth City Council

Focus on Early Intervention and Prevention

Qtr Year	No. of Anti-Social Behaviour early interventions	No. of h'holds prevented from becoming homeless or relieved of homelessness	Smoking Quit Rate
Q2 2024-2025	44		
Q1 2024-2025	75	354	47.0%
Q4 2023-2024	46	233	49.0%
Q3 2023-2024	39	332	42.0%

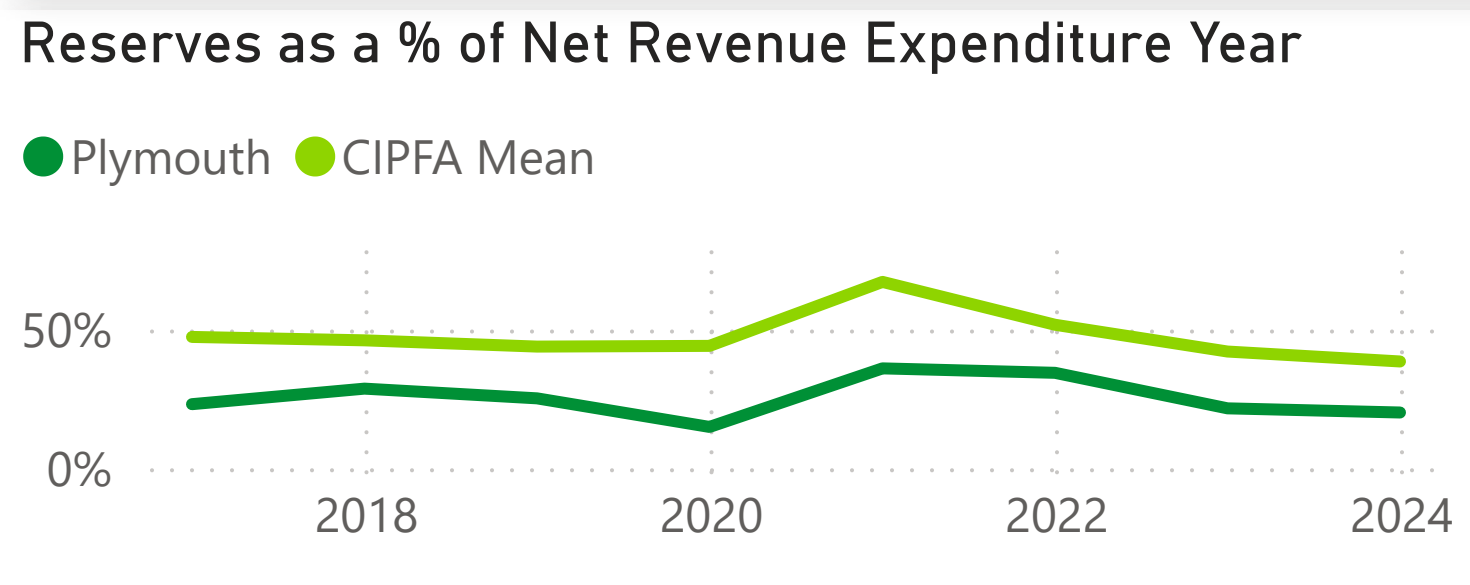
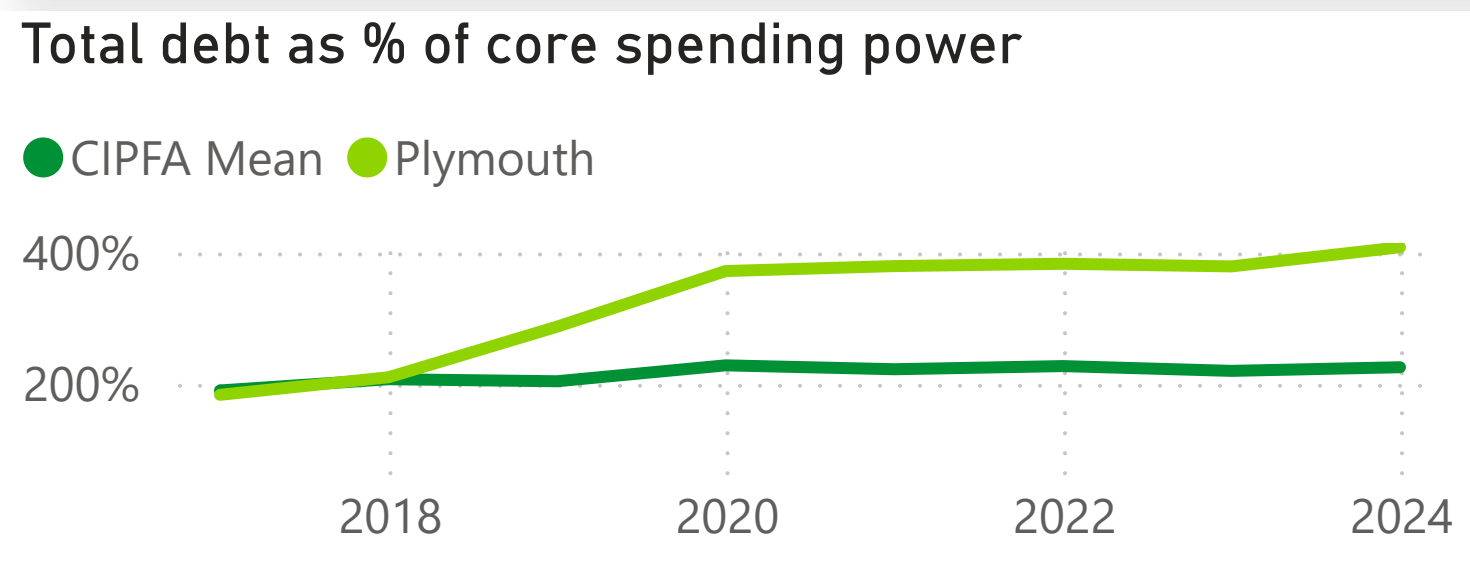
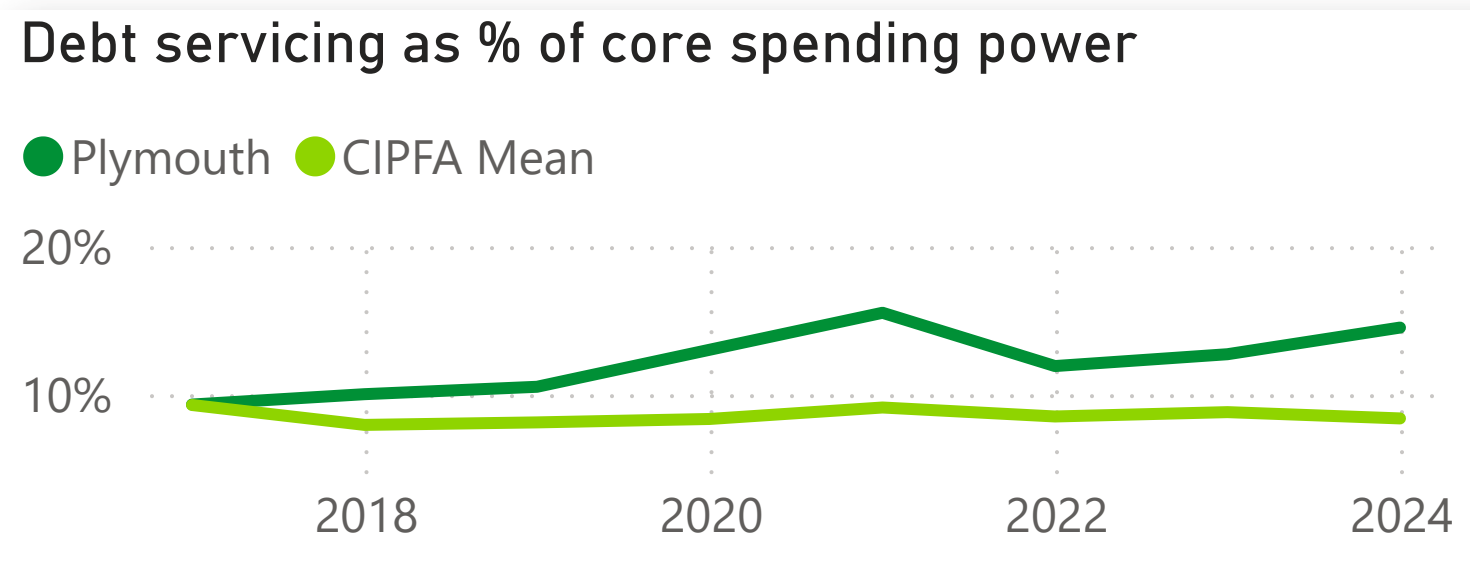
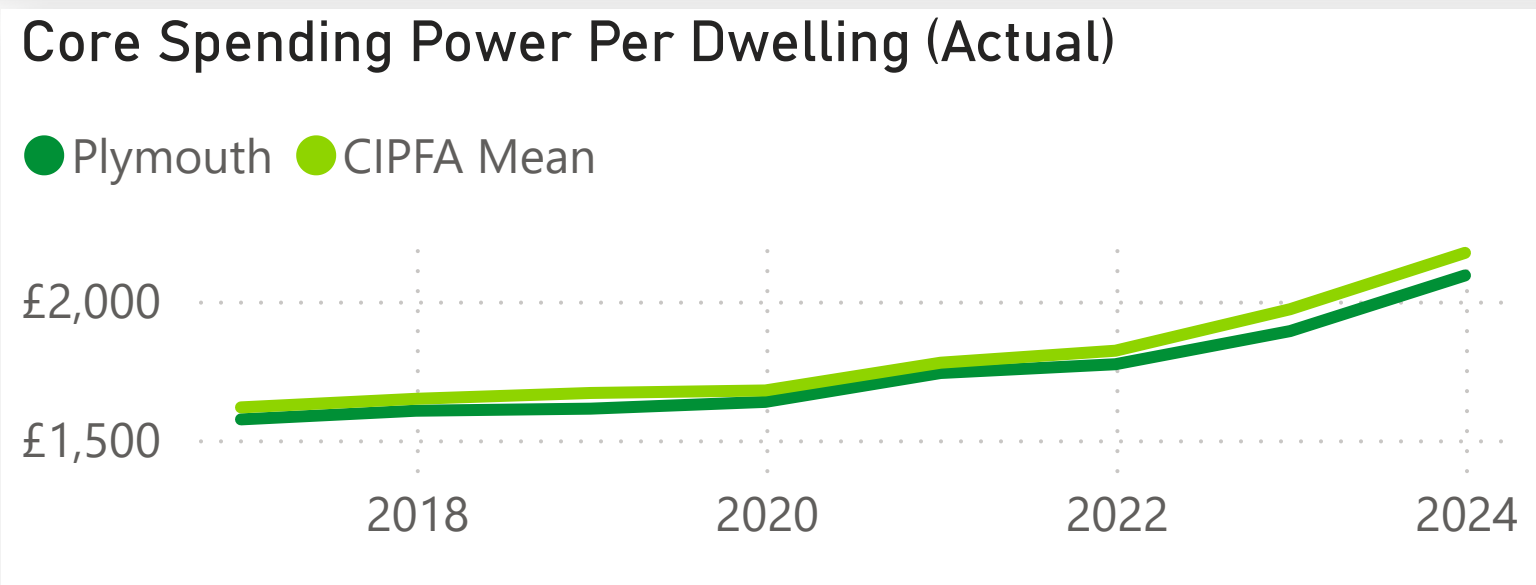
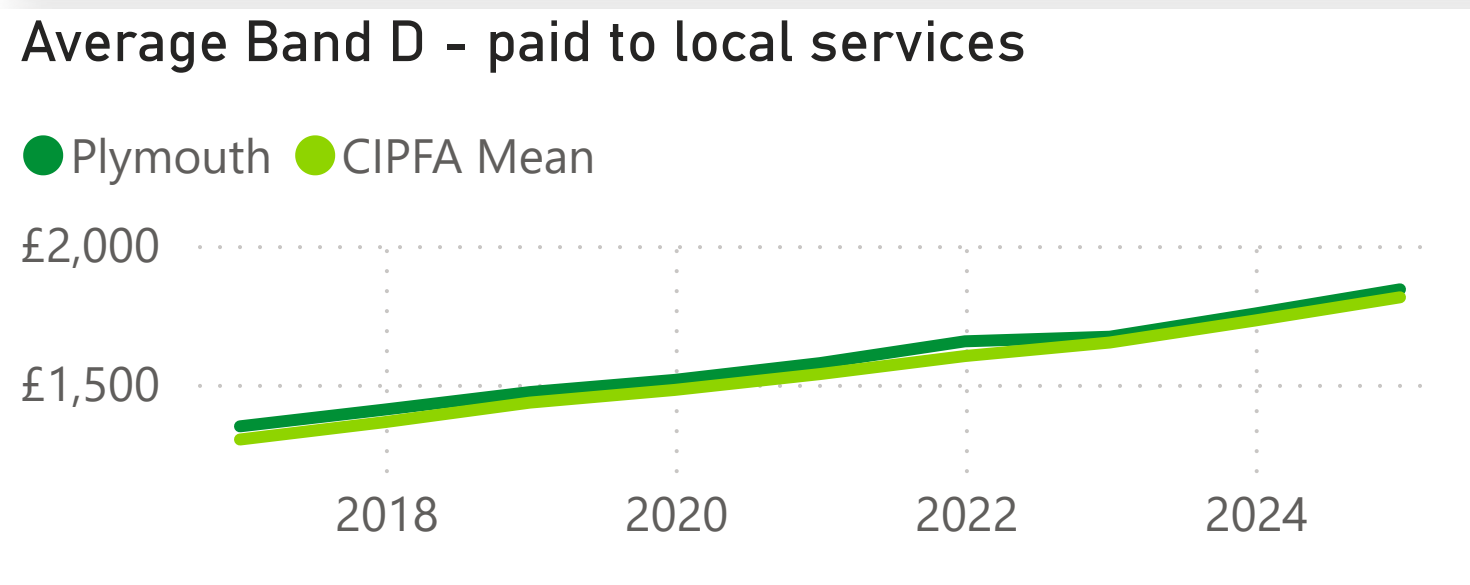


Plymouth City Council’s early intervention and prevention strategies cover a wide range of issues. To tackle homelessness, the council collaborates with partners to provide timely support and prevent individuals from becoming homeless. This includes offering advice, support services, and accommodation options to those at risk. In terms of anti-social behaviour, the council’s community connections team works closely with the police and housing associations to prevent and address such issues. They use a range of tools and powers to manage and mitigate anti-social behaviour, providing support to both victims and perpetrators to change behaviours. For children and families, the council’s early help services offer support at the earliest stages of a problem, aiming to prevent the need for more intensive interventions later on. This includes the use of family hubs and the Early Help Assessment Tool (EHAT) to coordinate multi-agency support. Additionally, the council promotes smoking cessation through dedicated programs that provide resources and support to help individuals quit smoking, thereby improving public health outcomes.

Plymouth City Council

Spending Money Wisely

FY	Average Band D (Paid to all local services)	Core spending power per dwelling	Debt servicing as a % of core spending power	Reserves as % of net revenue expenditure	Total debt as % of core spending power
2023-2024	£1,753.21	£2,090.71	14.50%	20.10%	408.00%
2022-2023	£1,669.88	£1,890.31	12.70%	21.60%	378.80%
2021-2022	£1,653.35	£1,770.80	11.90%	34.40%	382.80%
2020-2021	£1,574.77	£1,739.21	15.50%	36.00%	379.30%



Plymouth City Council’s financial position for 2023-24 shows strong tax collection rates for both council tax and non-domestic rates, outperforming similar authorities. However, we face challenges with high debt servicing costs at 12.7% of core spending power and lower non-ringfenced reserves. Our total core spending power per dwelling is £2,090.31, below that of our comparators.

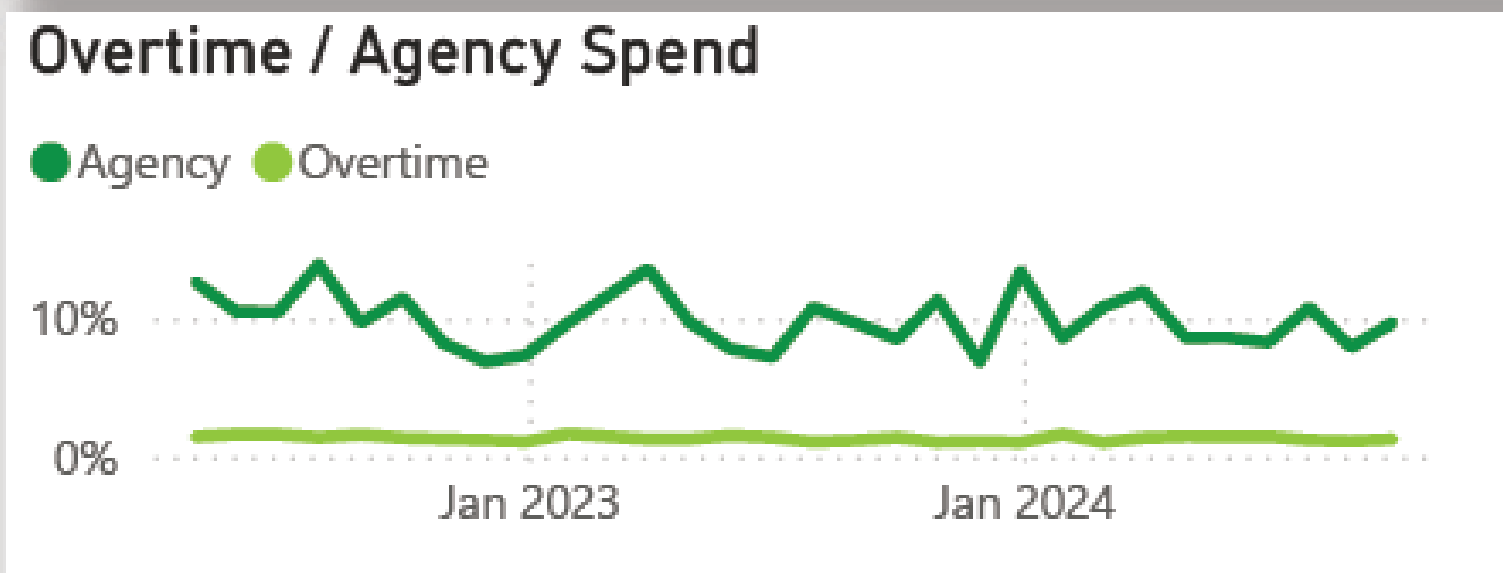
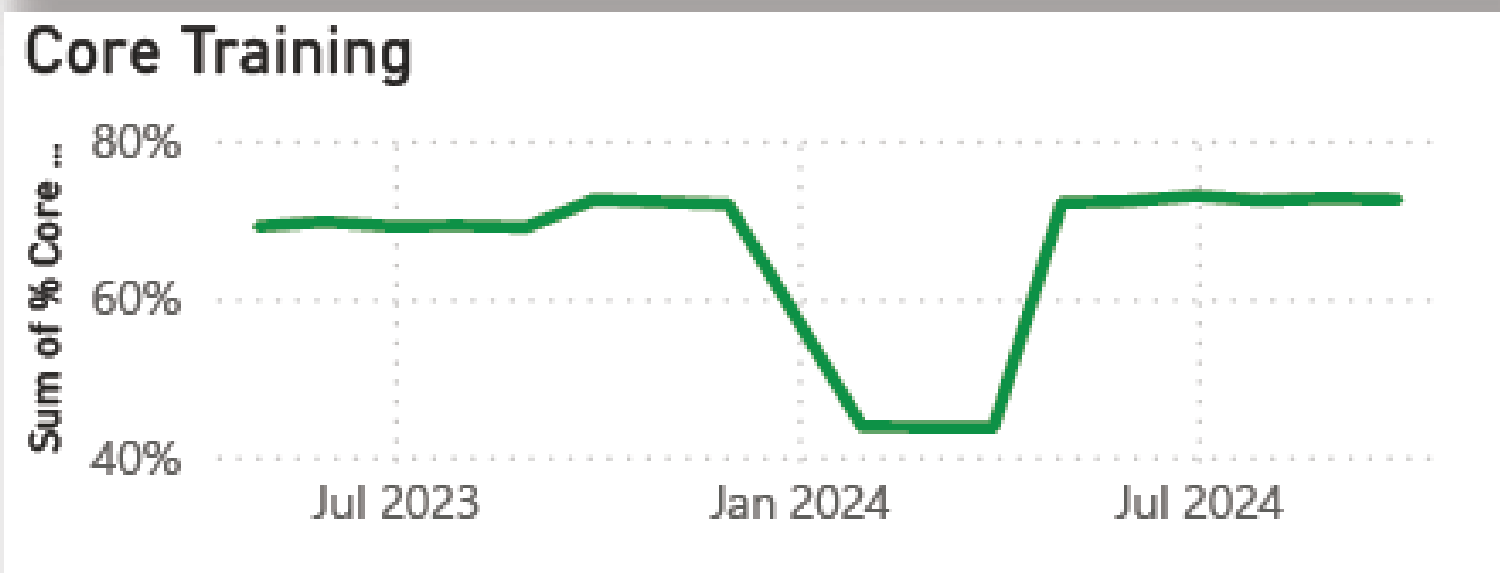
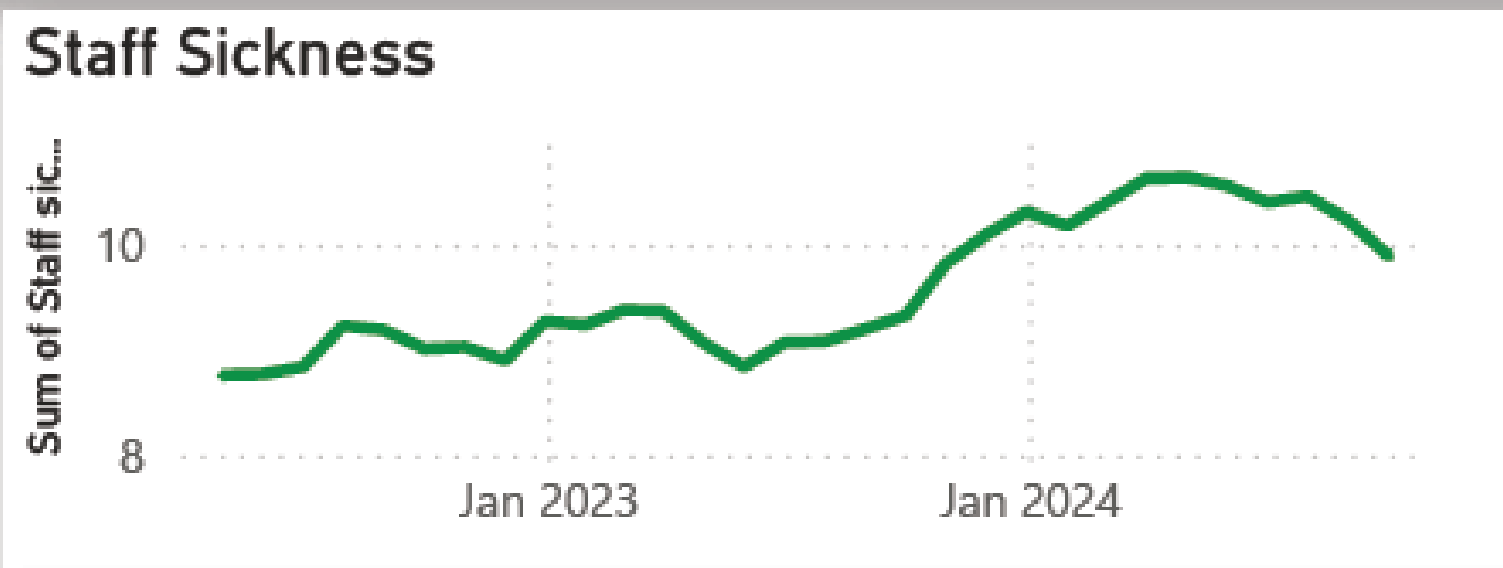
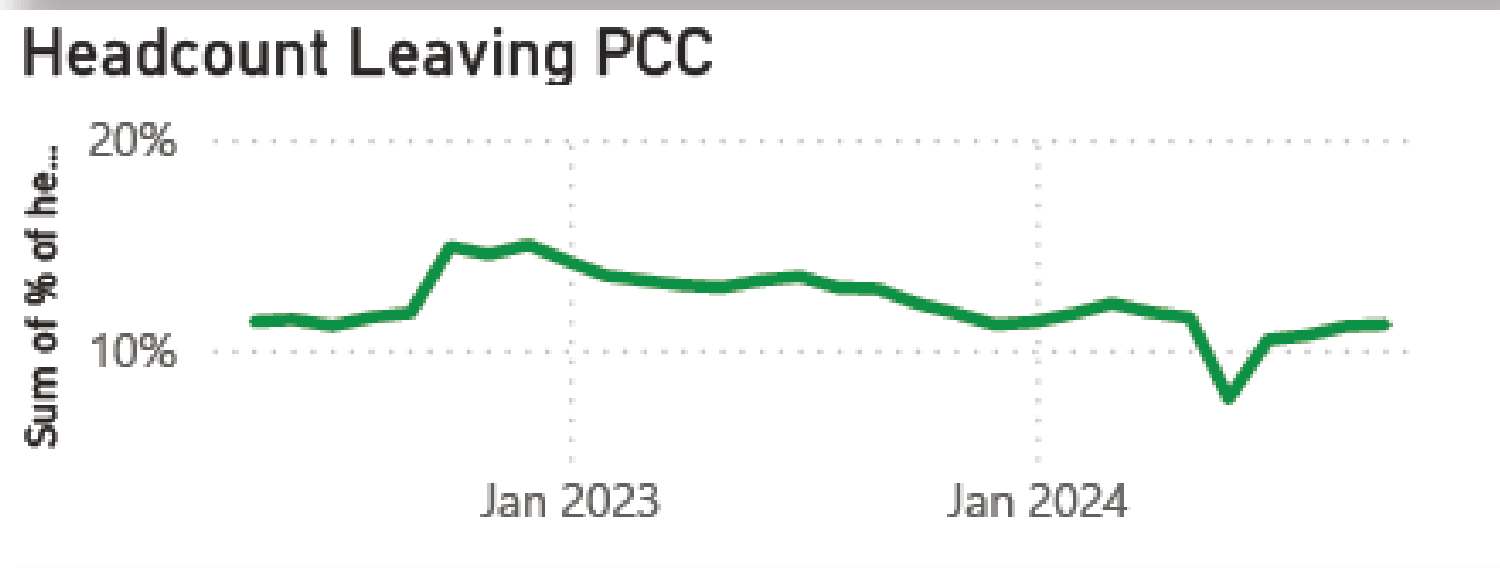
The Council’s strategy aims to drive economic growth through strategic investments in infrastructure and regeneration projects. By leveraging borrowing, the Council seeks to stimulate local economic activity, create high-value jobs, and enhance the city’s attractiveness for businesses and residents. Significant projects like the Civic Centre/Guildhall redevelopment and the Forder Valley Link Road are expected to provide long-term benefits, improving connectivity and public services.

Although this approach increases the Council’s total debt the development of income-generating assets, such as commercial properties, will generate rental income that can be reinvested into further economic development. This strategy is designed to create economic returns outweighing the costs of borrowing, ultimately supporting the city’s financial health and prosperity.

Plymouth City Council

Empowering and Engaging Our Staff

Year	Month	% of headcount leaving PCC in previous 12 months (labour turnover)	Staff sickness in days (average days per FTE rolling 12 months)	% Core training completed	Agency' Spend as % of employee budget	Overtime Spend as % of employee budget
2024	September	11.20%	9.89	72.50%	9.71%	1.25%
2024	August	11.12%	10.23	72.70%	7.92%	1.10%
2024	July	10.69%	10.46	72.40%	10.80%	1.18%
2024	June	10.48%	10.40	73.00%	8.28%	1.46%
2024	May	7.69%	10.56	72.30%	8.63%	1.44%
2024	April	11.53%	10.64	72.10%	8.61%	1.46%



Our turnover rate of 11% is slightly below the average turnover rate for unitary councils, which stands at 14.9%. The Council is dedicated to supporting our staff through comprehensive training, development, and wellbeing initiatives. We have launched our new Management & Leadership Development Programme, designed to upskill, increase knowledge, and empower our people, while also creating the next generation of managers and leaders within the Council. This comprehensive programme, starting on 8 October 2024, aims to enhance our management and leadership capabilities by offering a range of development opportunities.

Our sickness rate of 9.89 days per FTE is just slightly above the average level of sickness across 17 unitary councils, which is 9.61 days per FTE. The Local Government Association workforce survey in 2021 found the average sickness rate across all councils to be 8.7 days per FTE. Our Wellbeing Strategy Action Plan focuses on mental health awareness, physical health, and creating supportive work environments. Initiatives such as Wellbeing Champions and partnerships with local organisations ensure that our staff have the resources and support needed to maintain their health and wellbeing, and continue to improve our sickness absence rates.

Plymouth City Council

Being a Strong Voice for Plymouth

Doing this by – Being a strong voice for Plymouth

Our public affairs activity remains focused on the priority areas for the Council and city, and we continue to engage with ministers and senior civil servants on a range of issues that are important to Plymouth. The pre-election periods for summer elections made an impact on activity, however in July and August the Leader wrote a series of letters to key Cabinet Ministers and Ministers inviting them to visit Plymouth to see first-hand Plymouth's growth potential linked to the significant planned investment in the city.

On the 5th August, Plymouth experienced significant public disorder, partners in Plymouth provided a strong, immediate, reactive response to prepare for and respond to the disorder on the evening including clear up operations. Immediate recovery work included engagement with our impacted communities and local businesses ensuring our work focussed on actions of safety and helping businesses return to work. A request for financial support for this work was made and we are grateful for the quick action of the Government in releasing £600,000 for Plymouth from the Community Recovery Fund. This funding is vital to supporting our impacted communities through the initial recovery stage but recognising there is more work to be done, the Leader has since written to the Deputy Prime Minister requesting further funding for the work needed to support the longer-term recovery.

During this period there has been a strong focus on driving forward the next stage of Plymouth's regeneration and the delivery of more housing in the city centre to support the planned investment in Plymouth and in particular at HMNB Devonport and Dockyard. The Leader wrote to the then Shadow Secretary of State for Defence in June outlining the emerging opportunity around this investment. Homes England visits in August and September highlighted the housing and regeneration opportunities in the city centre which aims to create a new town within a city. The Chief Executive also met with the Director General, Regeneration, Housing and Planning at the Ministry of Housing, Communities and Local Government to discuss our plans for the revival and renewal of the city centre. Plymouth is now one of 20 areas in the UK that is considered a 'priority' by Homes England, investment is needed to ensure that the city's plans for housing can be delivered.

The Minister for Housing and Planning has met with the three local MPs along with the Leader, to discuss the national effort required to deliver the housing needed. The Council has also hosted a number of visits to the city by the Cities and Local Growth Unit in May and September. The Leader also wrote again to the Minister for Local Government and English Devolution, Ministry of Housing, Communities and Local Government on the 6 September 2024 outlining the emerging opportunity around the planned investment in the city and in particular at HMNB Devonport and Dockyard.

In September, the Council also responded to the National Planning Policy Framework consultation and the Strategic Defence Review 2024-2025: Call for evidence.

Being a Strong Voice for Plymouth

Glossary

Average No. of Cycle trips taken on DfT count day	Part of the National Travel Survey on walking and cycling patterns.
Business births per 10,000 residents	New businesses registering for VAT and PAYE.
Business survival 5 years (5 years to year end)	Proportion of newly born enterprises still active after five years.
CIPFA	<p>A CIPFA comparator group council is part of a benchmarking model developed by the Chartered Institute of Public Finance and Accountancy (CIPFA). This model, known as the Nearest Neighbours Model, groups councils with similar socio-economic and demographic characteristics. The purpose is to enable meaningful comparisons between councils that share similar traits, helping them assess their performance and spending relative to their peers.</p> <ul style="list-style-type: none"> • Bournemouth, Christchurch and Poole • Bury • Derby • Hartlepool • Medway • North East Lincolnshire • North Tyneside • Plymouth • Portsmouth • Sefton • Southend-on-Sea • St Helens • Sunderland • Tameside • Wigan
Condition of highways satisfaction score	Public satisfaction with highways and walkways. National Highways and Transport (NHT) Network annual survey, with benchmarking.

Corporate scope 1 and scope 2 CO₂e emissions (tonnes CO₂e) (A)	Combined scope 1 and scope 2 CO ₂ emissions by Plymouth City Council. Local measure, no benchmarking.
Council tax revenue per dwelling (A)	Total council tax payable divided by the number of chargeable dwellings. National measure, benchmarking available.
Crime rate per 1,000 residents	All crime recorded as a rate per 1,000 population. Nationally published crime data from Devon and Cornwall Police, accessed via LG Inform+.
Days lost due to sickness (average per rolling 12 months) (Q)	Average number of working days lost due to sickness per full-time equivalent employee. Local data, comparable national statistics available.
Debt servicing as percentage of core spending power (A)	Measure of debt servicing costs compared with core spending power. National measure, benchmarking available.
Employment rate (Q)	Employment rate for ages 16-64. National data from NOMIS.
Key Stage 4 pupils achieving Grade 5+ in English and maths (A)	Percentage of Key Stage 4 pupils achieving Grade 5+ in English and maths. National measure, benchmarking available.
Net additional homes in the city	Annual net additional homes in the Plymouth Local Planning Authority Area. Local measure, no benchmarking.
Number of adults (>16 years) on the NHS dental waiting list year-on-year from 2022-2025 (Q)	Number of adults on the NHS dental waiting list. Local measure, no benchmarking.
Number of adults registered to vote in local elections	KPI in development. Local measure, no benchmarking.
Number of anti-social behaviour incidents reported to the Council	Reports of anti-social behaviour incidents via the Council's online form and telephone queries. Local measure, no benchmarking.
Number of children (<16 years) on the NHS dental waiting list year-on-year from 2022-2025 (Q)	Number of children on the NHS dental waiting list. Local measure, no benchmarking.
Number of children with a child protection plan	Number of children with a child protection plan. Local measure, no benchmarking.

Number of completed carriageway works within the month	Monthly completed jobs reported by SWH. Local measure, no benchmarking.
Number of early interventions to anti-social behaviour	Early interventions by the Anti-Social Behaviour Team to prevent escalation, including ASB1/ASB2 letters, Acceptable Behaviour Contracts, and referrals to youth programs. Local measure, no benchmarking.
Number of households prevented from becoming homeless or relieved of homelessness	Number of households helped to stay in their accommodation or supported to relocate. Local measure, no benchmarking.
Number of incoming carriageway works within the month	Monthly work requests to Southwest Highways (SWH). Local measure, no benchmarking.
Number of looked after children	Number of looked after children. Local measure, no benchmarking.
Number of pupils with an Education, Health and Care Plan (EHCP)	Number of children and young people with an EHCP. Local measure, no benchmarking.
Percentage of carriageway defects completed on time	Timeliness of completing priority carriageway defects (24 hours, 7 days, 21 days). Local measure, no benchmarking.
Percentage of customers satisfied with the cleanliness of pavements	Public satisfaction with pavement cleanliness. NHT Network annual survey, with benchmarking.
Percentage of customers satisfied with the condition of pavements and footpaths	Public satisfaction with pavements and footpaths. NHT Network annual survey, with benchmarking.
Percentage of major applications overturned at appeal	Percentage of major planning appeal decisions overturned. National measure, quality of decision collection.
Percentage of major developments determined on time	Percentage of major development planning applications determined within statutory timeframes. Local measure, no benchmarking.
Percentage of minor developments determined on time	As above for minor developments. Local measure, no benchmarking.
Percentage of patients with no criteria to reside	Percentage of patients with delayed discharge meeting the no criteria to reside definition. Local measure, no benchmarking.

Percentage of people accessing the Stop Smoking Service who have quit	Percentage of people who set a quit date and successfully quit smoking after four weeks. Local measure, no benchmarking.
Percentage of young people aged 16 to 17 going to, or remaining in, education, employment or training (EET) (Q)	Percentage of young people in education, employment, or training. Local quarterly data, annual benchmarking available.
PCC investment in low carbon infrastructure (3 year average) (A)	Average annual spend on low carbon infrastructure over three years. Local measure, no benchmarking.
Public satisfaction with traffic flow	Public satisfaction with traffic flow. NHT Network annual survey, with benchmarking.
Pupils attending schools judged as good or better by Ofsted (Q)	Percentage of pupils attending schools rated 'good' or better by Ofsted. National measure, benchmarking available.
Stage one complaints resolved within timeframe	Percentage of stage one customer complaints resolved within 10 working days. Local measure, no benchmarking.
Total persistent absence in all schools (A)	Pupils deemed persistently absent if attendance falls below 90%. National measure, benchmarking available

Cabinet



Date of meeting:	11 November 2024
Title of Report:	Strategic Risks Quarter 2 2024/25
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	David Northey (Service Director for Finance)
Author:	Ross Jago (Head of Governance, Performance and Risk)
Contact Email:	Ross.Jago@plymouth.gov.uk
Your Reference:	
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The Strategic Risks Quarter 2 2024/25 provides an update with regard to the authority's ongoing strategic risk, focusing on the 18 risks outlined in the Strategic Risk Register.

The report contains a list of strategic risks, scores and risk appetites against various statutory and identified service obligations and outcomes.

Recommendations and Reasons

That the Cabinet:

1. Notes the Strategic Risks Quarter 2 2024/25 report.

Reason: to update Cabinet on the change in risk throughout the preceding quarter.

Alternative options considered and rejected

The Strategic Risk Register is a key reporting document that provides transparency on the Council's performance and as such reporting this performance is considered best practice.

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.

Implications for the Medium Term Financial Plan and Resource Implications:

The Strategic Risks Quarter 2 2024/25 is a core component of the Council's strategic framework and has a vital role to play in translating the Council's ambition and priorities set out in the Corporate Plan 2023- 26.

Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

Fin	DJN.24.25.115	Leg	LS/00003609/22/LB/04/11/24	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: David Northey (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 28/10/2024											

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

Date approved: 28/10/2024

This page is intentionally left blank

STRATEGIC RISK REGISTER Q2

Summary



I. Risk Monitoring Quarter Two Summary

There are currently 18 risks in total on the Strategic Risk Register. All risks have been updated during the quarter.

Strategic Risks

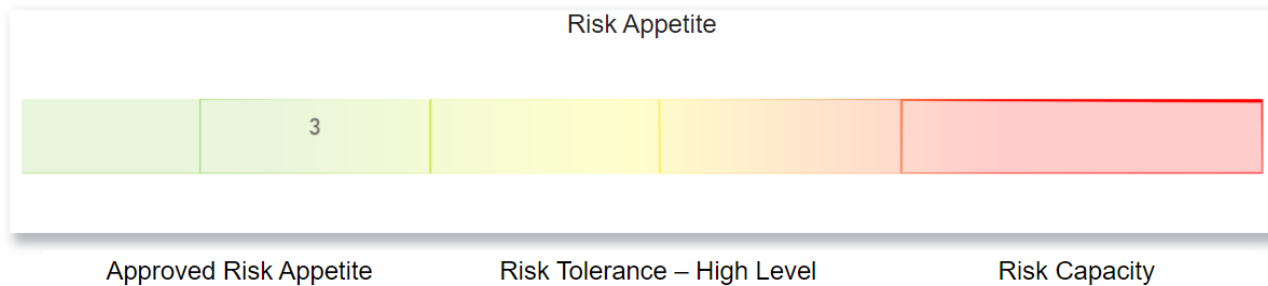
1.1. Since the last reporting period three strategic risks have been removed from the register. The risks removed concern –

- The lack of Adult Social Care workforce – As reported at the last CMT, stability had returned to the work force over the last two quarters. Concerns remain over impacts of national Living Wage and employers NT (covered in a separate risk).
- IT Supply Chain constraints – This risk reduced to a level where it is no longer considered as a strategic risk.
- Senior Leadership Capacity – This risk has been removed following appointments made to the senior leadership team.

2. Risk Appetite

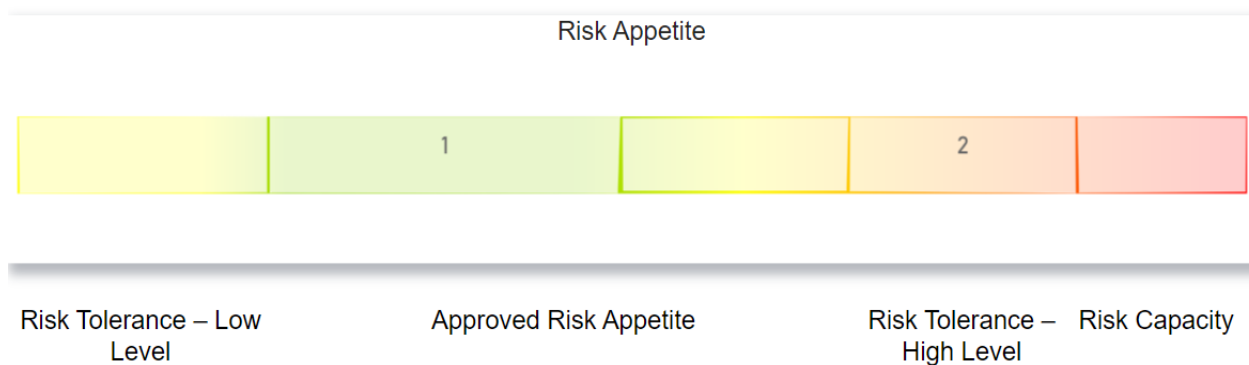
2.1. Risk appetite is the amount of risk, on a broad level, that Plymouth City Council is willing to accept in pursuit of value. Each category of risk has a Risk Appetite as defined in the Risk and Opportunity Management Strategy (2023-2025). Current Risks against risk appetite are identified below.

Compliance, Regulation and Safeguarding (no appetite for risk)



The majority of Compliance, Regulation and Safeguarding Risks currently fall within the approved risk appetite. All risks under this category have retained the previous months risk scoring. The risks include Failure to meet statutory duties (Children's Social Care), insufficient workforce (Children's Social Care) and keeping data secure.

Financial (lower appetite for risk)

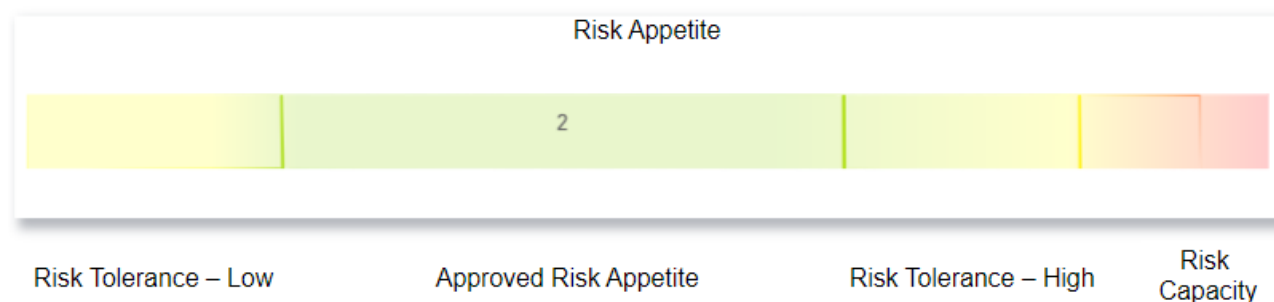


2.2. The two significant risks relate which fall outside of our risk appetite are related to –

- The Council's expenditure exceeds the resources available to meet that expenditure within the MTFS 2024-28.
- Increased and sustained pressure on adult social care budgets.

2.3. Economic Development continue to maintain a lower-level risk in respect of Capacity and Cost inflation of major projects, with no change to the risk score for this reporting period.

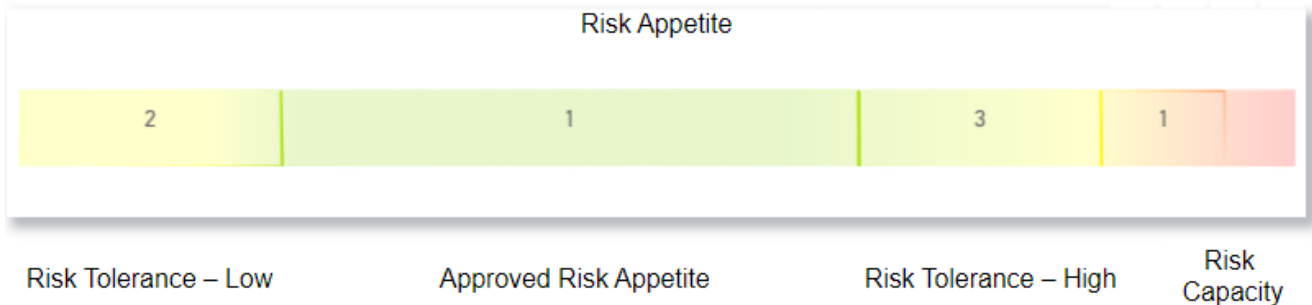
Trust and Confidence (higher appetite for risk)



2.4. Two strategic risks are categorised as a Trust and Confidence risk. Both risks are new entries to the register and concern –

- Governance Arrangements for the family of companies;
- Emergency Response centre back up power (linked to Civic Square).

Operational / Service Delivery (higher appetite for risk)



2.5. Seven strategic risks are categorised as operational / service delivery risks.

Risk Tolerance - Low

- Commissioned Providers Workforce (ASC, Low)
- Funding for National Living Wage (ASC Low).

Approved Risk Appetite

- Adult Social Care Reforms (ASC, within approved risk appetite)

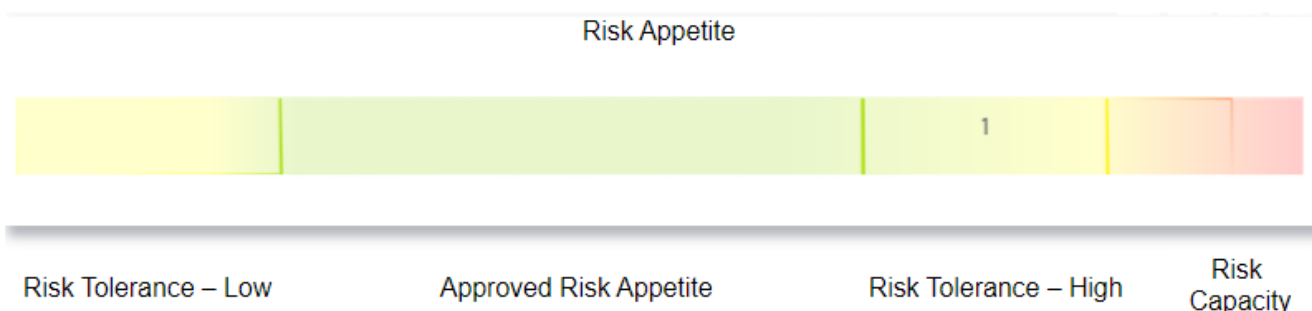
Risk Tolerance - High

- Homelessness (Community Connections, High)
- Pandemic or High Impact diseases outbreak (ODPH, High)
- Failure to reduce Health Inequalities – (ODPH, High)

Risk tolerance – Very High

- Cyber-attack – (Digital and Customer, High)

Strategic Change (higher appetite for risk)



2.6. One strategic risk is categorised as strategic change, Carbon reduction Targets. Detailed mitigations are in place through the Net Zero action plan regularly reviewed by Council's scrutiny function.

Development and Regeneration (higher appetite for risk)



2.7. Two strategic risks have been identified within development and regeneration. Failure to respond to implications of planning reforms has had risk reduced from 15 to 12 but remains as a high level risk. Insufficient economic performance has maintained its risk score of 9 from Q1 and remains within the approved risk appetite.

Department	Title	Q1 Risk Score	Mitigation	Q2 Risk Score
DIGITAL AND CUSTOMER EXPERIENCE	Cyber-attack	20	Cyber Security Briefings now part of CMT quarterly reports. DELT Cyber Security plan now developed for CMT sign off. The council has undertaken significant action to mitigate against cyberattacks, however the threat remains constant as such the probability of attack remains high.	20
FINANCE	The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2024/25-2027/28)	20	Close monitoring of 2023/24 spend with mitigations for any forecast pressures. Early engagement with SLT and Team Plymouth. Launch "Every £ Counts" in July 2024. MTFF will be published to July Cabinet, with clear plan set out to produce a balanced MTFP in November and Budget in February 2025. All monitoring reports will be presented to Scrutiny Management Board CIPFA Financial Sel Assessment undertaken June 2024 with action plan CIPFA undertaking a financial review July/August 2024	20
INTEGRATED COMMISSIONING	Increased and sustained pressure on Adult Social Care budget	16	Strengthen Scheme of Delegation and management actions focused on practice with our key Partner Livewell South West Increase focus on Practice and outcomes Continued work with health partners to increase numbers discharged from Hospital to the "Home first" pathway Design of appropriate workforce development plans providing care workforce sufficient and skills1-2 year mitigations Dom Care zoning approach included in procurement aimed to increase efficiency and reduce waste and intermediate care growth to include front door.	16

PUBLIC HEALTH	Failure to reduce Health Inequalities	16	Significant council actions are underway to address Health Inequalities. This has included the recent cost of living programme and ongoing work around reducing barriers to opportunity. The strength of external factors (Cost of Living Crisis etc) which are beyond the Council's control mean that this risk is unlikely to be further mitigated. The development of the Building Bridges to Opportunity Framework will help to draw further attention to the potential mitigations across the city, as will the relaunch of Thrive Plymouth in November. The confirmation of the Household Support Fund will enable some mitigation of these risks.	12
PUBLIC HEALTH	Pandemic or high impact disease outbreak	12	Incident response and recovery plans, and business continuity plans, which are flexible, up to date and have incorporated key learning from covid, and are tested regularly. There are national alerting systems for new potential threats and the plans to manage them.	12
PLANNING AND INFRASTRUCTURE	Carbon reduction targets	12	A 3-year City Council Net Zero Action Plan (NZAP) is rolled forward on an annual basis. This focuses on things in direct control of the City Council and the influencing actions of the Council in support the Net Zero agenda. The Natural Infrastructure and Growth Scrutiny Panel is engaged in the development and monitoring of the NZAP, and the NZAP is endorsed and supported annually by the City Council. Annual monitoring of PCC corporate emissions is undertaken to keep track of progress and to identify specific areas of focus for driving down emissions.	12

COMMUNITY CONNECTIONS	Homelessness	12	Homelessness Recovery Plan has been developed. Housing Task Force providing strategic leadership and is driving the recovery plan this includes representation from across the council to ensure that the organisational has the appropriate focus on this priority areas - This is led by the Relevant Cabinet Member and the Chief Executive. The Homelessness Recovery Board is managing / delivering operational elements of the recovery plan, and reports onto the Taskforce.	12
PLANNING AND INFRASTRUCTURE	Failure to respond to implications of planning reforms impacting on Plymouth growth agenda and local plan	15	Monitoring of government planning reforms directly and through forums such as Planning Advisory Service, ADEPT and LGA. Reviewing options with Cabinet Member for Strategic Planning & Infrastructure and on-going discussions with Leader and Cabinet Planning. Reviewing evidence base requirements including studies and surveys needed to advance the plan once the government's reform plans become clear. Danger of not making a decision in a timely manner.	12
CHILDREN, YOUNG PEOPLE AND FAMILIES	Failure to meet statutory duties	9	Regular review of demand and capacity. Additional Social Workers recruited to support Children and Families. Focus on reduction of overall demand through Early Intervention and Prevention. Risk regularly considered as part of Corporate Management Team discussions. Referrals increase in months 10 and 11 of Q4 but reduced significantly in month12.	9

ECONOMIC DEVELOPMENT	Insufficient economic performance	9	Seeking to maximise all opportunities to secure inward investment, additional funding for economic initiatives including focussing on creating new jobs in the Blue and green economy. Account manage new inward investment landings in high growth sectors. The initiatives include: The Plymouth and South Devon Freeport, National Marine Park, large scale defence investment, £4bn development pipeline and over £100m of grant funding. We will continue to maximise all inward investment and good growth through account management and seeking funding opportunities for our city region. We also have a strong economic monitoring function and well developed strategic economic partnership to monitor and oversee our interventions and impact.	9
HUMAN RESOURCES AND ORGANISATIONAL DESIGN	Insufficient workforce	9	Targeted support for Children Services – resourcing and capacity / Introduction of new assistant social worker positions Review of People Strategy for 2024 Presented proposals to SLT in relation to Recruitment and retention strategy. These will now be developed and implemented as appropriate. Improving induction processes. Recruitment sprint project completed, moving to 2nd phase Recruitment Manager Appointed Collaborative work with ADEPT on national campaign for Place recruitment Extension of apprenticeships	9
DIGITAL AND CUSTOMER EXPERIENCE	Keeping data secure	9	Continued 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. Improve Privacy notice templates and ensure all gaps are addressed Standardised breach management processes distributed to key staff. Reviewed policies to be communicated to all staff	9
ECONOMIC DEVELOPMENT	Major projects - capacity and cost inflation	9	We have secured additional project management capacity for the NMP, Freeport and Civic Centre. These costs are added to overall project costs .We have also increased contingency where possible to allow for the current contractor market instability. We have liased with funding bodies such as DLUC and Homes England to ensure that the programme and inflationary risks are shared.	9

CIVIL PROTECTION	Emergency Response Centre (ERC) back-up power	0	At present it is understood that the Council has limited capability to provide generated power. The Council House does have a generator which is believed to have UPS to the traffic signals system and CCTV comms unit only. This is insufficient to provide any level of mitigation for the wider organisation.	8
INTEGRATED COMMISSIONING	Adult Social Care (ASC) Reforms	6	Continued uncertainty over much needed reform increases risks of sustainability over time. We will continue to advocate for the need for reform along with the key issues and solutions we feel reform will need to address/can offer through regional ADASS and LGA bodies and the Offers and Asks of our directorate.	6

LEGAL SERVICES & MONITORING OFFICER	Governance Arrangements for the Family of Companies	0	<p>A New Family of Companies Governance Framework will be established to define clear roles, responsibilities, and accountability mechanisms for effective oversight. Pending committee approval, this will involve a Shareholder Committee (a sub-committee of Cabinet) to provide guidance and oversight to the family of companies, with provisions for involving scrutineers. Financial colleagues are implementing strong financial controls, preparing for regular audits and financial reviews. The framework aims to improve transparency and ensure consistent reporting through the Shareholder Committee. Conflict of interest policies have been created, along with an Officer interest register. Training for current and prospective shareholder representatives and Council-appointed directors is currently in development, with an anticipated launch in the Autumn 2024. Although there are 21 companies, they range in complexity and therefore financial and governance arrangements. These differing requirements will form part of the governance review. The PCC commercial finance team work with both internal and external auditors to ensure good financial arrangements are in place</p>	6
---	--	---	---	---

INTEGRATED COMMISSIONING	Adult Social Care - funding for National Living Wage increase	1	Update October 2024: Regular provider forums continue and communications. Contract managers remain available for any providers experiencing financial issues to be able to have a more in depth discussion. Benchmarking with other local authorities continues as part of regional groups. More uncertainty at the current time pending the October budget and announcements for NLW increases. Finance modelling a range of possible increases and impact.	4
INTEGRATED COMMISSIONING	Commissioned providers - workforce recruitment and retention	2	Update October 2024: Regular provider events, tracking of demand and capacity in the provider market, protocols such as Shackleton to draw on mutual support in the event of a provider failure. Waiting lists for home care remain stable and relatively low. Broader provider stability is tracked through fortnightly "Provider of Concern" briefings to the Service Director to support intervention where needed. Quarterly meetings remain in place with CQC to share market intelligence. The Caring Plymouth partnership and annual celebration event are helping to improve the perception of careers in care as worthwhile and sustainable. If a provider faces challenges we provide wrap around support for the staff to ensure they are aware of other employment options in the sector.	1

This page is intentionally left blank

Cabinet



Date of meeting:	11 November 2024
Title of Report:	Children's Services Update
Lead Member:	Councillor Jemima Laing (Deputy Leader, and Cabinet Member for Children's Social Care, Culture and Communications)
Lead Strategic Director:	David Haley (Director for Children's Services)
Author:	Temilola Salimon, Service Director: Children, Young People and Families
Contact Email:	Temilola.salimon@plymouth.gov.uk
Your Reference:	
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report provides an update on and response to the Quarter 1 Financial Monitoring Cabinet Report presented in August 2024. The Quarter 1 Monitoring Report identified a budget variation of £4.692m forecast overspend related to placement costs of children in Plymouth's care. This is the third children's services update report as recommended in the Quarter 1 monitoring report and provides a further update and response to that position.

Recommendations

To note the report.

Relevance to the Corporate Plan and/or the Plymouth Plan

Keeping children, adults and communities in Plymouth safe.

Implications for the Medium Term Financial Plan and Resource Implications:

The report relates to MTFP commitments for the cost of care for children in our care.

Financial Risks

There are significant financial risks to the Council from pressures in this area as set out in the paper.

Carbon Footprint (Environmental) Implications:

None

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 paper addresses risks to the organisation.

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	Briefing report title							

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	DJN. 24.2 5.11 7	Leg	LS/00 0031 97/19 /LB/3 1/10/ 24	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: David Haley (Director for Children's Services)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 30/10/2024											
Cabinet Member approval: Councillor Jemima Laing (Deputy Leader, and Cabinet Member for Children's Social Care, Culture and Communications)											
31/10/2024											

1. Background and context

- 1.1 The approved Council budget for Children, Young People and Families in 2024/25 is £59.975m of which £36.725m is allocated to the placement costs for Children in the Care of Plymouth Local Authority. At the end of September 2024, the predicted forecast budget spend is £40.604m (a variance of £3.879m).
- 1.2 517 children were in the care of the Local Authority at the end of September. The places where children live, and their costs, are set out in the chart below.

Type of Placement	Estimated Numbers	Existing Budget £m	Month 5 Forecast £m	Actual Numbers Month 6	Month 6 Forecast £m	Variance to Month 5 £m	Variance to Budget £m
External Residential	50	15.248	17.943	57	17.683	-0.260	2.435
Unregistered	6	3.387	5.166	5	5.419	0.253	2.032
External Fostering	158	9.251	8.922	146	8.880	-0.042	-0.371
In-House Foster Care	126	2.855	2.855	140	2.855	0.000	0.000
In-House Connected Carers	42	0.952	0.952	51	0.952	0.000	0.000
External Supported Living	41	3.758	3.475	43	3.540	0.065	-0.218
Other Placement Settings - Children in Care	65	1.274	1.274	75	1.274	0.000	0.000
TOTAL CHILDREN IN CARE	488	36.725	40.588	517	40.604	0.016	3.879

- 1.3 Currently we have 7 seven cared for young people cared for in unregistered arrangements. This is a reduction from 9 in August 2024. Two are in CQC registered provision (both age 16), one is in a 28 day provision (age 15), one is in a Children's Home going through registration (age 16) and three are in rented homes with staff (1 age 15 and 2 age 17).
- 1.4 Unregistered Placements can cost on average between £12,000-£16,000 per child a week, although in some cases have cost over £29k per child per week. Our current forecast spend for unregistered placements is £5.420m. Any reduction in this placement type will result in substantial budgetary reductions.
- 1.5 A key reason for the forecast budget overspends at the end of September is because we continue to experience challenges finding fostering placements for children in residential settings who are ready to move onto a family setting.
- 1.6 Fifty-seven (10.9%) of children in care are currently placed in residential settings – this is stubbornly high and includes one 6-year-old, one 8 year old, two 9 year olds and four 10 year olds. Twenty children in residential placements are currently identified as ready to move into a fostering setting but despite daily and local and national searches, including from a consultant undertaking national searches, no suitable foster carers have been identified for these children at this time.
- 1.7 A programme of conversations with off-framework providers remains in place, and we have had some interest in our children from IFAs who have carers due to be approved in coming months. However, the market remains highly challenging. There are several children where moves were scheduled to be achieved to achieve savings, and foster placements have not yet been identified. Children transitioning from residential care will need experienced, specialist foster carers and there is a limited number of this calibre of carers available in Plymouth and across the Country.
- 1.3.1 A high support model of fostering is being developed by Foster for Plymouth to recruit and support in house foster carers to meet the needs of children stepping down from residential care.

This will include an expectation that foster caring is a full-time commitment attracting a higher weekly fee. In addition, enhanced training and support from the Supervising Social Worker as well as therapeutic parenting support and support from the Virtual School would be provided.

2. The Family Homes for Plymouth Children Transformation Programme Update

Foster for Plymouth Growth

- 2.1 Focused work continues in relation to both recruitment and retention/carer development. We are seeing an uplift in in-house fostering activity as a result of strengthened fostering recruitment activity. In addition, recruitment is now supported by being part of the South West Regional Fostering Hub. Foster for Plymouth are currently progressing 21 fostering assessments, including 5 carers transferring from IFAs.
- 2.2 Focused work is taking place to refocus our recruitment and promote the offer to Foster Carers from Foster for Plymouth. Our first Mockingbird constellation, a model where foster carers support each other to meet the needs of children in care placed with them, is being launched on 1st November.
- 2.3 Foster for Plymouth continues to implement a range of approaches to enhance fostering recruitment. In the past month this has included hosting the launch of a short film, 'Everything', about the impact that fostering makes on the lives of children and foster carers. The event included hearing from a foster carer and some young people about what fostering means to them and what they think builds an ideal foster carer. The event included attendance from partners and four local businesses who are supporting us to recruit more foster carers. In addition, on Friday 1st November we formally launch our first mockingbird constellation, providing enhanced support to a group of foster carers.

3. Market development

- 3.1 As part of the 'Family Homes for Plymouth Children' programme, agreement has been given to develop the business case for Plymouth City Council to become a direct provider of residential care for children in three areas;
 - Development of a hub providing residential overnight short breaks for children with complex health needs and disabilities as part of a wider support offer to families.
 - Residential provision for children in care.
 - Residential care for children with very complex emotional and behavioural needs to be developed in partnership with the ICB.

Residential short breaks for disabled children

- 3.2 There is considerable evidence nationally about the value of short breaks for children and young people with special educational needs and disabilities (SEND) to help children to develop skills, make friends and gain independence. Some Local Authorities have a wide offer of short breaks for disabled children on a continuum ranging from inclusive community-based activities to more specialist community activities, overnight short breaks, including in families, and overnight short breaks in residential settings for those with the most complex health and care needs.
- 3.3 Plymouth Children's Services is committed to inclusive approaches for children with disabilities and a review of our current short breaks offer is currently being completed in that context. We are also seeking to improve opportunities for disabled children to access family based overnight short breaks through targeted recruitment activity by Foster for Plymouth focusing on recruiting more foster carers to specifically provide short breaks for disabled children. However, family-based short breaks will not be suitable for all disabled children, particularly those with the most complex support needs who will need access to specialist equipment and staffing.
- 3.4 Currently there is one fully registered children's home providing residential short breaks to disabled children in Plymouth. Downham House is provided by Plymouth City Council providing overnight residential short breaks for children and young people with a severe learning disability aged 8 – 18 for between one and three nights every week of the year. This short break is provided as part of a

support plan to the family and provides the child with a range of fun activities and a 'home away from home' environment.

- 3.5 There are no other residential short break provisions within Plymouth, either run by the Local Authority, the NHS or independent sector providers. There has been a specific gap in provision for children with complex health needs and physical disabilities since Woodview children's home (part of Woodlands Special School) closed in 2021. The home was run by the school at the time but was closed due to recruitment challenges, including of a registered manager.
- 3.6 Disabled children in Plymouth who would benefit from an overnight short break are currently being supported in other ways and the development of the proposed provision would improve their care package considerably. In addition, 17 disabled children have been identified as at risk of coming into care which could be prevented by an overnight short breaks package.
- 3.7 The provision of residential short breaks will lead to cost avoidance by supporting children to remain at home, preventing children from entering high cost 38 week and 52 residential education and care. Four examples have been identified where children with complex health needs and disabilities are in high cost 52-week care at a distance from Plymouth following the closure of Woodview. Two of the children would have met the criteria for the proposed provision and it is likely that they would not have needed a residential placement if an overnight short break had been available earlier. Annual costs for the two children is £785,000.
- 3.8 A business case has been developed which sets out for consideration a proposal that Plymouth City Council develops provision which would;
- Provide overnight short breaks for children with complex health and disability needs following an assessment to identify eligibility and determine a resource allocation.
 - Enable the development of a 'hub' for partners working with children with complex health needs to become co-located and integrated in Plymouth.
 - Provide support to families including through family support, outreach and activity-based care in the community, in combination with a short break residential offer, to stabilise children's placement at home.
 - Prevent some children coming into longer term residential care as a result of not having a suitable short break or having the early intervention and family support that could be achieved with a more varied offer of combined outreach support and residential breaks.
 - Improve care planning and outcomes for children and young people including preparation for and transition to adulthood.

Residential Children's Homes

- 3.9 In addition, a business case has been developed for PCC to consider becoming a provider of residential children's homes. Like many Local Authorities nationally, PCC has become reliant on the independent sector for a significant volume of fostering and residential provision for children in the care of the Local Authority. At the same time, the independent sector has demonstrated that it is not able to provide sufficient high-quality and value for money placements to meet the needs of our young people.
- 3.10 The approved Council budget for Children, Young People and Families in 2024/25 is £59.975m of which £40.087m is allocated to the full placement costs for all children supported by Plymouth Local Authority – This includes Looked After Children as well as those placed with Special Guardians and Potential Adopters. At Month 6 (September 2024), the predicted forecast spend on children's placements is £43.966m (a variance of £3.879m).
- 3.11 At the end of September, children in residential care homes were forecast to cost £17.683m this year. Thirty-three of these children live outside of Plymouth at a cost of £11,341,963.40 per year (£218,114.68 per week).
- 3.12 The current average weekly cost of a child placed in a residential children's home in Plymouth;

- £5,775 in a two-bed home (£300,300 per child p.a.).
- £4,675 in a three-bed home (£243,100 per child p.a.).

3.13 The current average weekly cost of a child placed in a residential children's home outside of Plymouth is £6,610 (£343,720 per child p.a.). A placement in an unregulated setting can cost between £12000 - £16000 per week.

3.14 It is proposed to utilise up to £2m of service borrowing to purchase two four-bedroom homes with annexes to establish two children's homes in Plymouth. Exact property purchase and refurbishment costs can only be confirmed when the properties are identified. The service borrowing costs will be factored into future year's placement budgets, in line with rates provided by our Capital Finance Team. These costs will be offset by the financial benefits realised from this proposal.

3.15 It is anticipated that Capital requirements will be in the region of £1.5 - £2m for the two homes. There will potentially be the opportunity to apply for a DfE capital allocation for 50% of the funding should the development meet the DfE criteria. The national programme is expected to be confirmed in the Autumn budget and the DfE decision about which Local Authorities are funded will be made in June 2025. It is more likely that one home, for older young people with more complex needs and risk-taking behaviour, will meet the DfE criteria.

3.16 As well as impacting on financial pressures in this area, there is other added value of PCC developing its own children's homes which includes;

- Potential to prevent a child moving into an unregulated arrangement which has been a significant financial burden to Plymouth over a number of years.
- Savings from social workers and Independent Reviewing Officers not having to visit children at a distance from Plymouth. £100k additional expenditure has been allocated to Social Worker travel costs in recent years because of increased numbers of children being placed at a distance from Plymouth. Direct savings from six children are £15,000 from Rail Fares, Car Hire, Subsistence & Accommodation (based on average costs per journey).
- Ability to support children with local education and health services.
- Improved potential to achieve step down to fostering and reunification to families when children are in Plymouth.
- Reducing the average length of time children spend in residential.
- Improved experiences for children with fewer moves and increased placement stability.
- Improved family time for children to maintain links and relationships with their families where possible.
- Better quality assurance, scrutiny and consistency of care.

3.17 The key risk of not proceeding with this proposal is that the private market providers will continue to raise their unit costs and PCC will find it increasingly difficult to identify suitable placements for children local to Plymouth or indeed anywhere in the Country.

4. Conclusions

The evolving nature of children's needs and predicting the specific timing and requirements for their placement in our care remains a challenge. Additionally, the scarcity of family homes for children and young people adds uncertainty to our ability to transition a child from a residential setting to a family when we would like this to be achieved for the child. The development of in-house residential provision for children is a key development as part of an overall approach to support more children to live in families close to Plymouth.