



Oversight and Governance

Chief Executive's Department

Plymouth City Council

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Published 13 January 2025

SCRUTINY MANAGEMENT BOARD – BUDGET SCRUTINY

Tuesday 21 January 2025 and 22 January 2025

9.30 am

Council House, Plymouth

Members:

Councillor Stephens, Chair

Councillor Darcy, Vice Chair

Councillors Allison, Blight, Dingle, Finn, Holloway, Murphy, Ney, Reilly and Ricketts.

Members are invited to attend the above meeting to consider the items of business overleaf. For further information on attending Council meetings and how to engage in the democratic process please follow this link - [Get Involved](#)

Tracey Lee

Chief Executive

Scrutiny Management Board

Agenda

1. Apologies

To receive apologies for non-attendance submitted by Members.

2. Declarations of Interest

Members will be asked to make any declarations of interest in respect of items on this agenda.

3. Chairs Urgent Business

To receive reports on business, which in the opinion of the Chair, should be brought forward for urgent consideration.

4. Timetable: (Pages 5 - 8)

5. Background Papers:

- 5.a. Draft Budget Report 2025-26 (Pages 9 - 54)
- 5.b. Month 8 Finance Monitoring Report (Pages 55 - 70)
- 5.c. Treasury Management Strategy (Pages 71 - 102)
- 5.d. Capital Financing Strategy (Pages 103 - 110)
- 5.e. Establishment Information (Pages 111 - 114)
- 5.f. Corporate Plan Performance Monitoring (Pages 115 - 148)
- 5.g. Strategic Risk Monitoring Report (Pages 149 - 160)

<u>Time</u>	<u>Session Contents</u>	<u>Chair and Speakers</u>
Day 1 - 21 January 2025		
09:30	<p><u>Welcome</u></p> <ul style="list-style-type: none"> • Apologies • Declarations of Interest • Chair's Urgent Business • Draft Aims and Objectives 	
09:45	<p><u>SESSION ONE</u> Leader of the Council and Cabinet Member for Finance</p> <ul style="list-style-type: none"> • The overview of the Council and its resources (to include lobbying / communications) • The Corporate Plan • 2025/26 Revenue and Capital Budget • Medium Term Financial Plan • Municipal enterprise / Family of Companies • Economy and Enterprise including Freeport • Strategic and commercial projects 	<p>Cllr Tudor Evans OBE Cllr Mark Lowry Cllr Jemima Laing</p> <p>Tracey Lee</p> <p>David Northey</p> <p>David Draffan</p> <p>Paul Barnard (Capital)</p> <p>Wendy Eldridge (Capital)</p> <p>Helen Slater (Revenue)</p>
11:15	Break	
11:30	<p><u>SESSION TWO</u> Cabinet Member for Housing, Co-operative Development and Communities, Cabinet Member for Customer Services, Sport, Leisure, Human Resources and Organisational Development and Cabinet Member for Community Safety, Libraries, Events, Cemeteries and Crematoria</p> <ul style="list-style-type: none"> • Homelessness • Tackling poverty and Child Poverty • Cost of Living Taskforce • Council Tax Support Scheme • Council discretionary welfare funds • Anti-Social Behaviour • Customer Services 	<p>Cllr Penberthy and Cllr Dann Cllr Haydon</p> <p>Gary Walbridge</p> <p>Matt Garrett</p> <p>Anna Constantinou</p>

	<ul style="list-style-type: none"> • Community engagement 	
13:30	Lunch	
14:00	<p><u>SESSION THREE</u></p> <p>Cabinet Member for Health and Adult Social Care</p> <ul style="list-style-type: none"> • Early Intervention and Prevention • Older people's services • Market Sufficiency • Mental Health services • Physical disability services • Drug & Alcohol services • Public Health Funding 	<p>Cllr Mary Aspinall</p> <p>Gary Walbridge</p> <p>Ruth Harrell</p>
15:00	Break	
15:15	Continuation of Session Three	
16:15	Reflections on Day One	
Day 2 – 22 January 2025		
09:30	<p><u>SESSION FOUR</u></p> <p>Cabinet Members for Children's Social Care, Culture, Events and Communications</p> <p>Cabinet Member Education Skills and Apprenticeships</p> <ul style="list-style-type: none"> • Early Intervention and Prevention • Children's Social Care / Children in Care / Children in Need • Early Years • Schools • Post 16 – Education and training • Skills and Employability • Adult Education • Youth Services 	<p>Cllr Laing and Cllr Cresswell</p> <p>David Haley</p> <p>Temilola Salimon</p> <p>Lisa Linscott</p>
11:30	Break	
11:45	<p><u>SESSION FIVE</u></p> <p>Cabinet Member for Strategic Planning and Transport</p> <p>Cabinet Member for Environment and Climate Change</p> <ul style="list-style-type: none"> • Public transport • Active travel 	<p>Cllr Coker and Cllr Briars-Delve</p> <p>Karime Hassan</p> <p>Phillip Robinson</p> <p>Paul Barnard</p>

	<ul style="list-style-type: none">• Concessionary fares and non-commercial routes• Parking• Flood risk management• Highways operations and maintenance• Plymouth Net Zero 2030• Street cleaning• Commercial and domestic waste management (& Garden Waste Recycling)• Green Estate Management	
12:45	Lunch	
13:15	Continuation Session Five	
14:15	Informal Session	
15:45	Recommendations	

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Cabinet



Date of meeting:	13 January 2025
Title of Report:	Draft Budget Report 2025/26
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	David Northey (Service Director for Finance)
Author:	David Northey, Service Director for Finance (Section 151 Officer) Helen Slater, Assistant Head of Finance
Contact Email:	David.northey@plymouth.gov.uk
Your Reference:	Budget20252026/ Jan2025
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

Under the Council's Constitution, Cabinet is required to recommend an annual Budget to Full Council. The final Budget Report and Council Tax will be presented at the meeting scheduled 24 February 2025. This report sets out the latest information available to enable Cabinet to consider the first tranche of recommendations to Council in respect of the budget. This report will also be presented to the Budget Scrutiny Committee meetings 21 and 22 January 2025.

At the time of writing, we have included the information contained in the Autumn 2024 Budget Statement and the Provisional Local Government Settlement announced 18 December 2024. Full details of the final settlement will be included in subsequent reports.

Recommendations and Reasons

That Cabinet:

1. Note this report, and that it is subject to change in line with any Final Settlement adjustments and changes required as proposals are developed.
2. Recommend the Report to the Budget Scrutiny Select Committee

Reason: To ensure Cabinet support for the Budget proposals prior to further development of the final Revenue and Capital Budget 2025/26.

Alternative options considered and rejected

Not to bring forward proposals in respect of the 2025/26 Budget – rejected on the basis that the Council must agree a balanced budget, and seeking support for further developing the recommended proposals will allow this to happen.

This report builds on the Council's Medium-term Financial Strategy (MTFS) presented to Council November 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 Council is a complex service organisation with a gross revenue expenditure budget exceeding £500m, and faces significant financial risks given the continuing uncertainty about future resourcing from central government, the wider economic environment and the Council's comparatively low levels of financial reserves. Each savings proposal carries its own risks, and mitigation for each will need to be explored. There are continuing demand pressures in both adult social care and children's social care. We are now facing increasing demand and cost pressures in both homelessness and bed and breakfast accommodation plus our statutory responsibility to provide home to school transport for our most vulnerable children.

The Council is under a legal obligation to set a balanced budget for each municipal year, and the Council's Section 151 Officer is required to produce a statement as part of the budget documentation giving his view as to the robustness of the proposed budget. This will be included in the final budget report to Full Council in February 2025.

The Draft Budget 2025/26 assumes an increase in both the base Council Tax and the Adult Social Care precept in line with the policy set out in the Autumn Statement 2024 and the Local Government Settlement in December 2024. No decision has been made on any changes to the council tax charge for 2025/26; this is reserved for a decision of Full Council in February.

Carbon Footprint (Environmental) Implications:

No impacts directly arising from this report. As the recommendations of this report relate to the Council's revenue and capital budget in totality, the scope of the decision covers all its activities. There will be carbon footprint implications arising from the activities financed by the budget, negative or positive, but these can only be effectively assessed on a case-by-case basis. The Council's commitments to the net zero agenda, as for any other agenda, will always sit within the financial context it is working within.

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

The increasing costs from demand led services out pacing the increase in revenue resources across the public sector has been identified as a key risk within our Strategic Risk register. As proposals are developed, officers will produce where relevant a risk register relating to the above areas specific to each proposal to inform decision making. The register will include mitigations of identified risks where necessary, and this will be reported as part of the decision-making process. As proposals are further developed, officers will assess, and report equalities impacts and mitigations as part of the process.

Appendices

*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
1	Net additional cost pressures and adjustments							
2	Net additional Resources and adjustments							
3	Savings Breakdown							
4	1 st Draft Directorate Budgets 2025/26							
5	Provisional Financial Settlement 2025/26							
6	Capital Programme by project							

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	OW. 24.25. 009	Leg	LS/00 0013 12/2/ AC/1 0/1/2 5.	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: 09/01/2025											
Cabinet Member approval: Councillor Tudor Evans OBE (Leader) Date approved: 10/01/2025											

Introduction

- 1.1 This report provides the latest position on the Council's budget for 2025/26.
- 1.2 The Council continues to manage a challenging financial environment where service demands continue to increase and where uncertain and unpredictable funding and cost levels remain.
- 1.3 Together with all authorities the Council is facing another year of uncertainty and financial risk due to continuing additional national and international factors and demand pressures and costs in both adults' and children's social care. These areas are now joined by homelessness and home to school transport as major risk factors.
- 1.4 This report sets out the funding allocations for 2025/26 and there are encouraging signs that the much-trailed recognition of those areas of the country with the highest deprivation and demand will result in additional funding being received by Plymouth City Council.
- 1.5 The Council's administration is ambitious in its vision and objectives for the city and is committed to ensuring that services to children, vulnerable adults and the provision of affordable housing and helping those affected by homelessness continue to be key priorities. It is keenly aware of the impact of the current cost of living crisis on the people of Plymouth. This budget does not have reductions to critical services and does not include the introduction of any new charges for services. It does ensure there is adequate funding to repair potholes and allocates additional funding to the street scene service, both ensuring a better living environment for the city.
- 1.6 There are budget adjustments correcting previous one-off allocations, council wide costs and directorate growth offset by additional resources and savings across all directorates. This is broken down below:
- Additional Core Resources (£17.020m) including £4.946m drawdown from reserves
 - Additional Grant Funding (£19.402m)
 - Right-sizing costs/adjustments £18.414m
 - Demand-led pressures £31.943m
 - Savings Targets and Management Actions (£13.934m)
- 1.7 This draft budget again allocates growth to demand-led directorates to protect the most vulnerable people in the city. The four key areas to concentrate on for 2025/26 are within the Children's Directorate (social care and SEND school transport) and the People Directorate (adult social care costs and homelessness provision). This report will set out additional budget allocations totalling £31.173m:
- Children social care and placement costs £16.284m
 - SEND Home to School Transport £ 2.059m
 - Adult Social Care additional costs £12.106m
 - Homelessness prevention £ 0.724m
- 1.8 The 2025/26 budget assumes new savings and income totalling £13.494m but around 50% of these (£6.698m) are management actions to consolidate existing spending, by deleting posts which remain vacant and the release of previous budget underspends.

- 1.9 This draft budget consolidates our current areas of focus to close the current and forecasted future financial gaps, allowing Strategic Directors to introduce new ways of delivering their services.

Background

- 2.1 The Council is scheduled to set a budget for the next financial year on 24 February 2025. At the meeting, the Council Tax charge for 2025/26 will need to be agreed.
- 2.2 Once again, this is a very challenging budget year as, like all local authorities, the Council is facing continuing growing pressures on resources as demand for services rises and costs increase.
- 2.3 The Council delivers more than 300 services – as diverse as bin collections, protecting vulnerable children, providing libraries, making planning decisions, attracting investment and jobs in the city, providing leisure facilities, providing parking, maintaining roads and pavements, and looking after Plymouth’s parks and green spaces.
- 2.4 Every part of the Council has been involved in the response to the budget situation and many employees and services may need to work in new ways. A significant amount of work continues to support the city’s economy, which has been severely affected by the recent pandemic and cost of living crisis.
- 2.5 It should be noted that options are limited by the fact that the Council needs to deliver many services as a statutory requirement and has limited scope to influence how these services are delivered. Examples of this include supporting vulnerable children and adults in the city.
- 2.6 Despite these challenges, the City Council is determined to get the basics right, including fewer potholes, cleaner, greener streets, and greener transport; building more homes for both social rent and affordable ownership; green investment, jobs, skills, and better education; keeping children, adults, and communities safe. This budget builds on the MTFS to provide the financial framework to deliver these aims and our work to ease the cost-of-living crisis for the people of Plymouth.

Provisional Local Government Finance Settlement

- 3.1 On 18 December 2024, the Minister of State for Local Government and English Devolution, Jim McMahon MP, released a written statement to Parliament on the provisional local government finance settlement 2025/26. In summary:
- 3.2 This is again a settlement for one year only and based on the 2024 Autumn Budget. However, the government also published a consultation paper on Local Authority Funding Reform, with more detail expected as part of the Spring Fiscal Announcement.
- 3.3 Outside of the Settlement, in relation to the revised National Insurance rates we are aware the government are to provide £515m to English councils to offset the increase to employer NICs. A methodology note has been published, but individual authority allocations will not be published until the final settlement, because the data is not yet complete to enable allocations to be calculated. What is clear is the LGA calculated that a minimum of £637m would be required and therefore a shortfall has been modelled in the budget calculations. For Plymouth, our calculation is a required £2.3m to fully compensate and we estimate the share of £515m

equates to a possible £2.076m, a shortfall of £0.224m. Our actual allocation will not be known until the Final Settlement at the end of January, at which point the final budget proposal will reflect the grant amount.

3.4 Full details are set out in the accompanying report and but in summary, the grant allocations and implications of the Provisional Settlement are:

- Council Tax – This had already been announced but we have confirmation the Council Tax referendum limit will be 2.99% with an additional 2% social care precept.
- Business Rates Retention and Revenue Support Grant (RSG) – The September CPI figure of 1.7% has been applied to increase both our funding amount within the business rates retention scheme and RSG.

Specific Grants:

- Increased Funding: Social Care Grant – The grant has increased by £5.281m to £33.789m. As a social care grant, this covers both adults' and children's services.
- Improved Better Care Fund – renamed to Local Authority Better Care Fund. The funding increases to £15.955m but now includes the rolled-in ASC Discharge Fund of £3.022m. Every 1% increase would have given an additional £159,000 therefore a 1.7% increase in line with CPI would have been worth £271,000.
- ASC Market Sustainability and Improvement Fund. This has not been increased and remains at £5.618m.
- ASC Discharge Fund. – deleted and rolled into Local Authority Better Care Fund
- New Homes Bonus. The 2024/25 allocation for Plymouth has *decreased* from £43,000 to a revised £32,000.
- Services Grant. As expected, has now been discontinued. Last year this was £407,000.
- NEW - recovery Grant. This is a one-off grant of £6.592m
- NEW – Children's Social Care Prevention Grant. This is a ringfenced grant of £1.415m

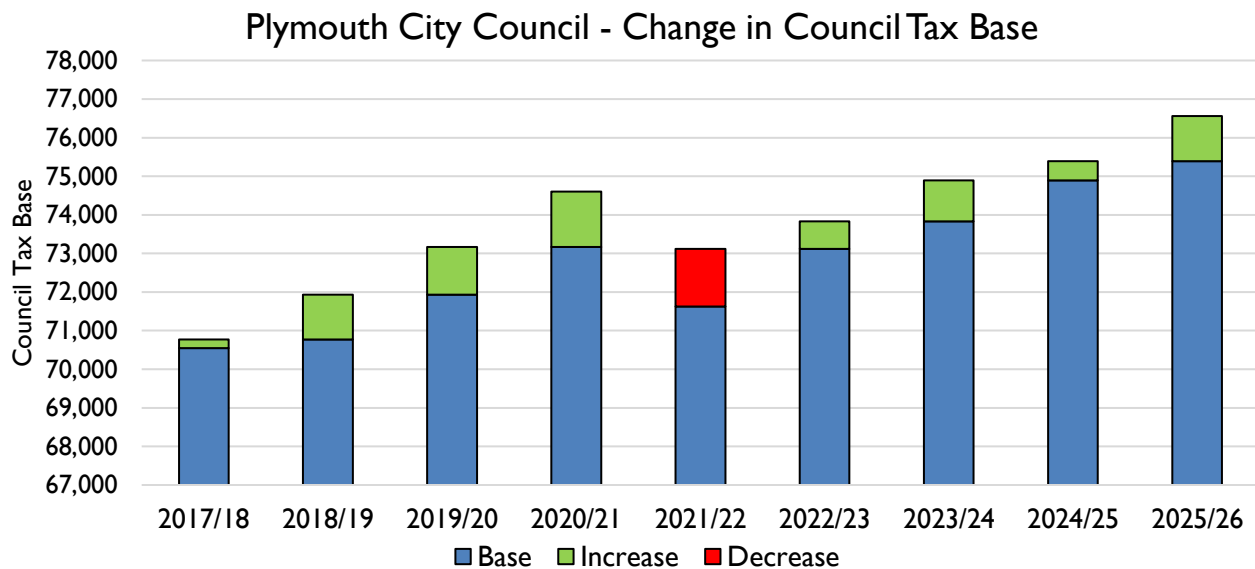
Budget Engagement

- 4.1 A public engagement to support the 2025/26 budget setting process was undertaken last month and closed 18 December.
- 4.2 The engagement was promoted to the local media and through the Council's own channels, which included a website banner, newsroom feature, social media, e-newsletter, promotion to local businesses and via press release. The questionnaire was also be shared internally in the Staff News bulletin.
- 4.3 The themes arising from the engagement will be considered as part of the final budget proposals and will be made available to the Scrutiny Committee.

Core Resources

Council Tax and Adult Social Care Precept

- 5.1 In the 2025/26 Provisional Local Government Finance Settlement, it is confirmed that Local Authorities can 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%. This has been incorporated within government funding models and included for the 2025/26 financial year in the MTFS.
- 5.2 The Council Tax Base report for 2025/26 will be approved by Full Council in January 2025; the provisional number of Band D equivalent properties is 76,557, an increase of 1,168 on 2024/25. The assumed collection rate continues at 97.5%; this is realistic and prudent due to the current economic climate. In 2025/26 additional income via the Empty Homes and Second Homes premiums are now reflected in the Council Tax base.
- 5.3 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.



Council Tax Income

	2024/25 Budget £m	2025/26 Forecast £m
General	136.125	145.132
Adult Social Care Precept	2.643	2.818
Additional collection fund surplus	0.711	1.500
Total Council Tax Income	139.479	149.450

Council Tax Discounts and Premiums

- 6.1 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%.
- 6.2 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.
- 6.3 Tax base growth for both these premiums have been included in the 2025/26 budget.

Council Tax Support Scheme

- 7.1 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 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.
- 7.2 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.
- 7.3 All councils are required to annually review their local CTS schemes. Plymouth has reviewed the CTS scheme during 2024 to consider changes that could provide more financial support to families with children. To make these changes the current systems need to be developed to ensure a revised scheme can be administered, prior to any public consultation that would need to be undertaken. In these circumstances, Plymouth has decided not to make any changes to the scheme for 2025/26.
- 7.4 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

Business Rates

- 8.1 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.

- 8.2 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.

Business Rates Income

	2024/25 Budget £m	2025/26 Forecast £m
Business Rates Retention	81.105	83.834
Pooling Gain	2.262	2.750
Total Business Rates Income	83.367	86.584

- 9.1 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.
- 9.2 An assumed gain from the Pool is included in the proposed 2025/26 Budget at £2.750m

Revenue Support Grant (RSG)

- 10.1 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.
- 10.2 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.
- 10.3 In 2013/14 which is the first year of a straight comparison, with the introduction of rates retention, the authority's RSG was £76.6m. By 2024/25 this had reduced to £12.328m. With a confirmed increase of 1.7%, and rolled in existing grants of £0.129m, RSG in 2025/26 will total £12.662m.

Government Grants

Public Health Grant

- 11.1 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 was £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 yet of the 2025/26 allocation but modelled assumptions include an inflationary uplift in line with CPI.

	2024/25 £m	2025/26 Estimated £m
Public Health Grant Allocations	16.737	17.022

- 11.2 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 Public Health services, NHS Health checks and health protection, as well as providing healthcare public health advice to support the commissioning of health and wellbeing services.

Housing Benefit Subsidy

- 12.1 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.
- 12.2 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 2024/25.
- 12.3 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.

Dedicated Schools Grant

- 13.1 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 was £91m; including monies allocated for academies the gross amount was £282m. The funding is spent either directly by Schools, (Primary, Secondary and Special), through their formula allocations, or by the authority on their behalf.
- 13.2 The provisional DSG allocation for 2025/26 is set out below:

	2024/25 Baseline £m	2025/26 Provisional £m	Increase / (Decrease) £m
Schools Block	215.442	219.988	4.546
High Needs Block	48.224	51.872	3.648
Central Schools Services Block	2.533	2.367	(0.166)
Total	266.199	274.227	8.028

- 13.3 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 implementing a DSG Management Plan which encompasses all areas of the DSG projected until the year 2030.

Pupil Premium

- 14.1 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.

Social Care Grant

- 15.1 The Council also receives a Social Care Grant. The provisional allocation for 2025/26 has been announced at £33.789m, an increase of £5.281m. This funding is intended to cover both Adults and Children's social care.

Market Sustainability Improvement Fund

- 16.1 Plymouth City Council has been allocated £5.618m through the Adult Social Care Market Improvement Fund for 2025/26. This figure is unchanged from 2024/25 and no inflationary uplifts have been applied.

Local Authority Better Care Fund

- 17.1 The Improved Better Care Fund has been renamed as the 'Local Authority Better Care Fund' for 2025/26, the allocation totals £15.995m, and includes £3.022m for the rolled in Adult Social Care Discharge Fund. Together, these figures are unchanged from 2024/25 and no inflationary uplifts have been applied.
- 17.2 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.

Better Care Fund (BCF)

- 18.1 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
- 18.2 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.

Recovery Fund

- 19.1 This new un-ringfenced, one-off funding directed at Local Authorities with high deprivation and low Council Tax bases. The allocation for 2025/26 is £6.592m for Plymouth.

Children's Social Care Prevention Grant

- 20.1 This is also a new funding stream for 2025/26, the allocation for Plymouth is £1.415m. This funding comes with conditions around usage to focus on preventative activities within Children Social Care. and is to enable the Council to deliver the Government's National Reforms for Children's Social Care.

Extended Producer Responsibility

- 21.1 A new income stream from fees paid by packaging producers, the Extended Producer Responsibility for Packaging (pEPR) scheme. This income will cover the existing costs local authorities incur for managing household packaging waste, provide additional funding for new legal duties, and support much needed investment in the waste and recycling industry. MHCLG have confirmed that this is not ringfenced funding and the allocation for Plymouth for 2025/26 is £5.926m

Additional Income

- 22.1 The table below sets out a summary of the uplifted income funding included in the 2025/26 Budget, included the impact of the ceasing Services Grant.

Grant Funding	Amount 25/26 (£m)
Recovery Fund	(6.592)
Children's Prevention Grant	(1.415)
Extended Producer Responsibility	(5.926)
Social Care Grant	(5.281)
Services Grant ceasing	0.407
Rolled in Grants	0.129
Homelessness Prevention Grant	(0.724)
Total	(19.402)

The Council's Reserves

- 23.1 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 as part of the end of year accounting closedown.

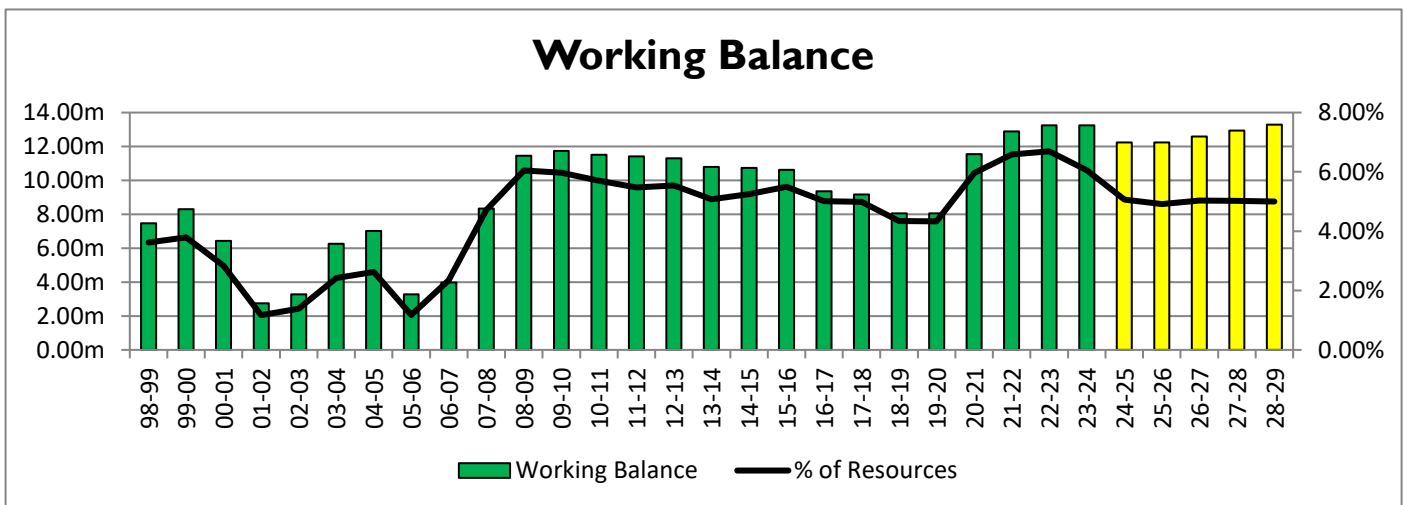
Unusable Reserves

- 24.1 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

- 25.1 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).
- 25.2 The Council's usable reserves includes the General Fund Balance (Working Balance)
- 25.3 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.
- 25.4 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.
- 25.5 £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.



Costs

Right sizing the Budget

- 26.1 Some of the assumptions incorporated 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	Amount 25/26 (£m)
Salary Related Costs	4.224
Reversal one-off Minimum Revenue Provision (MRP)	0.400
Reversal one-off Adult Social Care Bad Debt Provision	0.500
Replenish Section 106 allocations	0.900
Right sizing Public Health grant budget allocations	0.529
Total	6.553

Salary Related Costs

- 27.1 An allowance for a 3% Pay Award for 2025/26, and the impact of National Insurance changes have been included in the Budget.

Reverse S106 Savings

- 28.1 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

- 29.1 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 £4.395m. 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

- 30.1 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.
- 30.2 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

- 31.1 A one-off adjustment to the Public Health reserve of £0.529m was included in the 2024/25 budget, this is being reversed out in 2025/26.

Demand-Led Pressures

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

- 32.2 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
Adult Social Care – National Living Wage impact	4.395
Adult Social Care – volume and inflationary increases	7.711
Children’s Social Care – increased numbers of higher cost placements	16.284
SEND Home to School Transport – increasing numbers and costs of routes	2.059
SEND 0-25 Team – increased EHCPs* requires additional staffing, one off	0.770
Homelessness	0.724
Total	31.943

- 32.3 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.
- 32.4 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.
- 32.5 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 Month 8 position for 2024/25 shows an overspend of £8.706m. This needs to be addressed in future year allocations.
- 32.6 The Month 8 forecast within Community Connections, within the Adults, health and Communities Directorate, is reporting additional pressures of £1.150m for 2024/25 with £0.535m directly relating to provision of emergency accommodation for homeless families. Adults Social Care had pressures on care package budgets of £1.438m.
- 32.7 Social Care, Homelessness and SEND Transport are all consistently appearing as pressures areas in Council budgets across the country.
- 32.8 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.
- 32.9 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.

- 32.10 The Children's social care service is experiencing increased placement costs and demand has led to Service needing to use more residential children's homes 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.
- 32.11 Increasing numbers of pupils with EHCPs, lack of special school placements within the City and more pupils in Independent Sector provision has led to pressures on the Home to School Transport budget, through increasing numbers and more expensive routes being needed.
- 32.12 The growth on the 0-25 team will allow the service to meet the trajectory for improving statutory timelines and address increased demand for Education Health and Care Plans (EHCP). 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

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

Other Pressures Identified	2025/26 £m
Funding the Capital Programme	7.200
Audit Additional Costs	0.220
ICT Additional Costs	0.650
Income Recovery Structure	0.212
Environment Act	0.250
Street Services Restructure	0.425
Plymouth Active Leisure - National Living Wage and NI Impact	0.141
Windsor House Running Costs	0.076
Foster Carer Additional Allowance	0.226
Climate Fund Additional Contribution to Capital Costs	0.250
Extended Producer Responsibility	0.066
Facilities Management - Structure	0.645
Facilities Management – Repairs and Maintenance	1.500
Total	11.861

- 33.2 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.
- 33.3 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.

- 33.4 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.
- 33.5 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.
- 33.6 The current grant revenue funding levels for the introduction of food waste are not explicit or clear but are likely to be less than 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.
- 33.7 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.
- 33.8 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.
- 33.9 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.
- 33.10 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.
- 33.11 The Facilities Management budget is showing a pressure of £2.500m at Month 8 2024/25, mainly due to growing repairs and maintenance costs. In addition to this, external consultants have carried out a review of the Facilities Management function within Plymouth City Council which has identified an urgent need to add additional resource to facilitate improvements required

across the corporate estate. To reflect this £0.675m has been added to the 2025/26 budget to implement the required structure and £1.500m to right-size the repairs and maintenance budgets.

Savings/Additional Income

34.1 The below additional income has also been included in the 2025/26 Budget:

- 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 MTF5 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 to provide additional capacity to address timelines and increased volume. The details are set out in detail earlier in the report.
- Income assumptions also include the utilisation of Commercial reserves (£0.225m) and ceasing corporate budget requirements (£0.360m)

34.2 The total figures assumed for savings and income within the 2025/26 Budget are shown in the table below.

Savings	2025/26 £m
Additional Income	(2.655)
Directorate Savings Plans	(9.765)
Other Budget Adjustments/Management Actions	(1.514)
Total	(13.934)

2025/26 Savings	2025/26 £m
Corporate Items	(0.800)
Adults Health and Communities	(2.733)
Children's Directorate	(3.142)
Growth Directorate	(2.195)
Chief Executive	(0.301)
Customer and Corporate	(0.594)
Total	(9.765)

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

Resources	2025/26
	£m
RSG	(12.662)
Council Tax	(149.450)
Business Rates	(86.584)
Reserves	(4.946)
Core Resources	(253.642)
Base Budget b/forward	236.622
Additional Grant funding	(19.402)
Add Right-sizing costs / adjustments	6.553
Add Demand-led pressures	31.943
Other pressures	11.861
Savings Targets	(9.765)
Other budget adjustments/management actions	(4.169)
Total Net Expenditure	253.642
Balance	0.000

Section 114 Report

- 35.1 A report under Section 114 of the Local Government Finance Act 1988 is issued by the authority's Chief Finance Officer (Section 151 Officer). In law they are the most senior financial advisor to the wider Council's leadership on its financial plans and have the power and responsibility to legally suspend spending for a period if they judge the Council does not have a balanced budget or the imminent prospect of one.
- 35.2 It means that no new expenditure is permitted, apart from that funding statutory services. Any spending that is not essential or which can be postponed should not take place and essential spend will be monitored. Councillors have 21 days from the issue of a Section 114 report to discuss the implications at a Full Council meeting.
- 35.3 In addition, the Government can intervene on the running of a Council's services. Precedent shows intervention by Commissioners or an Intervention Board. These are individuals with expertise and vast experience in local government and ultimately, they have the power to direct the Council's day-to-day running, including all expenditure and budgetary decisions.
- 35.4 The Leader has received an In-principle letter setting out the current position of the request for a Capitalisation Direction. The Council continues to be actively engaged with MHCLG colleagues and based on the CiPFA guidance and existing LGA advice, and following receipt of the letter, the Section 151 Officer is not proposing to issue a Section 114 report at this stage.

Flexible Use of Capital Receipts

- 36.1 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.
- 36.2 The Government have agreed that this flexible use can continue through financial year 2025/26.
- 36.3 In line with the existing Flexible Use of Capital Receipts Policy approved in 2018, the Council wishes to employ capital receipts as part of this budget proposal in 2025/26. The February report will include a recommendation asking Council to endorse this approach.
- 36.4 Included in the additional allocation to the Children's Directorate is investment in a project team delivering revised ways of working in service delivery plus an agreed investment in training in improved management practice and leadership development. This investment is in this directorate with a view to rolling out learning and best practice outcomes across the wider directorates. The investment required is a maximum £1.588m and will supplement the carry forward of receipts drawn down and approved as part of the 2024/25 budget.

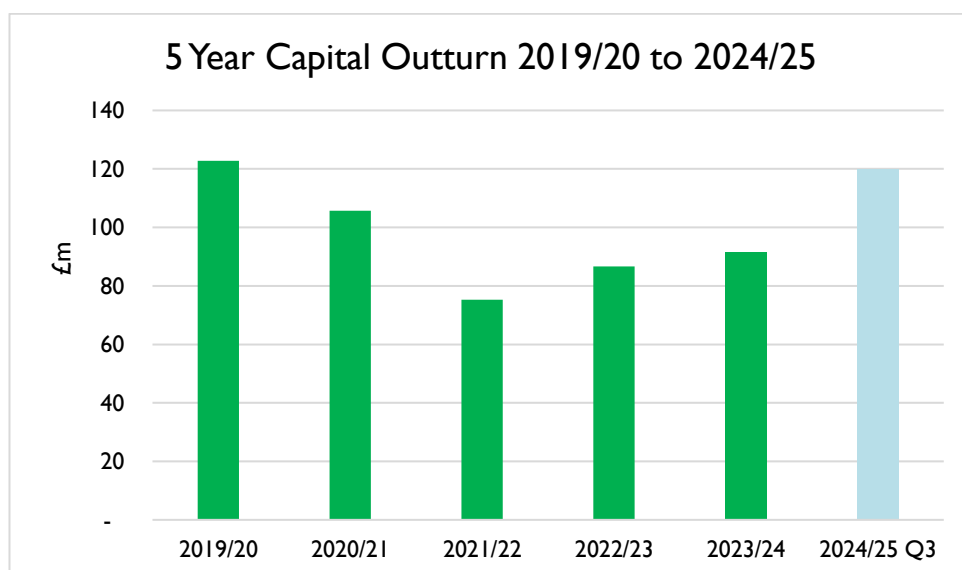
Capital

- 37.1 This section of the report sets out the draft capital budget, with further detail on the profile and financing of individual schemes within the proposed capital programme included as Appendix I to this report.
- 37.2 The Plymouth Plan is the principal driver for the capital programme. Accordingly, the programme includes proposals to support new homes across the area, create new jobs, and to continue a major investment programme in modernising infrastructure including transport, schools, public realm and green spaces.
- 37.3 This investment is supporting Plymouth to become the key economic driver for the far Southwest; it will ensure that communities and businesses have the facilities they need to continue to thrive and prosper. The investment supports growth within the local economy, and is generating additional business rates, Council Tax, and Community Infrastructure Levy (CIL).
- 37.4 The Council continues to take a strategic approach to its capital programme, having established ten outcomes aligned to the Plymouth Plan and the Plymouth and South West Devon Joint Local Plan; together with the investment and business planning programmes of other organisations to maximise delivery in the city and surrounding areas.
- 37.5 The Council must ensure sufficient funding is available to meet the requirements of the agreed programme through its Capital and Treasury Management strategies, which are updated annually to reflect the capital programme as new projects are developed and agreed for delivery. Draft Treasury Management and Capital strategy documents were reviewed by the Audit and Governance Committee in November 2024; this Committee will again review the updated treasury management position again ahead of the final adoption of the Treasury

Management and Capital strategies as part of the 2025/26 budget set by the City Council meeting in February 2025.

- 37.6 Changes to the Bank of England interest rate and other macro-economic factors impact on the cost of borrowing externally through Public Loans Work Board and other short term borrowing arrangements. With support from the Council's appointed treasury management advisors, borrowing costs are monitored on an ongoing basis; the Council also monitors compliance with a range of indicators set using the Prudential Code to ensure the capital programme remains affordable. With increasing pressure on the total revenue resources available to the council arising from an increasing demand for statutory services (particularly social care) and an uncertain economic outlook, reviewing the affordability of the capital programme on an ongoing basis will be increasingly important through 2025. If necessary, the capital programme presented here may need to be reviewed to ensure it remains affordable.
- 37.7 The impact of potential inflationary pressures on costs already assumed in the capital programme presents a further risk; rising inflation could have a significant impact on what can be delivered within affordable funding constraints. Furthermore, the Council faces the risks of supply chain issues, insufficient supply of materials, increasing labour costs and skills shortages. However, a range of mitigations and responses to manage these inflationary risks are available to the Council, dependant on the detail and stage of scheme delivery – for example, sourcing additional external funding or containing cost pressures by re-engineering project scope or deliverables.
- 37.8 The capital programme consists of the approved capital projects the Council intends to deliver over a five-year period. As at 31 December 2024 the total value of the proposed programme is £395.864m. The programme has continued to grow in size in recent years through some notable projects including Armada Way, the Purchasing Temporary Homes Programme, investment to support the Plymouth and South Devon Freeport, the Woolwell to The George transport scheme and the Zero Emission Bus Regional Areas (ZEBRA) scheme. Much of this growth in our programme of investment has been supported by external grant funding secured from a range of government sources. The graph below shows how annual expenditure has changed over the past five years, together with the latest forecast for expenditure during the current financial year.

Capital Expenditure 2019/20 – 2024/25



37.9 The table below shows a breakdown of the current five-year capital programme forecast across the Directorates as at 31 December 2024. A full, detailed breakdown of the capital programme is available in Appendix 6.

Five-Year 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	1.716	1.991	-	-	-	3.707
Adults, Health and Communities	16.809	20.935	3.617	0.164	-	41.525
Growth - Economic Development	30.810	48.482	42.181	16.575	12.427	150.475
Growth - Strategic Planning & Infrastructure	40.963	65.375	28.090	8.280	0.275	142.983
Growth - Street Services	18.673	20.359	0.372	0.241	0.212	39.857
Customer & Corporate Services	4.548	4.903	0.728	0.280	0.100	10.559
Office for Director of Public Health	6.488	0.270	-	-	-	6.758
Total	120.007	162.315	74.988	25.540	13.014	395.864
Finance by:	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Capital Receipts	2.002	3.048	9.379	0.180	2.008	16.617
Grant Funding	70.477	63.094	0.741	3.269	0.193	137.774
Corporate Funded borrowing	23.108	39.638	27.198	3.666	0.378	93.988
Service dept. supported borrowing	21.117	43.423	36.655	18.080	10.334	129.609
Developer contributions	1.705	11.430	1.015	0.082	0.101	14.333
Other Contributions	1.598	1.682	-	0.263	-	3.543
Total	120.007	162.315	74.988	25.540	13.014	395.864

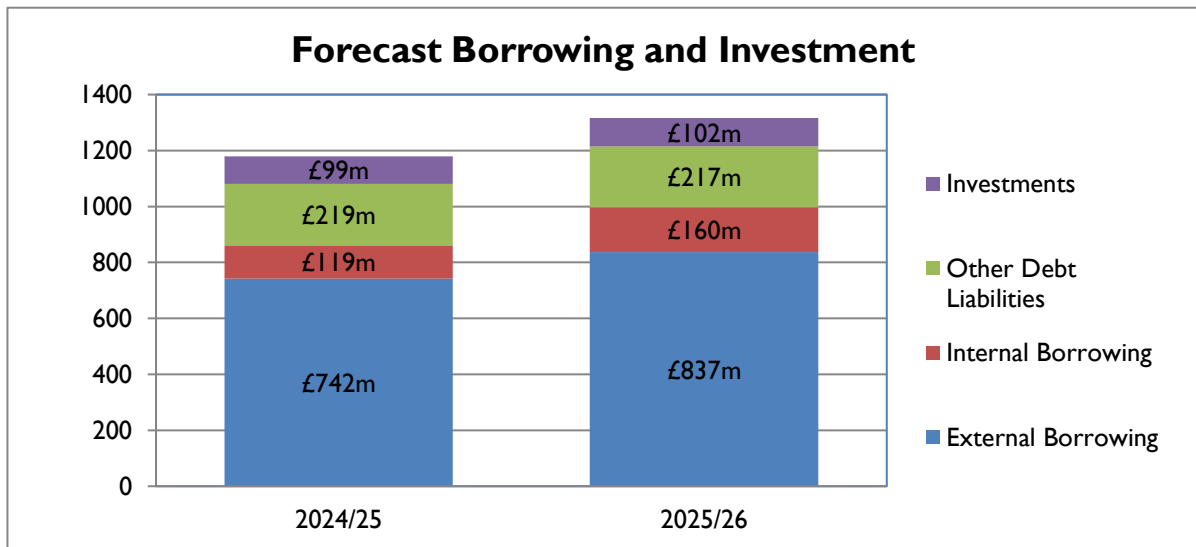
38.1 A breakdown of the five-year programme by outcome is shown below.

Five-Year Capital Programme by Outcome

Primary Outcome of Projects	£m
Delivering a Net Zero Plymouth	65.935
Delivering a sustainable City Centre and Waterfront	47.716
Delivering a sustainable Derriford / Northern Corridor	40.752
Delivering a sustainable Eastern Corridor	7.867
Delivering sustainable homes for the city	30.164
Delivering essential City infrastructure / Improving neighbourhoods	37.625
Ensuring sufficient good quality school places	1.462
Delivering a sustainable economy	97.318
Connecting the City	28.183
Commercialisation of services (including property)	38.842
Total	395.864

Treasury Management

- 39.1 Treasury Management is the management of the Council's cash flows, borrowing and investments, and the associated risks. Of necessity, the Council borrows and invests substantial sums of money and is therefore exposed to financial risks including the effects of changing interest rates.



- 39.2 Total financing costs, including MRP, are budgeted at £50.369m in 2025/26, 19.85% of the proposed 2025/26 net revenue budget. This is an increase from 18.9% within the 2024/25 budget.

Conclusion

- 40.1 This report sets out a draft balanced budget. It includes all the information afforded to us from the Provisional Local Government Settlement, and there will be changes to reflect any final government adjustments.
- 40.2 To reach this position, Cabinet Members and Senior Officers have reflected the increases in both demand and cost of vital services and presented deliverable savings. There has also been the requirement to drawdown £4.946m from usable reserves, as a one-off resource.
- 40.3 The report is also premised on a Council Tax increase of two point nine nine percent (2.99%) and an Adult Social Care Precept increase of two percent (2%). These increases will need to be formally recommended by Cabinet to Full Council for a decision at the meeting 24 February 2025.
- 40.4 It will be another difficult financial year for the Council, but Cabinet and officers are aware of the challenges and will continue to closely monitor the finances during 2025/26.

APPENDIX I – NET ADDITIONAL COST PRESSURES AND ADJUSTMENTS

Cost Pressures and Adjustments	2025/26
Additional Costs Right Sizing the Budget	£m
Salary Related Costs	4.224
Reversal one-off Minimum Revenue Provision	0.400
Reversal one-off Adult Social Care Bad Debt Provision	0.500
Replenish Section 106 contributions	0.900
Right sizing Public Health grant budget allocations	0.529
Sub Total	6.553
Demand Led Pressures	£m
Adult Social Care – National Living Wage impact	4.395
Adult Social Care – volume and inflationary increases	7.711
Children’s Social Care – increased numbers of higher cost placements	16.284
SEND Home to School Transport – increasing numbers and costs of routes	2.059
SEND 0-25 Team – increased EHCPs requires additional staffing, one off	0.770
Homelessness	0.724
Sub Total	31.943
Other Pressures Identified	£m
Funding the Capital Programme	7.200
Audit Additional Costs	0.220
ICT Additional Costs	0.650
Income Recovery Structure	0.212
Environment Act	0.250
Street Services Restructure	0.425
Plymouth Active Leisure National Living Wage and NI	0.141
Windsor House running costs	0.076
Foster Carer Additional Allowance	0.226
Climate Fund contribution to capital	0.250
Extended Producer Responsibility	0.066
Facilities Management - Structure	0.645
Facilities Management – Repairs and Maintenance	1.500
Sub Total	11.861
TOTAL Cost Pressures and Adjustments	50.357

APPENDIX 2 – NET ADDITIONAL RESOURCES AND ADJUSTMENTS

Resources and Adjustments	2025/26
Core Resources	£m
RSG	(12.662)
Council Tax	(149.450)
Business Rates	(86.584)
Reserves	(4.946)
Total Core Resources	(253.642)
Additional Grant Funding	£m
Recovery Fund	(6.592)
Children's Prevention Grant	(1.415)
Extended Producer Responsibility	(5.926)
Social Care Grant	(5.281)
Services Grant ceasing	0.407
Rolled in Grants	0.129
Homelessness Prevention Grant	(0.724)
Total Additional Grant Funding	(19.402)

APPENDIX 3 – SAVINGS BREAKDOWN

2025/26 Savings Summary	2025/26 £m
Corporate Items	(0.800)
Adults Health and Communities	(2.733)
Children's Directorate	(3.142)
Growth Directorate	(2.195)
Chief Executive	(0.301)
Customer and Corporate	(0.594)
Total	(9.765)

Corporate Items –Savings/Income	2025/26 (£m)
Debt Reschedule and Treasury Management target	(0.800)
Total	(0.800)

Adult Social Care –Savings/Income	2025/26 (£m)
ASC Target Operating Model	(1.008)
Staffing - Hold Vacancies	(0.400)
Banding/Health Contributions Review	(0.500)
Contract Reductions:	
Sheltered Housing	(0.029)
Social Inclusion	(0.182)
Family Hubs	(0.268)
Alarms	(0.070)
Other (Floating Support, CERS)	(0.176)
Livewell Payments Review	(0.100)
Total	(2.733)

Children's –Savings/Income	2025/26 (£m)
Re-modelling and implementation of the Integrated Front Door	(0.312)
Align capacity in the MASH to deliver a new operating model	(0.264)
Out of Hours redesign	(0.267)
Reduction in Capital Borrowing	(0.160)
Life Story Worker	(0.033)
EPS - Careers South West	(0.096)
Placement related Delivery Plans	(2.010)
Total	(3.142)

Growth –Savings/Income	2025/26 (£m)
SP&I action plan	(0.050)
One-off contribution from A386 leased space SP&I Park & Ride reserve	(0.100)
Review of Property Regeneration income target ongoing	(0.400)
One-off review of Property Regeneration income target	(0.300)
Box income generation	(0.100)
One-off contribution from ED Bad Debt Provision	(0.100)
One-off Oceansgate reserve rationalisation	(0.450)
RingGo - bring Plymouth in line with other Cities and pass the cost of using on to the customer	(0.200)
Inflationary increases to parking permits (6%)	(0.080)
Remove the 1-hour charge introduced in Mayflower House Court long stay car park	(0.050)
Review of On-street/Off-street parking	(0.365)
Total	(2.195)

Chief Executive –Savings/Income	2025/26 (£m)
Budget Adjustments – Elections/Comms	(0.119)
Chief Executive - Management Actions	(0.205)
Savings – Legal	(0.244)
Reduction of Community Grant Scheme	(0.057)
Total	(0.625)

Customer and Corporate –Savings/Income	2025/26 (£m)
Customer and Corporate – Budget Adjustments	(1.190)
Customer and Corporate - Savings	
Identify units/areas not being charged Business Rates	(0.100)
Reduce bank charges budget within transactions centre	(0.080)
Work with providers to ensure PCC can claim maximum subsidy	(0.066)
Apprenticeships – collection of savings on posts	(0.174)
IChoose to purchase annual leave	(0.120)
Improved marketing of AVC-Wise	(0.020)
Salary Sacrifice – Electric Vehicles	(0.010)
Ad Hoc income generation and savings across libraries	(0.024)
Total	(1.784)

APPENDIX 4 – 1ST DRAFT DIRECTORATE BUDGETS 2025/26

Directorate Budgets	2024/25 (£m)	2025/26 (£m)	Increase (Decrease) (£m)
Children's Directorate	75.431	90.752	15.320
Corporate Items	(25.309)*	(34.296)	(18.986)
Customer and Corporate Services	36.250	38.398	2.149
Chief Executive's Office	7.154	6.673	(0.482)
Adults, Health and Communities	108.921	119.168	10.247
Growth Directorate	31.472	29.510	(1.963)
Public Health	2.703	3.437	0.734
*this includes adjustment for one-off reserves adjustment 2024/25			
Total	236.622	253.642	17.020

APPENDIX 5 – PROVISIAL FINANCIAL SETTLEMENT 2025/26**PROVISIONAL SETTLEMENT 2025/26****Key Points****Council Tax**

As indicated in the government's policy statement ahead of the settlement the referendum limit will be 2.99% and the ability to raise an Adult Social Care Precept of 2% continues.

Business Rates Retention and Revenue Support Grant

As expected, a 1.7% inflationary rate (September CPI) was applied to the Business Rates Retention Scheme and the Revenue Support Grant (RSG). There have also been a number of smaller grants rolled into the RSG; Electoral Integrity Programme, Tenant Satisfaction, Transparency Code and Home to School Transport Extended Rights; these grants total £0.129m for Plymouth.

New Homes Bonus

The allocation for Plymouth has decreased from £0.043m to £0.032m in 2025/26.

Services Grant

This grant has now ended, a reduction for Plymouth in 2025/26 of £0.407m

Recovery Grant

This is new, one-off funding directed at Local Authorities with high deprivation and low Council Tax bases. The allocation for 2025/26 is £6.592m for Plymouth.

Children's Social Care Prevention Grant

This is a new, ring-fenced funding for 2025/26 of £1.415m for Plymouth.

Social Care Grant

This grant has increased by £5.281m to £33.789m – this grant funding is expected to fund both Adults and Children's services.

Improved Better Care Fund – has been renamed the Local Authority Better Care Fund.

The funding increases to £15.955m but now includes the rolled-in Adult Social Care (ASC) Discharge Fund of £3.022m. No inflationary increases were applied.

ASC Market Sustainability and Improvement Fund

There has been no change to this grant, and Plymouth's allocation remains at £5.618m.

Table I – Impact for Plymouth – Provisional Settlement 2025/26

	2024/25	2025/26	Movement
	£m	£m	£m
Social Care Grant	(28.508)	(33.789)	(5.281)
Business Rates Multiplier	(14.948)	(15.202)	(0.254)
Revenue Support Grant (RSG)	(12.328)	(12.662)	(0.334)
Grant rolled into RSG	(0.129)	0.000	0.129
Recovery Grant (new)	0.000	(6.592)	(6.592)
New Homes Bonus	(0.043)	(0.032)	0.011
Children's Social Care Prevention Grant	0.000	(1.415)	(1.415)
Market Sustainability Improvement Fund	(5.618)	(5.618)	0.000
ASC Discharge	(3.022)	0.000	3.022
Local Authority Better Care Fund	(12.933)	(15.955)	(3.022)
Services Grant	(0.407)	0.000	0.407
Total	(77.936)	(91.265)	(13.329)

National Insurance

Not included as part of the Provisional Settlement, the government also advised they have set aside a provisional £515m to contribute to the costs of the increase to employers National Insurance contributions for directly employed local authority staff. A methodology note has been published, but the individual authority allocations will not be published until the final settlement, as the data is not yet complete to enable allocations to be calculated. For Plymouth City Council, the impact of the changes on direct employees is calculated at £2.3m, and we are modelling a contribution of approximately £2m based on the published methodology.

APPENDIX 6 – CAPITAL SCHEMES

Capital Programme - Details	2024-25 Latest Forecast	2025-26 Latest Forecast	2026-27 Latest Forecast	2027-28 Latest Forecast	2028-29 Latest Forecast	TOTAL PROGRAMME 2024/25 to 2028/29
	£m	£m	£m	£m	£m	£m
CHILDREN SOCIAL CARE						
Residential Short Breaks (Colwill Lodge Feasibility - Project B)	0.020	0.180	-	-	-	0.200
Development of Children's Homes (Project A)	0.600	1.400	-	-	-	2.000
Foster Home Adaptation - Child PER26650	0.035	-	-	-	-	0.035
Early Years Capital Expansion Programme	0.435	-	-	-	-	0.435
SCHOOL CONDITION WORKS						
Schools Emergency Condition Works	0.015	0.015	-	-	-	0.030
Ham Drive - Roof	-	0.039	-	-	-	0.039
Yealmpstone Farm - Roof Phase 2	0.027	-	-	-	-	0.027
Lipson Vale - Fire Alarm	0.031	-	-	-	-	0.031
College Road - Boiler	0.056	-	-	-	-	0.056
Longcause - Lift	0.036	-	-	-	-	0.036
Cann Bridge - SEN Expansion	0.075	-	-	-	-	0.075
Mill Ford - SEN Satellite Provision	0.010	0.065	-	-	-	0.075
Mill Ford Toilets	0.030	-	-	-	-	0.030
Mill Ford - Modular Units	0.004	-	-	-	-	0.004
SEND Sufficiency Plan Programme	0.075	0.125	-	-	-	0.200
SCHOOLS ICT PROJECTS						
Brook Green - ICT Projects	0.008	-	-	-	-	0.008
Sir John Hunt CC - ICT Projects	0.002	-	-	-	-	0.002
SCHOOL DEVOLVED CAPITAL FORMULA						
Ham Drive - Devolved Capital	0.004	0.012	-	-	-	0.016

Plym Bridge - Devolved Capital	0.010	0.004	-	-	-	0.014
Compton - Devolved Capital	0.000	0.009	-	-	-	0.009
College Road - Devolved Capital	0.045	0.026	-	-	-	0.071
Laira Green - Devolved Capital	0.006	0.007	-	-	-	0.013
Lipson Vale - Devolved Capital	0.016	0.008	-	-	-	0.024
Pennycross - Devolved Capital	0.006	0.018	-	-	-	0.024
Whitleigh - Devolved Capital	0.019	0.008	-	-	-	0.027
Yealmpstone Farm - Devolved Capital	0.012	0.006	-	-	-	0.018
Riverside - Devolved Capital	0.017	0.010	-	-	-	0.027
Sir John Hunt CC - Devolved Capital	0.020	-	-	-	-	0.020
Cann Bridge (Downham) - Devolved Capital	0.009	0.008	-	-	-	0.017
Brook Green - Devolved Capital	0.012	0.009	-	-	-	0.021
Longcause - Devolved Capital	0.010	0.009	-	-	-	0.019
Mill Ford - Devolved Capital	0.044	0.009	-	-	-	0.053
Woodlands - Devolved Capital	0.012	0.008	-	-	-	0.020
SCHOOL DEVOLVED CAPITAL PROJECTS						
College Road - Forest School	-	0.013	-	-	-	0.013
Ham Drive - CCTV and Security	0.002	-	-	-	-	0.002
Ham Drive - Access to Work	0.004	-	-	-	-	0.004
Pennycross - Allotment	-	0.002	-	-	-	0.002
Pennycross - Classroom Flooring	0.005	-	-	-	-	0.005
Yealmpstone Farm - Local Basic Need Works	0.005	-	-	-	-	0.005
ADULT SOCIAL CARE						
PfH Extra Care Housing Support Millbay	-	0.450	-	-	-	0.450
Eclipse Project	0.055	0.527	0.275	-	-	0.857
Re-provision of Vines and Colwill Lodge	0.328	11.229	0.842	0.164	-	12.563
COMMUNITY CONNECTIONS						
Disabled Facilities (incl Care & Repair works)	3.657	0.366	-	-	-	4.023

Efford Youth & Community Centre	1.004	-	-	-	-	1.004
Honicknowle Youth & Community Centre	1.082	0.003	-	-	-	1.085
Frederick Street Centre	0.938	0.379	-	-	-	1.318
NEIGHBOURHOOD & COMMUNITIES						
The Royal Building	5.454	0.000	-	-	-	5.454
The Royal Building Redevelopment	-	1.246	1.500	-	-	2.746
Dispersed Temporary Housing Programme	-	5.795	1.000	-	-	6.795
Accessible Temporary Homes	2.450	-	-	-	-	2.450
PATH: Single People Accommodation	0.700	-	-	-	-	0.700
PATH: Temporary Accommodation Loan	0.560	0.940	-	-	-	1.500
Young Devon: Single People Accommodation	0.297	-	-	-	-	0.297
Young Devon Loan	0.210	-	-	-	-	0.210
Family Hubs	0.073	-	-	-	-	0.073
INFORMATION SYSTEMS						
Delt Lights-on Infrastructure	0.250	0.260	0.430	-	-	0.940
Tech Forge	0.002	0.013	-	-	-	0.015
Transformation/Modernisation Technology Projects	0.072	0.769	-	-	-	0.842
WiFi and Networks Survey	-	0.019	-	-	-	0.019
New Data Centre Migration	0.172	-	-	-	-	0.172
Continuation of Transformation/Modernisation Projects	0.025	0.711	-	-	-	0.736
Device Replacement Scheme	0.350	0.430	0.280	0.280	0.101	1.441
Highways Management System	0.015	0.084	-	-	-	0.099
Hand Arm Vibration	0.003	-	-	-	-	0.003
Alloy Phase 2	-	0.238	-	-	-	0.238
Mobile Working for Building Control	0.012	0.015	-	-	-	0.026
PVP Management Solution	-	0.006	0.018	-	-	0.024
Development of PCC Website	0.124	-	-	-	-	0.124
Data Intelligence	-	0.200	-	-	-	0.200

EDRMS Data Storage and Management Solution	0.050	0.150	-	-	-	0.200
IA Solutions	0.060	-	-	-	-	0.060
Replacement of Civica Image Server	0.007	-	-	-	-	0.007
cWAN Project	0.147	-	-	-	-	0.147
Replacement of CoreHR for iTrent	0.958	-	-	-	-	0.958
CORPORATE PROPERTY						
Assets Lifecycle Maintenance						
Repairs to Plymouth Guildhall	0.039	-	-	-	-	0.039
Plymouth Guildhall (WiFi)	0.023	-	-	-	-	0.023
Four Woods Nursery Boiler Replacement	0.042	-	-	-	-	0.042
Theatre Royal Roof Repairs	0.100	0.189	-	-	-	0.289
Chelson Meadow - Welfare Facilities making good area for 4 new portacabins	-	0.025	-	-	-	0.025
Assets Lifecycle Maintenance contingency	-	1.702	-	-	-	1.702
CORPORATE PROPERTY (OTHER)						
Accommodation Strategy	0.013	-	-	-	-	0.013
Elliot Terrace Waldorf Room Water Damage Repairs	0.139	-	-	-	-	0.139
3 Elliot Terrace Front Elevation repairs and Decoration	0.101	-	-	-	-	0.101
Plympton Guildhall Structural Repairs	0.020	-	-	-	-	0.020
Prince Rock Gas Main Replacement	0.200	-	-	-	-	0.200
Remediation works to Raglan Court	0.080	-	-	-	-	0.080
Cremyll Ferry Slipway	0.550	-	-	-	-	0.550
Devil's Point Tidal Pool	0.140	0.030	-	-	-	0.170
Arnold's Point Repairs (Rowing Club)	0.091	-	-	-	-	0.091
Public Conveniences						
Toilet Demolition St Levans Road & Masterman Road	0.007	-	-	-	-	0.007
St Budeaux Public Toilet	0.056	0.062	-	-	-	0.118
Hoe Promenade Toilets	0.008	-	-	-	-	0.008
Accommodation Transformation						

Burrington Way - Annex Building Drake Hill Court	0.557	-	-	-	-	0.557
Midland House IT Decommissioning	0.100	-	-	-	-	0.100
Crownhill Court Fit Out	0.002	-	-	-	-	0.002
Go Green Employee Travel Plan	0.033	-	-	-	-	0.033
Economic Development						
Inclusive Economy Fund	0.172	0.063	0.025	0.016	0.008	0.285
PEC Homes	0.030	-	-	-	-	0.030
Oceansgate Remediation/separation works	0.061	0.385	0.372	-	-	0.817
Oceansgate Phase 3.1 - Innovation Area	0.982	6.572	-	-	-	7.554
Plymouth & South Devon Freeport A38 Deep Lane Pedestrian/Cycle Bridge	0.500	3.519	-	-	-	4.019
Plymouth & South Devon Freeport Project: Land Acquisition at Sherford	3.150	0.550	-	-	-	3.700
Plymouth and South Devon Freeport Sherford Business Park	0.720	0.480	-	-	-	1.200
Plymouth and South Devon Freeport Dredging	0.382	-	-	-	-	0.382
Plymouth & South Devon Freeport : Princess Yachts Factory Extension	-	0.315	-	-	-	0.315
Plymouth and South Devon Freeport Langage Core Infrastructure	0.957	0.768	-	-	-	1.725
Plymouth & South Devon Freeport Langage Spine Road Design	0.783	2.974	-	-	-	3.757
Langage Development Phase 2	0.107	0.107	-	-	-	0.214
Langage Development South Phase 2 (Freeport Site)	2.559	3.967	2.129	-	-	8.654
Plymouth International Medical & Technology Park	0.084	0.016	-	-	-	0.100
Cot Hill Trading Estate	-	-	0.707	-	-	0.707
Land at Embankment Road	0.000	3.480	10.441	-	-	13.921
Asda Development	0.020	6.710	10.677	5.000	-	22.407
Derriford District Centre	8.283	0.488	-	-	-	8.771
Millbay Hotel	-	-	9.500	8.534	-	18.034
Quality Hotel	0.020	0.058	-	-	-	0.078
Brickfields	0.148	0.698	-	-	-	0.845
PfH Bath Street	0.070	0.882	-	-	-	0.952
39 Tavistock Place	0.236	0.075	-	-	-	0.311

Relocation of Shekinah	0.011	-	-	-	-	0.011
Highway Works At The Former Seaton Barracks Site	0.015	-	-	-	-	0.015
Future High Streets Fund - Civic Centre	0.800	2.498	-	-	-	3.298
Future High Streets Fund - Guildhall	2.558	1.336	-	-	-	3.894
West End Master Plan						
West End Options Study	0.053	-	-	-	-	0.053
Colin Campbell Court	0.075	-	-	-	-	0.075
3-19 Raleigh St & 91-95 New George St	0.031	0.220	-	-	-	0.251
Colin Campbell Court Demolitions	0.094	0.500	-	-	-	0.594
Plymouth Health and Wellbeing Hub at Colin Campbell Court	0.175	-	-	-	-	0.175
Plymouth Community Diagnostic Centre	0.062	0.450	-	-	-	0.512
Toys 'R Us	0.002	1.268	-	-	-	1.271
Plymouth Rail Station Forecourt	0.087	2.736	4.516	-	-	7.338
Plymouth Rail Station MSCP	0.027	0.031	0.011	2.606	12.144	14.819
Rail Station Accommodation Block	0.530	1.448	1.936	-	-	3.914
Rail Station Demolition of RISC Building	0.350	-	-	-	-	0.350
Plymouth Station - Concourse Phase 2	0.017	0.281	1.459	-	-	1.757
Plymouth Rail Station - North Cross Improvements	0.005	-	-	-	-	0.005
UKSPF: Nudge Community Builders	0.206	-	-	-	-	0.206
UKSPF: Four Greens	0.057	-	-	-	-	0.057
UKSPF: City College Plymouth	0.040	-	-	-	-	0.040
UKSPF: Real Ideas Organisation	0.050	-	-	-	-	0.050
UKSPF: PCC & YMCA Plymouth	0.050	-	-	-	-	0.050
PSNMP - Tinside 1st Floor	1.045	-	-	-	-	1.045
PSNMP - Tinside Terrace	0.499	-	-	-	-	0.499
PSNMP - Tinside B	0.491	-	-	-	-	0.491
PSNMP - Tinside Enabling & Renovation	1.172	-	-	-	-	1.172
PNSMP - Mount Edgcumbe	0.035	0.906	-	-	-	0.942

PSNMP - Mount Batten Main Works	1.867	2.258	-	-	-	4.125
PSNMP - Mount Batten Pontoon	0.230	1.338	-	-	-	1.568
PSNMP - Firestone	0.000	0.175	-	-	-	0.175
PSNMP - Ernesettle	0.159	0.153	-	-	-	0.312
PSNMP - Digital	0.082	0.096	0.015	0.025	0.015	0.233
PSNMP - Interpretation	0.023	0.135	0.058	0.034	-	0.250
PSNMP - Species and Habitat	0.140	0.190	0.180	0.165	0.119	0.795
PSNMP - Action Plan Delivery	0.002	0.053	0.002	0.002	0.002	0.060
PSNMP - Contingency and Inflation	0.018	0.287	0.152	0.192	0.138	0.787
UKSPF: Love Plymouth	0.042	-	-	-	-	0.042
Mount Edgcumbe Orangery Toilets	0.013	-	-	-	-	0.013
Mount Edgcumbe Deerfield Carriages	0.053	-	-	-	-	0.053
Mount Edgcumbe Garden Battery Enabling Works	0.027	0.018	-	-	-	0.045
Mount Edgcumbe Vehicle	0.012	-	-	-	-	0.012
Mount Edgcumbe English Garden House	0.326	-	-	-	-	0.326
Mount Edgcumbe Marquee	0.020	-	-	-	-	0.020
STRATEGIC PLANNING & INFRASTRUCTURE:						
STRATEGIC DECARBONISATION PROGRAMME						
Civic Centre District Energy	0.060	0.030	-	-	-	0.090
Civic Centre District Energy - Phase 2	0.110	1.067	0.350	1.423	-	2.950
Civic Centre District Heating Grant	-	-	-	0.050	0.275	0.325
Chelson Meadow Solar Farm	0.030	4.765	8.212	2.946	-	15.953
Local Electric Vehicle Infrastructure (LEVI)	-	1.400	0.600	0.415	-	2.415
Solar Roof Tops	0.017	-	-	-	-	0.017
Theatre Royal Car Park - Solar Scheme	0.015	-	-	-	-	0.015
PCC LED Lighting Replacement Programme	0.127	-	-	-	-	0.127
Heat Decarb Phase B.1 Harewood House	0.073	0.385	-	-	-	0.458
Heat Sourcing in Corporate Buildings (Big 4 + Next 7 Decarbonisation)	0.284	0.195	-	-	-	0.479

Home Energy Efficiency						
Home Energy - Eco Homes pot	0.000	0.251	-	-	-	0.251
Social Housing Decarbonisation Wave 2.1	1.100	-	-	0.335	-	1.435
Home Upgrade Grant HUG Phase 2	0.865	-	-	2.488	-	3.353
INFRASTRUCTURE IMPROVEMENT PROGRAMME						
Millbay Boulevard	0.002	-	-	-	-	0.002
Sutton Harbour Public Realm Improvements	-	-	-	0.032	-	0.032
Development Funding	0.480	-	-	-	-	0.480
STRATEGIC TRANSPORT PROGRAMME						
Forder Valley Link Road	0.148	1.431	0.200	-	-	1.779
Forder Valley Interchange	0.012	0.340	0.025	-	-	0.377
Charlton Road	0.192	1.845	-	-	-	2.038
N Corridor Junction Imps	-	0.014	-	-	-	0.014
E Corridor Junction Improvements	0.041	0.225	-	-	-	0.266
Charles Cross	0.010	0.180	-	-	-	0.190
Woolwell to The George Phase 2 (Widening)	3.926	13.632	8.478	-	-	26.037
Woolwell to The George Phase 3 (Park & Ride)	-	1.101	-	-	-	1.101
Morlaix Drive Access Improvements	0.287	0.045	-	-	-	0.332
A379 Pomphlett to The Ride	0.021	0.034	-	-	-	0.054
A38 Manadon Interchange (LLM)	1.027	-	-	-	-	1.027
Plymouth Major Road Network	0.746	5.672	-	-	-	6.418
Automated Traffic Counters	0.050	-	-	-	-	0.050
SUSTAINABLE TRANSPORT PROGRAMME						
Northern Corridor Strategic Cycle Network	0.018	0.167	-	-	-	0.185
Eastern Corridor Strategic Cycle Network (Colesdown Hill)	0.030	0.070	-	-	-	0.101
Eastern Corridor SCN Colesdown Hill Underbridge	0.338	2.274	0.050	-	-	2.662
National Cycle Network Barrier Removal	0.022	-	-	-	-	0.022
Zero Emission Bus Regional Areas	2.214	10.067	-	-	-	12.281

WWCF - Garfield Terrace	0.004	-	-	-	-	0.004
WWCF - Efford Pathway Brian Vincent Way	0.047	-	-	-	-	0.047
Billacombe Footbridge	-	-	-	0.590	-	0.590
Barbican Footbridge	0.004	-	-	-	-	0.004
Cycle Ci: Broxton Dr to Saltram Meadow R/bout	0.006	-	-	-	-	0.006
Transforming Cities Fund Tranche 2 Grant	1.596	-	-	-	-	1.596
TCF T2 Woolwell to The George	4.244	4.633	0.175	-	-	9.052
TCF T2 Royal Parade Bus Infrastructure	3.371	-	-	-	-	3.371
TCF T2 Mayflower Street Bus Stops	0.022	-	-	-	-	0.022
TCF T2 Crownhill Sustainable Transport Corridor	0.001	-	-	-	-	0.001
TCF T2 St Budeaux Station Interchange	0.954	-	-	-	-	0.954
TCF T2 St Budeaux to Dockyard	0.002	-	-	-	-	0.002
TCF T2 Dockyard to City Centre Walking & Cycling	0.002	-	-	-	-	0.002
TCF T2 Mobility Hubs	1.987	-	-	-	-	1.987
FLOOD RISK MANAGEMENT PROGRAMME						
Longbrook Street Flood Defence	0.001	-	-	-	-	0.001
St Levan Park Flood Defence	0.032	-	-	-	-	0.032
Plym Stonehouse & Durnford St Tidal flood alleviation	0.033	0.067	-	-	-	0.100
Weston Mill Flood Defence	0.010	0.058	-	-	-	0.068
BETTER PLACES PROGRAMME						
City Centre Public Realm Old Town St/ New George St	5.296	-	-	-	-	5.296
Civic Square	0.121	-	-	-	-	0.121
Armada Way	0.212	-	-	-	-	0.212
Armada Way Delivery	9.523	10.370	10.000	-	-	29.893
Royal Parade	-	0.425	-	-	-	0.425
PLAN FOR HOMES PROGRAMME						
Acquisition of West Park	-	0.023	-	-	-	0.023
6 Victoria Place	-	0.158	-	-	-	0.158

Coombe Way, Kings Tamerton LRF & S106	-	0.930	-	-	-	0.930
Elgin Crescent	-	0.083	-	-	-	0.083
Windmill Carpark	0.000	0.102	-	-	-	0.103
PfH Self Build Housing Sites - Clowance Street	-	0.100	-	-	-	0.100
PfH Self Build Housing Sites - Lancaster Gardens	-	0.179	-	-	-	0.179
PfH Register Office Plan	0.001	-	-	-	-	0.001
PfH Plan for Homes Phase 3	-	0.082	-	-	-	0.082
PfH P3 Coombe Way, Kings Tamerton	-	0.210	-	-	-	0.210
PfH PCH Partnership Agreement	-	0.742	-	-	-	0.742
PfH St Helen's Walk	0.035	-	-	-	-	0.035
PfH Livewest Partnership Agreement	-	0.550	-	-	-	0.550
PfH Colebrook Road, Plympton	-	0.150	-	-	-	0.150
PfH P3 Healy Place, Morice Town Dev.	-	0.274	-	-	-	0.274
PfH P3 Stoggy Lane	0.073	0.427	-	-	-	0.500
PfH Empty Homes Financial Assistance	-	0.115	-	-	-	0.115
PfH Broadland Gardens (Development)	0.489	-	-	-	-	0.489
Housing Development - PCC Professional Services	-	0.150	-	-	-	0.150
Asbestos Claims by PCH	0.650	0.356	-	-	-	1.006
TRANSPORT CAPITALISED MAINTENANCE PROGRAMME:						
Structural Maintenance schemes						
Minor Structure Repairs (Reactive)	0.203	-	-	-	-	0.203
Minor Structure Repairs (Preventative)	0.204	0.103	-	-	-	0.307
Laira Bridge Cycle Path	0.399	-	-	-	-	0.399
Street lighting & traffic signals						
Deteriorated Street Lighting Columns Replacement	1.300	1.527	-	-	-	2.827
Traffic signal replacement	0.050	0.191	-	-	-	0.241
Traffic signal repairs	0.140	-	-	-	-	0.140

MOVA Tavistock Road - Upgraded Traffic Signals	-	0.167	-	-	-	0.167
Signal Optimisation	0.197	0.150	-	-	-	0.347
Street lighting Energy Savings	0.276	0.250	-	-	-	0.526
CMS Street Lighting (Challenge Fund)	0.647	1.580	-	-	-	2.227
CCTV						
CCTV Rapid Deployment	0.037	-	-	-	-	0.037
Variable Message Systems CCTV	0.177	-	-	-	-	0.177
Flytipping Intervention Scheme	0.048	-	-	-	-	0.048
Parking						
Mount Wise - Charge Point and Ticket Machine	0.011	-	-	-	-	0.011
Car Parks - Capital Maintenance	0.245	-	-	-	-	0.245
Car Parks - Replacement Payment System	0.040	0.225	-	-	-	0.265
Carriageways						
Carriageway Permanent Repairs	0.612	-	-	-	-	0.612
Carriageway Resurfacing	1.464	-	-	-	-	1.464
Carriageway Micro Asphalt	0.022	-	-	-	-	0.022
Carriageway Lining	0.091	0.140	-	-	-	0.231
Lining Schemes	0.200	-	-	-	-	0.200
Carriageway Skid Resistance	0.539	-	-	-	-	0.539
Carriageway Surface Dressing	0.826	1.085	-	-	-	1.911
Carriageway Pothole Initiative	0.604	-	-	-	-	0.604
Footways						
Footway Permanent Repair	0.624	-	-	-	-	0.624
Footway Resurfacing	0.853	0.100	-	-	-	0.953
Kerb Replacements	0.097	0.140	-	-	-	0.237
Drainage						
Capitalised drainage schemes	0.325	-	-	-	-	0.325
Military Road Adoption Scheme	0.010	0.104	-	-	-	0.114

Gully and Manhole Replacements	0.046	-	-	-	-	0.046
Street Furniture						
Vehicle Restraint System	0.215	-	-	-	-	0.215
Street Furniture Replacements	0.169	0.050	-	-	-	0.219
Grit Bins	0.008	0.021	-	-	-	0.029
Local Safety & Minor Schemes						
TRO Reviews	0.055	-	-	-	-	0.055
Collision Reviews	0.042	-	-	-	-	0.042
Minor Traffic Schemes	0.025	-	-	-	-	0.025
Embankment Road Safety Scheme	0.005	0.215	-	-	-	0.220
Stentaway Rd Footway and Traffic Calming	0.005	0.115	-	-	-	0.120
Millbridge Crossing and 20mph Speed Limit Zone	0.020	0.130	-	-	-	0.150
Safer Journeys to School	0.049	-	-	-	-	0.049
Inclusive Mobility	0.160	-	-	-	-	0.160
Speed Management	0.024	-	-	-	-	0.024
Direction Sign Replacement	0.015	-	-	-	-	0.015
Living Streets						
Living Streets Coordination of Cllr Schemes	0.055	-	-	-	-	0.055
Living Streets Budshead	0.009	-	-	-	-	0.009
Living Streets Compton	0.008	-	-	-	-	0.008
Living Streets Devonport	0.009	-	-	-	-	0.009
Living Streets Drake	-	0.006	-	-	-	0.006
Living Streets Efford and Lipson	0.008	-	-	-	-	0.008
Living Streets Eggbuckland	-	0.009	-	-	-	0.009
Living Streets Ham	0.008	-	-	-	-	0.008
Living Streets Honicknowle	0.003	0.023	-	-	-	0.026
Living Streets Moor View	0.008	-	-	-	-	0.008
Living Streets Peverell	0.008	-	-	-	-	0.008

Living Streets Plympton Chaddlewood	0.004	0.002	-	-	-	0.006
Living Streets Plympton Erle	0.006	-	-	-	-	0.006
Living Streets Plympton St Mary's	0.009	-	-	-	-	0.009
Living Streets Plymstock Dunstone	0.009	-	-	-	-	0.009
Living Streets Plymstock Radford	0.000	0.008	-	-	-	0.008
Living Streets St Budeaux	0.001	0.028	-	-	-	0.029
Living Streets St Peter and Waterfront	-	0.008	-	-	-	0.008
Living Streets Southway	-	0.008	-	-	-	0.008
Living Streets Stoke	0.000	0.027	-	-	-	0.027
Living Streets Sutton and Mount Gould	-	0.018	-	-	-	0.018
ENVIRONMENTAL SERVICES						
Replacement of Hire Vehicles	1.026	1.078	-	-	-	2.104
Street Scene & Waste Vehicles	0.598	4.233	-	-	-	4.831
Electric Vehicles	0.078	-	-	-	-	0.078
Fleet Decarbonisation Programme (Climate Emergency Fund)	-	0.380	-	-	-	0.380
Grass Cutting Equipment 2024	0.154	-	-	-	-	0.154
Garden Waste Collection Vehicles	-	0.021	-	-	-	0.021
Garden Waste Collection Containers	-	0.033	-	-	-	0.033
Food waste collection service vehicles and containers	-	2.212	0.077	0.008	-	2.297
Container Provision	0.227	0.304	0.190	0.190	0.190	1.101
RETAINED WASTE - Chelson Meadow restoration						
Chelson Meadow Closure & Leachate Plant Upgrade	0.063	-	-	-	-	0.063
ENVIRONMENTAL IMPROVEMENT PROGRAMME						
Green Minds						
Visual Impact Mitigation Scheme (VIMS)	0.038	0.200	-	-	-	0.238
Strategic Green Spaces						
Derriford Community Park - Phase 1 Biodiversity Improvements	0.020	0.170	-	-	-	0.190
Derriford Community Park - Phase 5	0.237	0.332	0.046	-	-	0.615

Derriford Community Pk P5 Paddock Cabin	0.363	-	-	-	-	0.363
Central Park Improvements	0.715	-	-	-	-	0.715
Playing Pitches & Play						
Bond Street Playing fields (Southway Community Football Facility)	0.045	0.245	-	-	-	0.290
Higher Efford Play Pitch Enhancements	0.036	-	-	-	-	0.036
Marine Academy Plymouth 3G Pitch	0.002	-	-	-	-	0.002
King George V Playing Fields	0.004	0.010	-	-	-	0.014
Staddiscombe Sports Improvements	0.023	-	-	-	-	0.023
Improving Outdoor Play Phase 3	0.006	0.137	-	-	-	0.143
Tennis Improvements - Devonport Hartley and Tothill Park	0.005	0.002	-	-	-	0.007
Nature & Trees						
Plan for Trees	0.284	0.052	0.033	0.020	-	0.388
Natural Infrastructure Works on A386	0.002	0.007	0.002	0.002	0.002	0.014
PNG P2 Nature based solutions for Climate Change	0.168	0.034	0.023	0.023	0.020	0.268
Improvements of Allotments PL9	0.012	-	-	-	-	0.012
Ply & S.Devon Community Forest	3.195	4.118	-	-	-	7.313
Ocean City Biodiversity - Ply Habitat Bank Loan	0.150	0.350	-	-	-	0.500
Dunstone Woods	-	0.013	-	-	-	0.013
Public Health						
Bereavement Infrastructure	4.219	-	-	-	-	4.219
Rees Centre Wellbeing Hub	0.045	-	-	-	-	0.045
Plymouth Life Centre						
Plymouth Life Centre - Pool Covers	0.019	-	-	-	-	0.019
Plymouth Life Centre - Gym Refurbishment	0.487	-	-	-	-	0.487
Brickfields						
Brickfields - Relocation of Hockey Facility	1.534	0.270	-	-	-	1.804
Brickfields - Relocation of Pétanque Facility	0.184	-	-	-	-	0.184
TOTAL	120.007	162.315	74.988	25.540	13.015	395.864

Scrutiny Management Board



Date of meeting:	21 January 2025
Title of Report:	Finance Monitoring Report November 2024
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:	Click here to enter text.
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 8.

Recommendations and Reasons

That Cabinet notes:

1. The forecast revenue monitoring position at Period 8 as set out in this report is an adverse variance of £2.459m
2. 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. The Capital Budget 2024-2029 is revised to £393.041m as shown in Table 3.
Reason: controlling the outturn within budget is essential to maintain financial control with full transparency on the Capital Investments.

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 8 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
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:

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Originating Senior Leadership Team member: David Northey, Service Director for Finance

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 20/12/2024

Cabinet Member approval:

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

	Budget £m	Forecast £m	Variance £m
Total General Fund Budget	241.622	244.081	2.459

This report highlights an adverse variance monitoring position at Month 8 (November 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	7.154	7.114	(0.040)	under
Customer and Corporate Directorate	36.250	38.808	2.558	over
Children's Directorate	75.431	84.137	8.706	over
Adults, Health and Communities Directorate	108.921	110.980	2.059	over
Public Health	2.703	2.703	0.000	nil variance
Growth Directorate	31.472	30.679	(0.793)	under
Corporate Account & Council wide items	(20.309)	(30.340)	(10.031)	under
Total	241.622	244.081	2.459	over

*Please note that Directorate budgets have changed since Month 6 due to the allocation of pay award budgets.

The reported position is an adverse variance of £2.459m. This is an improvement of £0.987m since Month 7.

Chief Executive's Office

Chief Executive Office is reporting a saving of (£0.040m) at Month 8, this is unchanged from month 7.

Customer and Corporate Services Directorate

Month 8 Position – Customer and Corporate Directorate	Variance £m	RAG Rating
Pressures		
Hard Facilities Management and loss of income from Guildhall closure	2.500	Amber
Housing Benefit Subsidy Gap	0.320	Amber
Savings / mitigations		
Net savings across directorate	(0.262)	Amber
Variance currently not mitigated	2.558	

At Month 8 the pressure has increased by £1.644m from the Month 7 position, meaning £2.558m has been identified as unmitigated.

The forecasted pressure within Hard FM has increased by £1.644m to reflect an updated spend profile on Facilities Management repairs and maintenance for 24/25. Work to capitalise costs where possible and focus on priority repairs and maintenance only remains ongoing. The Housing Benefit subsidy gap pressure of £0.908m remains unchanged, which has been offset by (£0.588m) reduction in Bad Debt Provision, the net position is therefore £0.320m pressure. Savings within Business Support (£0.100m) are due to additional vacancies and ad hoc savings. Within HR and ICT there is a forecasted reduction in spend on licences and training (£0.080m). 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	4.661	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		
Assumption Placement Step Downs	(1.123)	Red
Variance currently not mitigated	8.706	

- At Month 8 pressures totalling £8.706m are currently being flagged as unmitigated.

- In-year Placement monitoring shows a net pressure of £4.661m, this is an increase of £1.076m 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 £3.538m. 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 is has not attracted permanent experienced social workers.
- 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 recoument 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 years' 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 8 Position – Adult Social Care	Variance £m	RAG Rating
Pressures		
Reduction in client income	2.596	Amber
Care Package Expenditure	0.759	Amber
Other service pressures	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 – Health Contributions Review	(0.400)	Amber
Variance not currently mitigated	1.438	

- At Month 8 pressures totalling £1.438m are currently being flagged as unmitigated, this is unchanged from the Month 7 position.
- Pressures within Nursing Long Stay Care Packages (£0.734m), Short Stay Packages (£0.313m), Domiciliary Care (£0.204m) and Supported Living (£0.266m) are being offset in part by savings in other package types including Direct Payments and Residential Care, resulting in a net pressure of £0.759m on Care Package expenditure budgets.
- Pressures due to reduced Client Income are being flagged; the bulk of which are within Fairer Charging (£1.930m) and Residential Client Income (£0.670m) which are having a significant impact on the budget, totalling a forecast pressure of £3.096m. The forecast has improved by £0.500m since Month 6 due to additional Joint Funding following a review of high-cost placements.
- 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.
- At Month 8 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.

Community Connections

Month 8 Position – Community Connections	Variance £m	RAG Rating
Risk: Increase in numbers in Temporary Accommodation	0.535	Amber
Risk: Delivery Plans – Expected delays in planned activity	0.400	Amber
Other service pressures	0.215	Amber
Mitigation: Salary savings, grant maximisation and line by line budget review	(0.529)	Amber
Position to report at Month 8	0.621	

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 £0.400m at Month 8. To mitigate this, further work is being undertaken alongside the larger property purchase projects to find alternative properties.

The Service is also seeing continued growth in numbers of people needing temporary accommodation, resulting in a pressure of £0.535m. Whilst this is expected to be covered in part by staffing savings and grant maximisation a pressure of £0.621m remains unmitigated.

Office of the Director of Public Health (ODPH)

Month 8 Position – ODPH	Variance £m	RAG Rating
Risk: Bereavement Service (increased Service Borrowing, reduced income)	0.638	Amber
Mitigation: Leisure Management efficiencies (Service Borrowing and Electricity)	(0.117)	Amber
Mitigation: Savings within Public Protection Service (staffing)	(0.051)	Amber
Mitigation: Reviewing forecast expenditure, income and capitalisation of costs associated with the new Crematorium.	(0.470)	Amber
Position to report at Month 8	0.000	

Additional service borrowing and reduced income within Bereavement are creating forecast pressures of £0.638m 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 8

Growth Directorate

Growth Directorate Month 8 Budget Monitoring Summary		£m Variance
Pressures		1.722
- Shortfall on Legacy Delivery Plan savings	1.128	
- In year business as usual pressures	0.594	
Mitigations / savings		(2.515)
- Economic Development, including lease income	(1.015)	
- Assumed 24-25 Energy from Waste profit share income (tbc)	(1.500)	
Variance to report		(0.793)

The Growth Directorate are projecting total known cost pressures of £1.722m.

This has fallen by £0.521m, since the reporting of a £1.992m total cost pressure, & £0.251m risk in Month 7. This is largely as a result of management actions to contain costs and maximise income.

£1.128m of the £1.7m 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.

£0.594m of business-as-usual pressures, are arising largely in the delivery of Street Scene & Waste, & Grounds. This includes from a need for agency staff, unscheduled vehicle maintenance & external hire.

It is forecast that these £1.722m pressures, can be mitigated by an estimated (£2.515m) of mitigation measures. Mitigations include income maximisation from assumed future Energy from Waste profit share, and commercial lease renewals.

Corporate Items & Council wide

Month 8 Position – Corporate Items	Variance £m	RAG Rating
Pressures		
Facilities Management – Corporate costs	0.316	Amber
Pay Award	0.633	
Mitigations		
Treasury Management Savings	(1.889)	Amber
Release of general contingency	(3.913)	Green
Release of minimum revenue provision contribution not required	(3.494)	Green
Contingency brought forward from prior years	(0.384)	Green
Prior year council tax surplus	(1.000)	Green
Release of insurance provision	(0.300)	Green
Variance to report at Month 8	(10.031)	

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 to support pressures within Directorate budgets.

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

The pay award for 2024/25 has now been agreed which resulted in additional costs of approximately £3.8m, this was £0.633m more than budgeted for which has put a pressure on the Corporate budget. Treasury Management savings due to project slippage £1.700m have been also been added.

At Month 8 budget held for Minimum Revenue Provision of £3.494m that is no longer required has been released to offset pressures within Service areas.

A quarterly review of Business Rates, including the Business Rates Pool, and Council Tax collections versus assumptions was undertaken at Quarter 2. An increase to the Pooling Gain assumption and additional s31 grants expected removes previously anticipated pressures within Core Resources. This will be updated at Quarter 3.

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 November 2024 incorporates the movement from capital position as at 31st October 2024. The five-year capital budget 2024-2029, is currently forecast at £393.041m as at 30th November 2024.

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

A further breakdown of new projects that have been added to capital programme is listed in table 2.

Capital Programme movement

Table 3 The Capital budget consists of the following elements:

Description	£m
Capital Programme as at 31 st October 2024 for 5 year period 2024 - 2029	388.668
New Approvals – November 2024 breakdown see table 2	5.302
Variations – November 2024	-0.929
Capital Programme as at 30 November 2024	393.041

The approved capital pipeline is £76.923m and reflects projects that have been endorsed either through Capital Programme Board or noted through Cabinet decisions.

Budgets removed as variations.

- PSNMP – Digital - £0.859m (RF grant)
- PSNMP – Species and Habitat - £0.070m (RF grant)

Table 4 Breakdown of new approvals, marked to show those approved through CPOG

Service / Directorate	Governance	New Approvals	5 Year Programme Approvals £m	C P O G	Financed By
CCO	Exec Dec	Mount Edgcumbe Slipway	0.550	✓	URF CB
CCO	Exec Dec	Replacement of CoreHR for ITrent	0.958		URF CB
CS	Exec Dec	Early Years Capital Expansion Programme	0.435		RF Grant
ED	Exec Dec	Future High Streets Fund - Guildhall	0.491	✓	RF SB
SS	Exec Dec	Food Waste Collection Service Vehicles and Containers	2.297	✓	RF Grant/RF SB
SS	S151	Military Road Adoption Scheme	0.114	✓	RF Cont
ED	S151	Mount Edgcumbe Garden Battery Enabling Works	0.045	✓	RF Cap Rec
ED	S151	Mount Edgcumbe Vehicle	0.012	✓	RF Cap Rec
CS	S151	Residential Short Breaks	0.200	✓	RF SB
CS	S151	SEND Sufficiency Plan Programme	0.200	✓	URF Grant
Total Capital Approvals			5.302		

*Executive Decision (Published)

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

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

A breakdown of the current approved capital budget by directorate and by funding is shown below in Table 5.

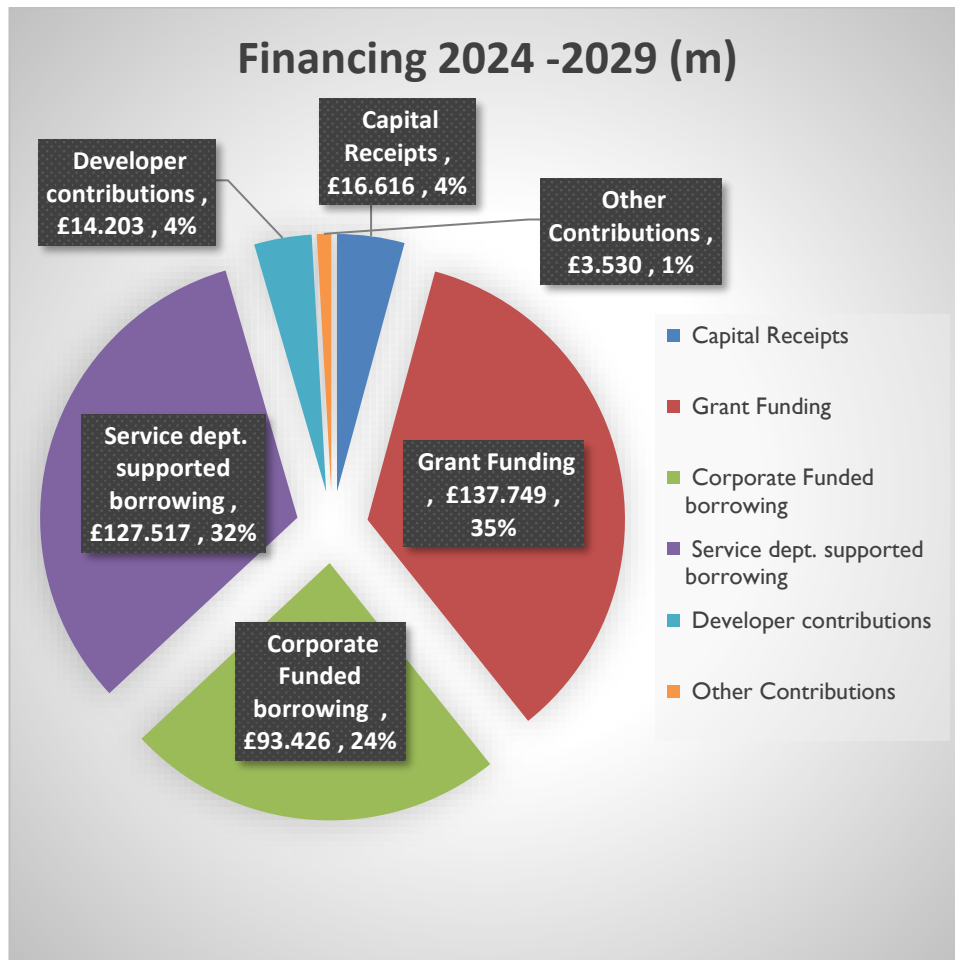
Table 5 Capital Programme by Directorate

Of the total programme financing totalling £220.943m (56.2%) will ultimately require external borrowing to meet cashflow requirements which are subject to working capital limiting the immediate need to borrow.

Directorate	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Children's Services	1.519	0.161	-	-	-	1.680
Adults, Health and Communities	19.020	19.247	2.617	0.164	-	41.048
Growth - Economic Development	35.103	44.353	42.032	16.575	12.415	150.478
Growth - Strategic Planning & Infrastructure	51.223	48.891	34.347	8.294	0.275	143.030
Growth - Street Services	22.145	16.883	0.372	0.241	0.212	39.853
Customer & Corporate Services	4.614	4.451	0.728	0.280	0.101	10.174
Office for Director of Public Health	6.708	0.070	-	-	-	6.778
Total	140.332	134.056	80.096	25.554	13.003	393.041

Finance by:	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£m	£m	£m	£m	£m	£m
Capital Receipts	3.297	1.763	9.368	0.180	2.008	16.616
Grant Funding	81.270	52.321	0.741	3.224	0.193	137.749
Corporate Funded borrowing	25.277	36.555	27.550	3.666	0.378	93.426
Service dept. supported borrowing	25.216	38.733	35.166	18.080	10.322	127.517
Developer contributions	3.328	3.361	7.271	0.141	0.102	14.203
Other Contributions	1.944	1.323	-	0.263	-	3.530
Total	140.332	134.056	80.096	25.554	13.003	393.041

Financing presented as a percentage



Capital Programme 2024/25 monitoring

Table 4 below includes a breakdown by directorate of actual cash spend as at 30 November 2024 shown as a value and percentage against latest forecast, overall 38.52%. The comparable percentage for 2023 was 41.53%.

Analysing historical monthly actual figures to overall outturn for years 2019 – 2024 has identified an average percentage spend as at 30 November averaging 59.69% of final outturn. Applying this to current year actual spend with a 10% contingency threshold would indicate a 2024/25 outturn forecast closer to £110m.

Table 4 2024/25 Programme including actual spend and % spent compared to latest forecast

Directorate	Latest Forecast 2024/25	Actual Spend as at 30 Nov 2024	Spend as a % of Latest Forecast
	£m	£m	%
Children's Services	1.518	0.560	36.88%
Adults, Health and Communities	19.020	9.840	51.74%
Growth - Economic Development	35.103	12.233	34.85%
Growth - Strategic Planning & Infrastructure	51.223	15.740	30.73%

Growth - Street Services	22.145	9.519	42.99%
Customer & Corporate Services	4.614	1.783	38.63%
Office for Director of Public Health	6.708	4.381	65.30%
Total	140.332	54.056	38.52%

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 targeted exercise is being undertaken towards Q3 reporting which will feed into the 2025/26 budget setting report.

The borrowing impact to future revenue budgets to fund capital programme remains high, with additional revenue resources being required of at least £2m to £4m based on current approved capital programme. This assumes borrowing rate reductions indicated by Treasury Management advisors which starting in September 2024 with an central case for future Bank of England rates at 3.75% by 2026.

Treasury Management Dashboard – November 2024

Prudential Indicators / Borrowing				
Operational Boundary for borrowing £1,069m				
Approved Authorised Limit for borrowing £1,169m				
	2023/24	2024/25 @ 31/10/24	2024/25 @ 30/11/24	Current Av. Rate
	£m	£m	£m	
Short Term	85.0	85.0	85.0	1.25%
PWLB	482.5	482.5	482.5	3.32%
LOBO	64.0	59.0	54.0	4.40%
Long Term	18.0	18.0	18.0	4.37%
TOTAL	649.5	644.5	639.5	3.17%

Current investments				
	Purchase Price @ 31/03/24	Fair Value @ 30/11/24	Purchase Price @ 30/11/24	Current Av. Rate
	£m	£m	£m	
Bank Investments	1.3	1.2	1.2	1.76%
MMF	22.5	31.1	31.1	4.81%
CCLA funds	25.0	25.5	25.0	5.12%
Other funds	30.0	25.9	28.9	6.40%
TOTAL	78.9	83.8	86.3	5.39%

Movement in borrowing is due to the Council having sufficient cash to reduce the immediate need to replace the second LOBO loan arrangement called in during November.

Short term borrowing through other local authority lending maturing during November has been replaced with slightly higher rates causing the average interest to change from 1.20% to 1.25%, £75m of which is covered by the rate swap arrangement.

The forecast interest payable for 24/25 £22.532m. This is made up of £21.914m actual interest payable on existing/maturing borrowing arrangements. A further £0.613m is forecast interest payable on projected part year borrowing arrangements to support cashflow needs. Forecast borrowing assumes an interest rate of 5% can be secured which currently comes with a risk.

Current investments are reflecting increasing cash holdings being held in Money Market Funds that recognises the Council's cashflow is generally higher earlier in year from revenue income streams. Income from investments forecast has increased from £4.753m to £5.017m.

Further information on the fair value of current investments is shown, noting that whilst the overall capital value has reduced the actual return on investment is remaining strong.

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Treasury Management Strategy 2025/26



Councillor Mark Lowry
Cabinet Member for Finance

This Strategy demonstrates the network of controls that are in place to provide confidence in the way we management of our investments and borrowing.

It also demonstrates our commitment to sound management and control of the Council's cash and investments and forms a key strand of the Medium Term Financial Strategy and Budget.

David Northey
Service Director for Finance (SI51 Officer)

This Strategy is designed to underpin the Council's ambition to invest in the future of Plymouth. The strategy sets out a framework within which the Council's treasury management needs and risks can be managed successfully.

The recent turbulence with the financial markets and world economy has had an impact upon borrowing and investment rates of interest. This Strategy will help support the council in responding to this volatility in the short to medium term.

The strategy will keep us within our prescribed limits under the Prudential Code.

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Introduction

Treasury Management is the management of the Council’s cash flows, borrowing and investments, and the associated risks. Of necessity, the Council borrows and invests substantial sums of money and is therefore exposed to financial risks including the effects of changing interest rates.

This Treasury Management Strategy sets out how the Council will invest to meet future Infrastructure needs in an affordable way.

INVESTMENTS – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

- To achieve the best secure investment returns
- To achieve a balanced spread of maturities and commitments
- To achieve the right mix of borrowing vehicles
- To balance risk against return

Market Intelligence

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

Statutory and Performance Framework <i>Rules that guide us</i>	Investments <ul style="list-style-type: none"> • Sterling only • Can use UK Government, Local Authority or a body of high credit quality. • The Council defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher and domiciled in UK
	Counterparties and Limits (see table on page 20)
	Investment Limits – subject to Counterparty table on page 20 <ul style="list-style-type: none"> • Unlimited UK Government • Unlimited Money Market Fund • £25m any single local authority or government entity • £25m secured investment. • £10m per Bank (unsecured) • £20m unrated corporates • £60m Strategic Pooled Funds • £10m Real estate investment
Approach <i>Choices made within the framework</i>	Key Council Budget Assumption for 2025/26 <ul style="list-style-type: none"> • Investments make an average rate of return of 5%
	Objective - Security first, Liquidity second and then Yield. Strategy - to maximise returns, reduce risk and diversify investments. Risk Assessment and credit ratio - Our advisors monitor credit ratings daily so any new investments will be made using the latest credit information. Other information on security of Investments - Market intelligence from our advisors may give warnings before credit warning changes e.g., credit default swaps information

BORROWING – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

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

Market Intelligence

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

<p style="text-align: center;">Statutory and Performance Framework</p> <p style="text-align: center;"><i>Rules that guide us</i></p>	<p>Borrowing</p> <ul style="list-style-type: none"> • £69m Total Capital Expenditure • £997m Capital Finance Requirement (need to borrow) • £837m Total Debt (loans and private finance initiative) • £1054m Operational Boundary (practical ceiling on borrowing) • £1104m The Authorised Limit (absolute maximum debt approved)
	<p>Prudential Indicators</p> <ul style="list-style-type: none"> • 21.33% Ratio of finance costs to net revenue stream (borrowing costs as a proportion of net revenue budget)
	<p>Treasury Management Indicators</p> <ul style="list-style-type: none"> • 90% Limit on Fixed Interest Exposure • 50% Limit on Variable Interest Rate • 0% to 80% Maturity Structure of Borrowing, exposure in any duration
	<p>Minimum Revenue Provision Policy (MRP)</p> <ul style="list-style-type: none"> • Annuity Method • PFI/Leases can be charged on an annuity method over the life of the asset. • Option for capital receipts to be used towards repaying debt
	<p>Key Council Budget Assumption for 2025/26</p> <ul style="list-style-type: none"> • New long-term loans will cost an average rate of 4.5%
<p style="text-align: center;">Approach</p> <p style="text-align: center;"><i>Choices made within the framework</i></p>	<p>Objective - The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. In addition to ensure required short term borrowing is held to maximise benefit from hedging arrangement.</p> <p>Strategy Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.</p>

Sources of Finance - Banks or Building Society, Public Works Loan Board, Pension Funds, Capital Market Bonds, Municipal Bonds Agency, anyone with whom we would invest. Also, Leasing, PFI, Sale & Lease back

LOBOs With interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Authority will take the option to repay LOBO loans to reduce refinancing risk in later years

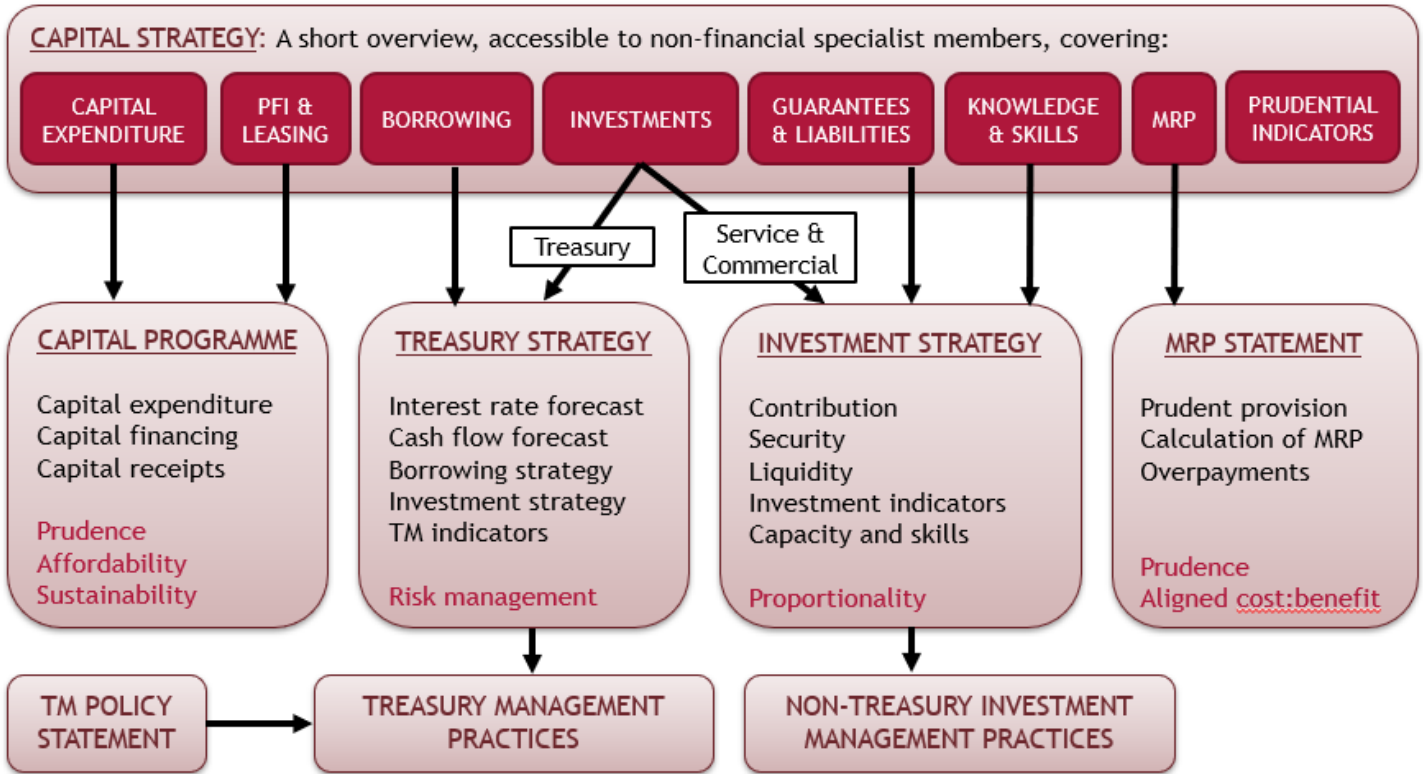
Municipal Bonds Agency Council will use where appropriate as this is a more complicated source of finance. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Debt Restructuring A present value calculation based on current rates for the same period of loan may result in a discount or premium.

- Council will re-schedule if it reduces cost or risk

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

Strategy Reports: England



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

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

Economic background as at September 2024: As expected, the MPC held Bank Rate at 5.0% in September. While the “no change” majority of eight to one was unexpectedly strong, the minutes suggested some policymakers believed a gradual approach to loosening policy was warranted given the persistence of services inflation, rather than no loosening at all. This is in line with our long-held view that Bank Rate will initially reduce gradually before a more rapid decline in 2025 as services inflation eases.

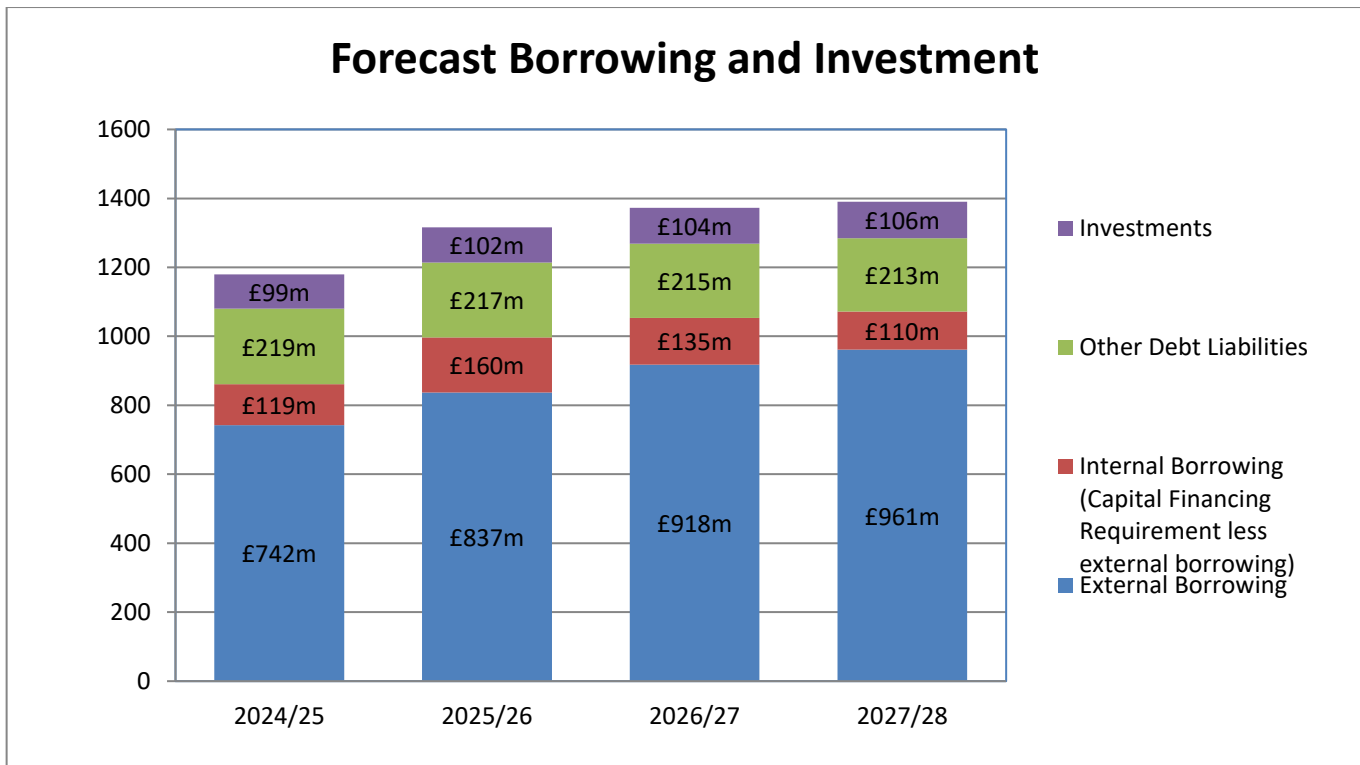
The final Treasury Management Strategy for 2025/26 taken to full council in February 2025 will reflect later and more timely updates.

Interest Rate Forecast

The Authority’s treasury management adviser Arlingclose have indicated following the Monetary Policy Committee (MPC) decision to hold the bank rate at 5 % in September. The MPC will continue to cut rates to stimulate the UK economy but will initially be cautious given lingering domestic inflationary pressure. We see another rate cut in 2024 (Q4), but more significant monetary easing in 2025, with Bank Rate falling to a low of around 3%

Part 2 – Technical Detail for Analysis

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



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

Maximum Total Debt

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

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

The Council held £649.5 million of loans in as at 31 March 2024. This was an increase of £97 million on the previous year. This reflected the need to fund borrowing to support the capital programme offset by use of Treasury Management working balances to limit draw on external funding where possible.

The Council expects to hold borrowing up to £ 743m in 2024/25. The total borrowing must not exceed the authorised limit set by the Council of £1,130m which includes estimated long term liabilities of £219m. This is subject to review once the full impact of IFRS16 is known which although will be fully implemented for the Statement of Accounts for 2024/25 there will be implications for the authorised borrowing limits.

Objectives of Borrowing Decisions

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

It is much cheaper to borrow for a short period now we will look for opportunity to fix borrowing over long term where affordable.

Borrowing Strategy

Given the significant cuts to public expenditure and to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. The previous differential with short-term interest rates being much lower than long-term rates has disappeared as Local Authorities seek to maximise a return on their investments. It is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead in order to be in a position to secure interest savings as rates reduce.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council has taken the opportunity to refinance some of its short-term borrowing with long term fixed rate borrowing from PWLB. This has reduced the Council's short-term borrowing and therefore reduced the interest rate risk (risk of interest rates rising).

There will be additional costs for taking the additional PWLB borrowing but it gives the Council certainty over more of its fixed costs. Long-term fixed rate loans remove the interest rate risk by fixing the rate for the term of the loan. These are popular among local authorities but are relatively expensive.

The Council will continue to review its portfolio of borrowing and may refinance its debt dependant on the market conditions. The benefits of short-term borrowing will continue to be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly.

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

The Council will reschedule or repay loans where this is expected to lead to an overall cost saving or a reduction in risk to reduce the overall long-term costs of the loan portfolio.

The Council will only borrow from approved sources.

These are the lenders we are able to use.

Sources of Borrowing

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

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

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

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

The Council continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.

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

Lender's Option Borrower's Option (LOBOs)

The Authority holds £59m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

There has been a £5m call in so far in 2024/25. Opportunities to repay any LOBO obligations will be considered when it can be demonstrated to be cost effective.

A further £5m of these LOBOs have options during 2024/25, it is currently held at a rate below BoE rate and is at a lower rate than the one called in earlier this year. If the option is exercised then the Authority will take the option to repay LOBO loans to reduce refinancing risk in later years.

The Municipal Bonds Agency may offer an alternative for short term borrowing

Municipal Bond Agency (MBA)

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities.

This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

Short-term and Variable Rate loans

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

Debt Rescheduling

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

The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

Prudential Indicators 2025/26

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

Estimates of Capital Expenditure

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

The Council's planned capital expenditure and financing forecast at September 2024 is summarised as follows. This incorporates reprofiling assumptions for current and future years based on a trend analysis using past years.

Capital Expenditure and Financing	2024/25 Forecast £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m
General Fund	158.927	109.513	72.995	18.065
Total Expenditure	158.927	109.513	72.995	18.065
Capital Receipts	3.230	1.763	9.368	0.180
Grants and Contributions	91.734	37.694	6.945	0.105
Revenue	2.541	0.831	0.043	0.000
Borrowing	61.422	69.225	56.639	17.780
Leasing and PFI	0.000	0.000	0.000	0.00
Total Financing	158.927	109.513	72.995	18.065

Estimates of Capital Financing Requirement

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

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

Capital Financing Requirement	31 Mar 24 Actual £m	31 Mar 25 Forecast £m	31 Mar 26 Forecast £m	31 Mar 27 Forecast £m
General Fund	866.405	927.827	997.051	1,053.690
Total CFR	866.405	927.827	997.051	1,053.690

The Council has an increasing CFR and is forecast to rise by £187.285m over the next three years for the capital programme and therefore will require additional borrowing.

Gross Debt and the Capital Financing Requirement

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

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

Debt	31 Mar 24 Actual £m	31 Mar 25 Forecast £m	31 Mar 26 Forecast £m	31 Mar 27 Forecast £m
Borrowing	655.532	742.422	836.646	918.285
PFI liabilities & Finance Leases*	118.500	219.000	217.000	215.000
Total Debt	774.032	961.422	1,053.646	1,133.285

* A provision has been made for IFRS 16 to allow for operating leases being brought onto the balance sheet as a debt liability with effect from 1 April 2024. Working is ongoing to assess the impact

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

Operational Boundary for External Debt

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

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

Operational Boundary	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Borrowing	742.422	836.646	918.285	961.065
Other long-term liabilities	219.000	217.000	215.000	213.000
Total Debt	961.422	1053.646	1133.285	1174.065

Authorised Limit for External Debt

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

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

Authorised Limit	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Borrowing	887.000	969.000	1011.000	1047.000
Other long-term liabilities	217.000	215.000	213.000	211.000
Total Debt	1104.000	1184.000	1224.000	1258.000

Ratio of Financing Costs to Net Revenue Stream

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

This measure demonstrates that our proposed borrowing is affordable.

Ratio of Financing Costs to Net Revenue Stream	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	19.24%	21.33%	21.35%	22.5%

Adoption of the CIPFA Treasury Management Code

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

Treasury Management Investment Strategy

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

Introduction

The Authority invests its money for three broad purposes:

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

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

This sets out how we invest any surplus funds for cash management

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds grants received in advance of future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA. The balance of treasury investments is expected to fluctuate between £20m and £60m during the financial year.

Objectives

The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing its treasury management funds is to have the monies available at short notice for unexpected payments.

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

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

Investment Limits

When considering investment limits in the chart below you must also refer to the credit ratings of the individual organisations to make the final assessment.

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

Treasury Investment Counterparty Limits

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

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

Liquidity Management

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

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

Council Budget Assumptions for 2025/26

- Investments will make an average rate of 4.0%
- New long-term loans will cost an average rate of 4.5%

Strategy

Given the increased risk and very low returns from short-term unsecured bank investments, the Council holds non-treasury management investment in diversified managed funds which offer a higher yielding. The Council holds £55m as a long-term investment (CCLA Property Fund, CCLA Diversified Fund, Schroder's Income Maximiser and Fidelity Enhanced Income Fund) and these give a higher return than the short term investments. Although there is a higher return there is an increased risk that of capital values falling. The purpose of having medium to long-term investments is to generate income that supports the revenue budget and the provision of local services.

The majority of the Council's surplus cash is currently invested in short-term money market funds which offer very low rates but allows immediate withdrawal. The Council will continue to look for investment opportunities that give a good return whilst being a secure investment.

Business models:

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

Approved Counterparties

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

Credit Rating

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

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

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

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

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

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

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

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

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

Operational Bank Accounts

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

Risk Assessment and Credit Ratings

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

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

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

Other Information on the Security of Investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council's treasury

management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

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

Treasury Management Indicators

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

This is how we measure our performance.

Security

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

	Target
Portfolio average credit rating	A

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

Liquidity:

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

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

Interest Rate Exposures

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

	2024/25	2025/26	2026/27	2027/28
Upper limit on fixed interest rate exposure	85%	90%	90%	95%
Upper limit on variable interest rate exposure	45%	35%	30%	25%

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

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

Maturity Structure of Borrowing

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

	Upper	Lower
Under 12 months	50%	20%
12 months and within 24 months	25%	0%
24 months and within 5 years	25%	0%
5 years and within 10 years	25%	0%
10 years and above	80%	50%

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

Principal Sums Invested for Periods Longer than 365 days

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

	2024/25	2025/26	2026/27
Limit on principal invested beyond one year	£10m	£20m	£20m

Non-Treasury Management Investments

Introduction

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

The Council invests its money for three broad purposes:

1. **Non-Treasury Management Investments** – to invest surplus cash from reserves and other funds that are not required for the day-to-day cash flow activities.
2. **Service Investments** - to support local public services by lending to or buying shares in other organisations; and
3. **Commercial Investments** - to regenerate areas within the City or immediate economic area to encourage private investment and to create or retain local jobs (known as commercial investments where these are the main purpose).

Non-Treasury Management Investments

The Council holds reserves that are not required for the day-to-day treasury management cash flow activities so can be invested in non-treasury management investments.

The surplus cash reserves can be invested in accordance with the CIPFA guidance. The balance reserve available for non-treasury investments is expected to fluctuate between £60m and £80m during the financial year.

Objectives

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

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

Contribution: The contribution that these investments make helps support the Council's budget to enable it to delivery its essential services.

Service Investments

Loans

The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities or housing associations etc. to support local public services and stimulate local economic growth. For example the

Council has given a loan to Plymouth Community Energy to support the construction of the solar energy farm at Ernesettle.

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

Loans are treated as capital expenditure for accounting treatment.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. Therefore the Council will take security against assets to mitigate the risk of default.

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

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

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

Shares

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

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

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

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

Property and Regeneration Fund

Commercial Investment Strategy: From 1 April 2021 the Council does not invest in commercial property if it is held primarily to generate income.

From the 1 April 2021 the Council will invest in the commercial property only where the main purposes are to regenerate areas of the City, encourage private investment and to create or retain local jobs.

The Property and Regeneration Fund

The Property and Regeneration Fund invests in commercial property for the purposes of regenerating areas of the city that the council wants to improve, encourage private investment and to create or retain local jobs.

The Council has historical commercial investment portfolio that it had built up over many years. The local and regional, commercial and residential property provides a return to the council, after paying the borrowing costs and this can be spent on local public services.

Property and Regeneration Fund

Property and Regeneration Fund	Actual 2023/24	Estimate 2024/25	Forecast 2025/26
Commercial Property Net Income	£3.258m	£3.283m	£3.382m
Net Return	1.56%	1.44%	1.48%

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

Analysis of Movement in Investment Properties	2022/23	2023/24
	£000	£000
Balance at 1 April	271,065	238,435
Additions	61	
Disposals	0	(80)
Net gains/(losses) from fair value adjustments	(15,198)	(12,946)
Transfers:		
(to)/from Property, Plant and Equipment	(17,493)	(1,685)
Balance at 31 March	238,435	223,724

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

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

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

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

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

Proportionality

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

Table 4: Property Regeneration Fund

	2025/26 Forecast
Revenue Resources (estimate)	£244.744m
Net Investment income	£3.383m
Proportion	1.38%

Borrowing in Advance of Need

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

Investment Evaluation Process for the Property and Regeneration Fund

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

- I. Proposed development opportunities are reviewed by Land and Property in areas of the City which require redevelopment or regeneration of brown and green field sites or areas where the Council want to stimulate inward private investment and to create or retain local jobs. A report is prepared by

suitably qualified and experienced in-house MRICS (Member of the Royal Institute of Chartered Surveyors) professionals.

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

Property and Regeneration Governance

Clear, robust and transparent governance is critical to the Capital Finance Strategy and meeting the statutory guidance and ensuring an appropriate level of due diligence and scrutiny is applied, together with objective arms-length external advice where appropriate. It is also important to ensure any decision process retains

Treasury Management Strategy 2025/26

fluidity, so officers are empowered to respond promptly to changes in the market. For example if there is a commercial company failure in the city the officers would be able to respond quickly to help retain local jobs and look for alternative purchasers.

The Council to acquire or dispose of land is vested in the Head of Land and Property and where the land is purchased through the Property and Regeneration Fund a proposal is presented to the Officers and Members with a recommended for authorisation by the relevant Leader, Legal and the Section 151 Officer.

Capacity, Skills and Culture

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 25 years' experience.

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

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

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

How investments are funded:

Property and Regeneration Fund commercial property developments are funded by borrowing and repaid by the service from rental income from the development. The borrowing is not directly taken out against each property but is managed through our Treasury Management function.

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

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

Loan Commitments and Financial Guarantees

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

Annual Minimum Revenue Provision Statement 2025/26

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

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

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

Minimum Revenue Position Policy

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

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

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

For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PVLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years.

For capital expenditure loans to third parties, the Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.

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

External Loans

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

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

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

Other Items

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

Policy on use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The Council has no plans to make use of derivative instruments at the present time but does not discount the possible use of these in the future dependent on the existence of appropriate operating conditions, the acquisition and analysis of specialist advice and thorough consultation with stakeholders.

This approach is in line with the CIPFA Code, which encourages the Council to seek external advice and to consider such advice before entering into financial derivatives to ensure that it fully understands the implications.

Investment Training

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

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

Markets in Financial Instruments Directive

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

Other options considered

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

The Treasury Management Practices, Principles and Schedules

The Treasury Management Practices, Principles and Schedules sets out the responsibilities and duties of members and officers, allowing a framework for reporting and decision making on all aspects of treasury management. The Audit Committee is required to approve the Treasury Management Practices, Principles and Schedules each year under delegated decision.

Investment of Money Borrowed in Advance of Need

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

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

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

**Appendix A – (when published) Arlingclose Economic and Interest Rate Forecast
November 2024**

Underlying assumptions:

Forecast:

Appendix B - Existing Investment and Debt Portfolio Position

	30 Sept 2024 Actual Portfolio £m	30 Sept 2024 Average Rate %
PWLB – Fixed Rate	483	3.32
Short-term borrowing	85	0.97
LOBO Loans	59	4.36
Long Term Borrowing	18	4.37
Total borrowing	645	3.16
Short-term Money Market funds	31	4.99
Other Pooled Funds	54	5.30
Cash and cash equivalents	1	1.88
Total investments	86	5.17
Net borrowing	559	

Treasury Management Strategy 2025-26

Published by:
Plymouth City Council
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CAPITAL STRATEGY 2025/26



INTRODUCTION AND CONTEXT

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes-technical areas.

It is a requirement of the amendments implemented in the 2018 Treasury Management Code of Practice Guidance that all Local Authority's will need to produce a Capital Strategy each year.

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

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

GOVERNANCE

The council have published a capital handbook to strengthen capital governance in line with the constitution which details how capital projects are approved and added into the capital programme.

All projects will go through the Capital Programme Officer Group.

Schemes up to £0.200m require approval under Section 151 Officer powers, schemes above £0.200m will be endorsed for Capital Programme Board approval.

Each scheme will need to detail:

- the aim of the project and any other ways of achieving it
- how it will be funded
- if there are any future revenue implications from the project e.g., building maintenance.
- effects on staffing
- legal, contractual, and prudential borrowing code implications
- if the Council is acting through an agent or partnership, legal advice must be sought on whether it has the power to act in this way.

any comments made during any consultation and the Council's response.

- the estimated amount and timing of any capital and revenue spending.

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

Due diligence is carried out on all new proposals to determine whether the scheme is deemed suitable.

Once accepted, all new schemes, which will require both finance and legal signoffs, are published as an Executive Decision including the Leaders decision to add the agreed spend to the capital programme.

The Capital Financing Strategy is agreed annually with the Capital Programme as part of the annual budget setting process. Variations to the Capital Programme or in-year additions (subject to

delegation), will be agreed by Cabinet through the presentation of quarterly Capital Programme monitoring.

CAPITAL PLAN

The Capital Plan is the collective term which defines two key elements; the Capital Programme as approved by the Leader or S151 Officer and the Capital Pipeline which refers to possible future funding that may be available for future projects yet to be approved.

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

“The Capital Pipeline” is the term used to refer to funding that the Council hopes to receive in the future but has not yet been approved. These consist of both ring-fenced and unringfenced resources.

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

With the increased cost of borrowing, additional challenge is required on projects with service and corporate borrowing implications. This is to ensure that the approved Capital Programme (with allowances for re-profiling) remain within the financial constraints of the 2024/25 treasury management budget.

CAPITAL PROGRAMME

Once approved, schemes are added to the Capital Programme for delivery.

The table below details the Capital Programme as at 30 September 2024 which is due to be reported to Cabinet and then Full Council 25 November 2024.

If any adverse variances are identified to approved schemes, there is a requirement for the schemes to identify the funding and to seek further approval. This is to enable authorisation for the increased expenditure and provides details of the variance.

Table 1. Five Year 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
Place - Economic Development	34.082	32.181	42.215	16.715	12.582	137.775
Place - Strategic Planning & Infrastructure	61.444	49.298	28.915	0.672	0.275	140.605
Place - Street Services	24.860	11.835	0.295	0.234	0.212	37.435
Resources	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:						
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
Corporate Funded borrowing	32.621	35.352	22.539	0.860	0.545	91.918
Service dept. 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 Financing	158.927	109.513	72.995	18.065	13.170	372.669

CAPITAL EXPENDITURE AND FINANCING

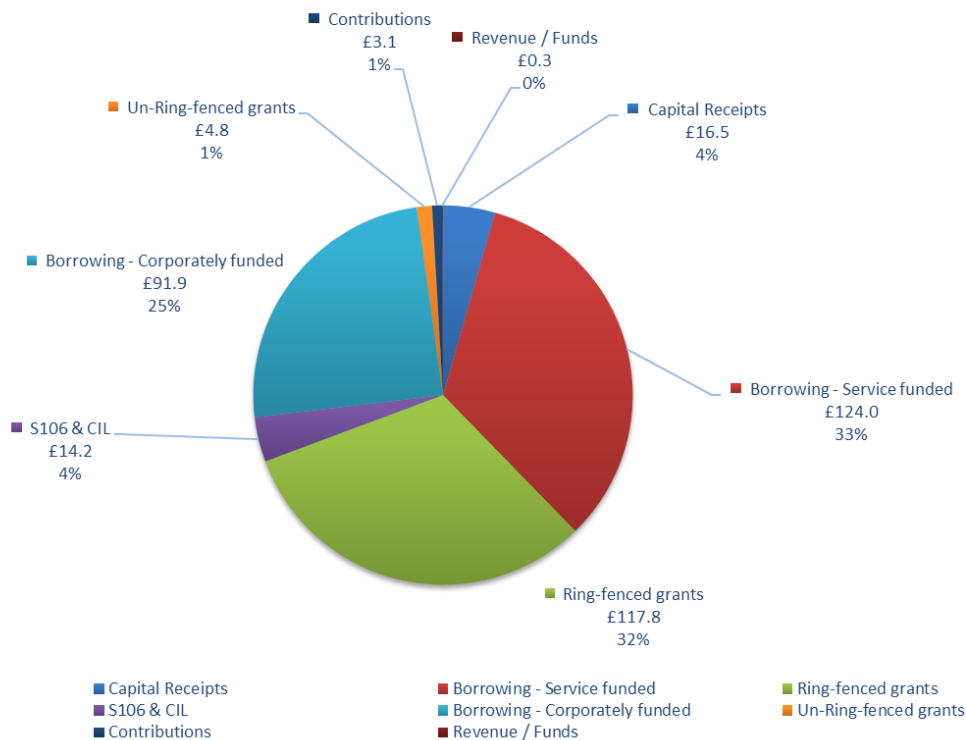
Capital expenditure is defined as money spent on assets, such as property or vehicles, which will provide a service benefit for more than one year. In local government, this also includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council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

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

- Capital Receipts.
- Grants and contributions.
- S106 and Community Infrastructure Levy (CIL).
- Revenue Contribution to Capital Outlay (RCCO).
- Borrowing – both funded corporately, or where schemes deliver a saving, this is offset against the project and repaid by service. This requires directorate efficiencies and as shown in funding chart below service borrowing is the highest proportion of the capital programme funding across the next 5 years at 33%.

The Capital Programme is £372.669m. This is summarised below by funding source.

Funding of 2024-2029 Capital Programme £m



Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP) / loans fund repayments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP / repayments and use of capital receipts are as follows:

Table 2: Replacement of prior years' debt finance in £ millions

	2023/24 actual	2024/25 forecast	2025/26 forecast	2026/27 forecast	2027/28 forecast
Minimum revenue provision (MRP)	22.676	23.350	24.600	25.850	27.100
Loans fund repayments	0.451	0.489	0.501	0.512	0.516
Capital receipts	0.305	1.500	0.500	0.500	0.500
TOTAL	23.432	25.339	25.601	26.862	28.116

The Authority's full minimum revenue provision statement is available with Treasury Management Strategy: [\[link\]](#)

Table 3: Capital receipts receivable in £ millions

	2023/24 actual	2024/25 forecast	2025/26 forecast	2026/27 forecast	2027/28 forecast
Asset sales	0.147	2.408	6.555	8.716	0.000
Loans etc repaid	4.080	2.402	2.233	1.990	1.973
TOTAL	4.267	4.810	8.788	10.706	1.973

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Authority currently has £640m borrowing at an average interest rate of 3.16% and £85.6m treasury investments at an average rate of 5.17%.

Borrowing strategy: The Authority's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Affordable borrowing limit: 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.

Risk management: The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

The treasury management prudential indicators are on pages to of the treasury management strategy [link]

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Finance and staff, who must act in line with the treasury management strategy approved by full Council. Reports on treasury management activity are presented to full Council within quarterly monitoring reports. The Audit & Governance committee is responsible for scrutinising treasury management decisions.

PROPERTY AND REGENERATION FUND

The Property and Regeneration Fund's strategic objectives are to deliver regeneration, economic and employment growth with associated income benefits in the Plymouth Functional Economic Area.

This will enable the Council to invest in direct developments and forward funding opportunities to promote regeneration, safeguarding and creating new jobs as well as encouraging economic growth in the Plymouth Functional Economic Area.

The Property and Regeneration Fund helps deliver the Plymouth Plan and assists in the redevelopment of brown field sites in the Plymouth area where it is difficult to attract external investment. Any regenerated areas encourage other private companies to invest in the locality as well as attracting external investment from inward investment by companies moving into the area.

EXISTING INVESTMENT PROPERTIES

The Property and Regeneration Fund (previously known as the Asset Investment Fund) has approved investment of over £250 million in commercial property including direct development and forward funding commercial property schemes to deliver:

- Stimulation of economic and employment growth and regeneration in the Plymouth Functional Economic Area.
- Associated long-term income generation (via rental revenues) to support the wider financial position of the Council.

All investment decisions have been fully accountable and followed a sequence of internal reporting and signoffs. In addition, verification of the purchase price by external suitably qualified RICS Approved Valuers were obtained prior to any investment.

In terms of on-going governance arrangements, the fund's properties are managed alongside the Council's existing commercial property portfolio in accordance with delegated land and property procedures as set out in the Council's Constitution. In addition, the team undertake regular analysis at both a portfolio and property-level to benchmark performance and manage risk. To improve transparency and disclosure, a regular fund managers' report is produced, and a Management Group of key stakeholders meet regularly to review outputs.

AFFORDABILITY

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

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

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

As much of the capital programme is funded by borrowing, assumptions and decisions on the cost and affordability of the Council's borrowing is linked to the Public Works Loan Board (PWL) interest rates, prudential indicators and the approved borrowing strategy as set out in the Treasury Management Strategy 2025/26.

RISK MANAGEMENT

Risks are assessed continually from both an operational and financial perspective.

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

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

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

KNOWLEDGE AND SKILLS

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director for Finance is a qualified accountant with over 35 years' experience.

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

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

CONCLUSION

The Capital Strategy sets the context and framework for formulating the capital programme. It has been written to meet the requirements of CIPFA's Prudential Code and recommended best practice. The financial implications of this report will be fully detailed throughout the Revenue and Capital Budget 2024/25 when presented to Full Council for approval in February 2025.

Local authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities (published by the Chartered Institute of Public Finance and Accountancy, CIPFA) when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003. The Prudential Code requires local authorities to: "have in place a capital strategy that sets out the long-term context in which capital expenditure, borrowing and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes."

The Audit and Governance Committee is asked to agree the Capital Strategy, setting out the Council's priorities for capital investment and providing a framework for formulating the capital programme for approval by Full Council in February. It is an important part of the framework underpinning the budget setting process.

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Plymouth City Council Workforce Profile Report

December 2024

Profile Report

Directorate	Number of PCC employees (Total)	Number of PCC Employees (FTE)	Current Vacant Positions	% of Vacant Positions
Adults, Health & Communities	334	275.82	0	0.0%
Children's Services	724	567.82	0	0.0%
Customer and Corporate Services	544	468.85	0	0.0%
Executive Office	91	86.36	0	0.0%
Office Of The Director Of Public Health	110	92.62	0	0.0%
Place	821	773.85	0	0.0%
Council Wide	2,624	2,265.32	0	0.0%

Employee Count by Employment Types

Directorate	Permanent	Fixed Term	Secondment	Other	Acting Up/Additional Duties
Adults, Health & Communities	292	34	3	5	5
Children's Services	641	59	7	17	7
Customer and Corporate Services	488	16	26	14	4
Executive Office	84	2	2	3	3
Office Of The Director Of Public Health	101	8	1	0	0
Place	690	107	14	10	21
Council Wide	2,296	226	53	49	40

Employee Count by Management

	Number of employees (total)	Number of Employees (FTE)	% of workforce (FTE)
Manager	403	394.7	17.42%
Non Manager	2,221	1,870.6	82.58%
Council Wide	2,624	2,265.3	100.00%

Manager - anyone that has line management responsibilities

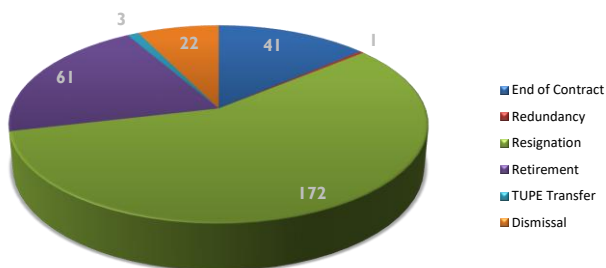
Turnover Report (Month)

Directorate	Leavers	Leavers (FTE)	Position Changes		Starters	Starters (FTE)	Workforce Difference (total)	Workforce Difference (FTE)	Turnover %		
	Number of employees who Left PCC	FTE Number of employees who Left PCC	Number of employees who left a position but remained with PCC	Number of employees who started a new position with PCC	Number of new employees who started work in Period	FTE Number of new employees who started work in period					
Adults, Health & Communities	5	3.7	2	0	0	0.0	-	5	-	3.70	1.50%
Children's Services	4	2.9	0	0	0	6.7	+	9	+	3.80	0.55%
Customer and Corporate Services	1	0.8	3	0	1	1.0	+	0	+	0.20	0.18%
Executive Office	0	0.0	0	0	1	1.0	+	1	+	1.00	0.00%
Office Of The Director Of Public Health	2	1.6	1	0	1	1.0	-	1	-	0.60	1.82%
Place	4	3.8	1	0	2	2.0	-	2	-	1.80	0.49%
Grand Total	16	12.8	10	0	18	11.7	+	2	-	-1.10	0.61%

Turnover Report (RYTD)

Directorate	Leavers	Leavers (FTE)	Position Changes		Starters	Starters (FTE)	Workforce Difference (total)	Workforce Difference (FTE)	Turnover %		
	Number of employees who Left PCC	FTE Number of employees who Left PCC	Number of employees who left a position but remained with PCC	Number of employees who started a new position with PCC	Number of new employees who started work in Period	FTE Number of new employees who started work in period					
Adults, Health & Communities	37	25.7	310	0	49	44.2	+	12	+	18.50	11.31%
Children's Services	107	61.3	76	0	124	87.2	+	17	+	25.90	15.04%
Customer and Corporate Services	62	43.5	48	0	77	65.4	+	15	+	21.90	11.91%
Executive Office	9	6.4	7	0	12	10.1	+	3	+	3.70	10.11%
Office Of The Director Of Public Health	26	18.3	17	0	18	15.2	-	8	-	3.10	27.51%
Place	61	50.4	68	0	90	83.7	+	29	+	33.30	7.54%
Council Wide	302	205.6	526	0	370	305.8	+	68	+	100.20	11.69%

Reasons for Leaving (RYTD)



*please be aware that chart colours are generated within excel and cannot be changed to match across the charts

Pay Elements Report (Month)

Directorate	Actual Basic Salary Spend	Overtime Spend (Plain)	Overtime Spend (Enhanced)	Additional duties / Acting Up	Other Payments	Total salary spend (with actual on costs)	Pay Elements Tracker (based on previous month)
Adults, Health & Communities	791,781.39	7,041.34	6,045.30	2,401.04	1,459.97	1,036,243.14	↓
Children's Services	1,836,892.48	13,463.45	6,830.71	5,318.18	18,146.69	2,420,912.97	↓
Customer and Corporate Services	1,248,633.50	5,475.35	3,358.04	9,440.27	-1,824.81	1,616,602.59	↓
Executive Office	294,649.40	0.00	0.00	1,548.33	3,719.03	387,951.89	↓
Office Of The Director Of Public Health	305,147.07	3,271.64	565.97	2,468.49	3,686.48	404,862.23	↓
Place	2,214,736.17	2,639.10	27,583.13	50,484.91	15,665.80	2,974,079.98	↓
Council Wide	6,691,840.01	31,890.88	44,383.15	71,661.22	40,853.16	8,840,652.80	↓

Pay Elements Report (RYTD)

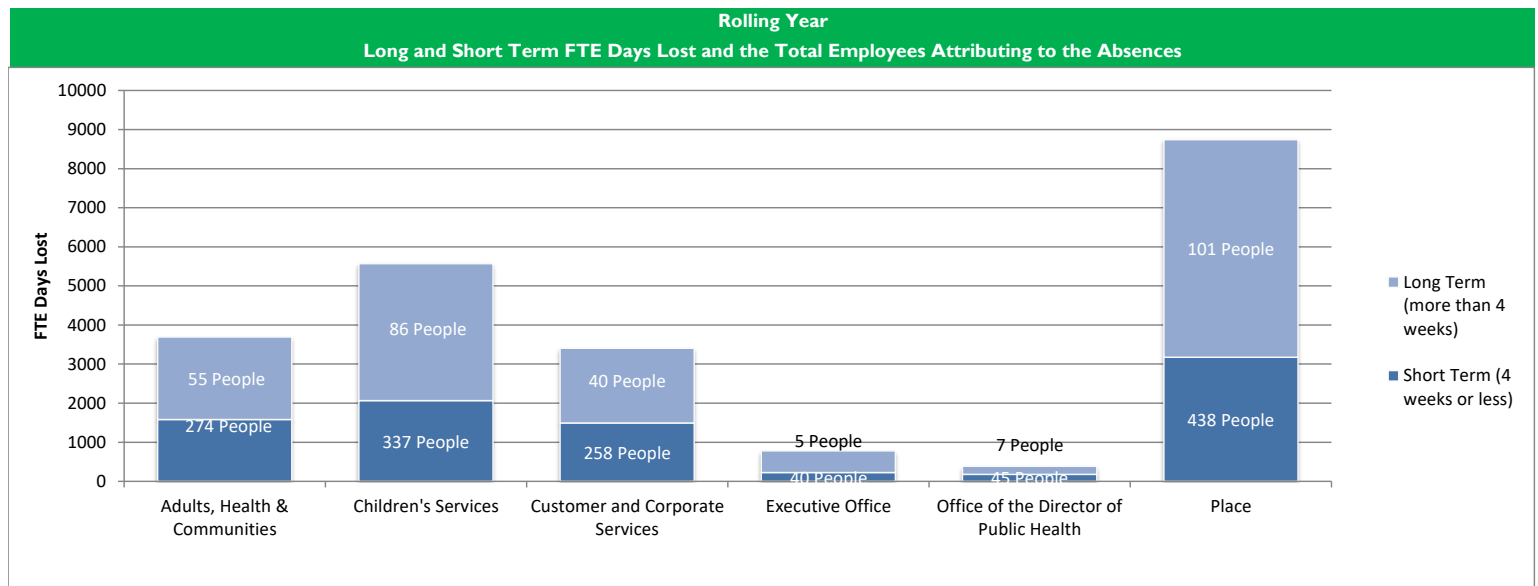
Directorate	Actual Basic Salary Spend	Overtime Spend (Plain)	Overtime Spend (Enhanced)	Additional duties / Acting Up	Other Payments	Total salary spend (with actual on costs)
Adults, Health & Communities	8,929,312.97	95,096.08	66,199.51	103,316.19	239,541.18	12,073,275.52
Children's Services	20,927,624.23	161,119.85	61,639.16	65,863.31	469,008.82	27,903,621.98
Customer and Corporate Services	14,415,903.18	70,045.83	74,337.13	140,488.50	14,729.12	18,794,319.98
Executive Office	3,638,288.37	1,985.98	269.30	22,512.05	57,970.62	4,811,809.84
Office Of The Director Of Public Health	3,548,222.40	26,181.32	29,390.56	32,156.19	149,404.26	4,847,968.47
Place	25,946,273.61	88,078.95	598,765.98	324,129.14	305,138.51	35,022,513.42
Council Wide	77,405,624.76	442,508.01	830,601.64	688,465.38	1,235,792.51	103,453,509.21

Note: Agency Costs are not included in this report, please refer to separate agency costs report.

Council Wide Sickness Dashboard (Excludes Schools)

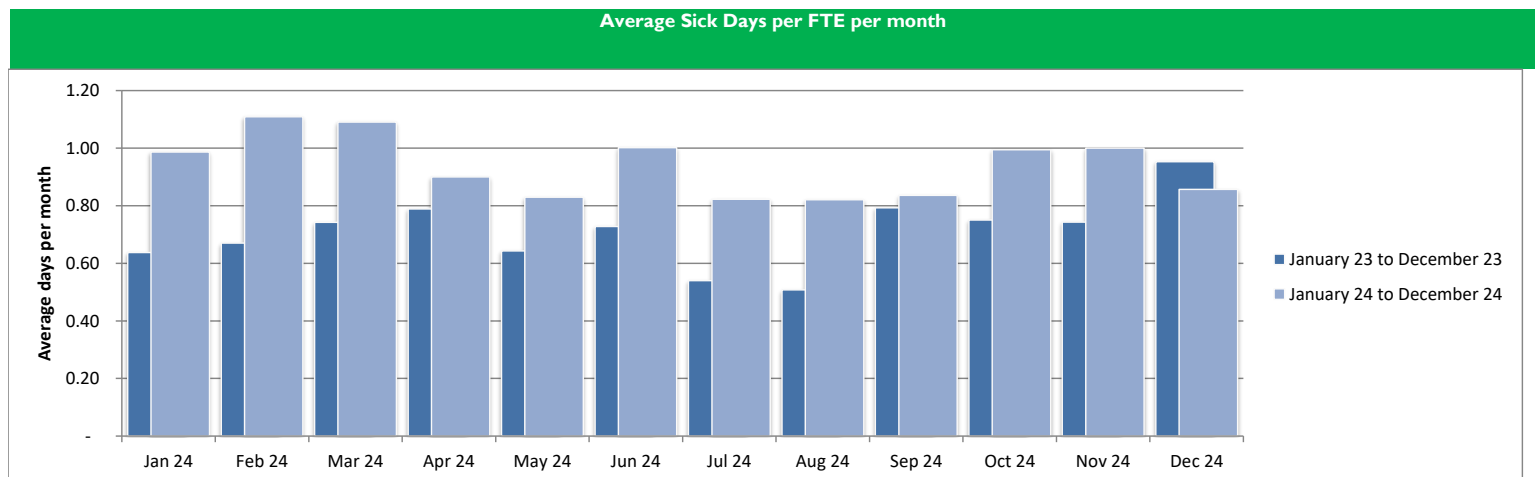
December 2024

Directorate	Total Number of Days Lost (Rolling Year)				Comparison of Average Days Lost to Directorate Target (Rolling Year)				
	Number of FTE Employees	Total Work Days Available (FTE) (Based on calculation, not an exact figure)	Total FTE Days Lost to Sickness	Percentage of Days Lost	Average Days Lost Per FTE (Rolling Year)	Average Days Lost per FTE (Month)	Directorate Target (24/25)	Comparison of Average to Directorate Target (Rolling Year)	
Adults, Health & Communities	275.02	62,980.57	3,694.44	5.87%	13.43	1.31	7.00	6.43	●
Children's Services	588.95	134,869.91	5,568.40	4.13%	9.45	1.00	7.00	2.45	●
Customer and Corporate Services	483.98	110,832.46	3,402.52	3.07%	7.03	0.46	7.00	0.03	●
Executive Office	86.37	19,778.17	782.24	3.96%	9.06	0.79	7.00	2.06	●
Office of the Director of Public Health	99.57	22,801.27	385.15	1.69%	3.87	0.73	7.00	-3.13	●
Place	791.30	181,208.01	8,739.65	4.82%	11.04	0.97	7.00	4.04	●
Council Wide	2,325.20	532,470.39	22,572.40	4.24%	9.71	0.89	7.00	2.71	●

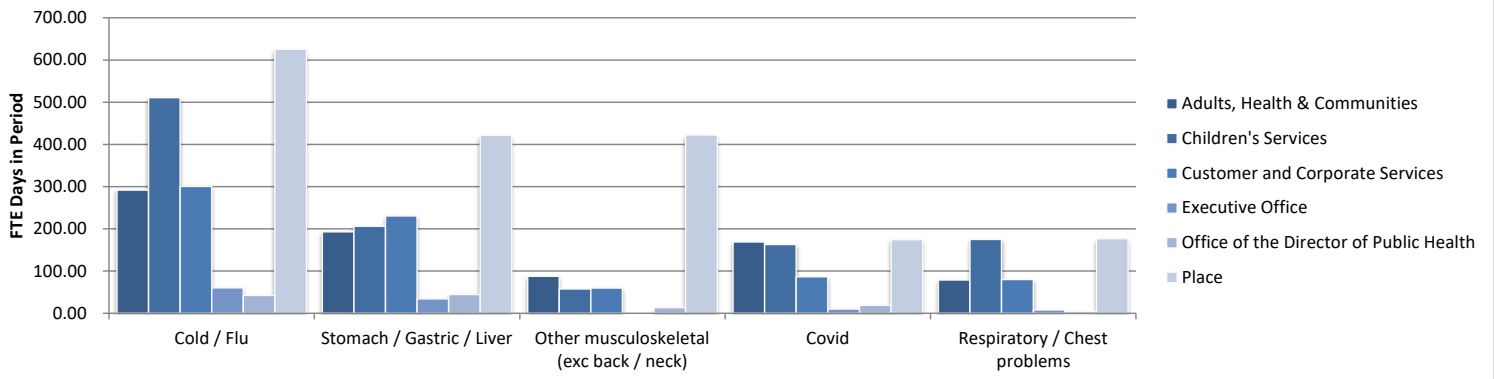


Average Number of Sick Days per FTE for the rolling year ended:

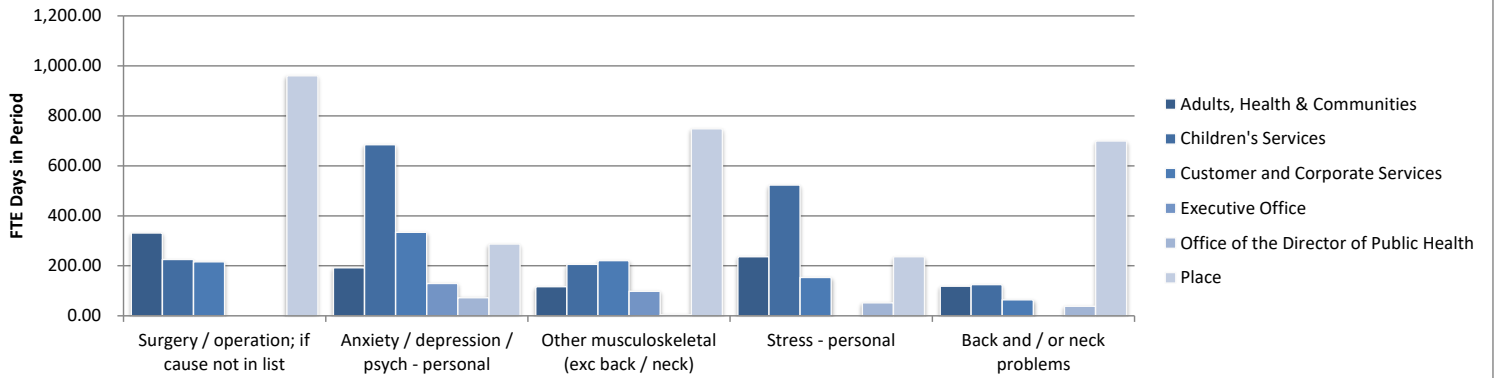
Directorate	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24
Adults, Health & Communities	14.85	13.85	13.20	13.23	12.84	13.14	13.90	13.62	13.72	13.66	13.65	13.43
Children's Services	12.07	12.52	12.86	12.52	12.43	11.34	11.23	10.62	9.86	9.68	9.31	9.45
Customer and Corporate Services	8.35	8.06	8.17	8.46	8.63	8.61	8.50	8.06	7.86	7.87	7.15	7.03
Executive Office	3.11	3.54	3.68	4.63	5.16	5.63	6.13	6.70	8.31	8.06	8.69	9.06
Office of the Director of Public Health	6.99	7.20	7.39	5.30	5.03	5.36	4.89	4.08	3.53	3.12	3.70	3.87
Place	9.57	10.31	10.87	11.09	10.94	11.07	11.15	11.29	10.84	10.84	10.94	11.04
Council Wide	10.18	10.40	10.63	10.64	10.56	10.40	10.46	10.23	9.89	9.83	9.67	9.71



Rolling Year
Top 5 Known Reasons for Short Term Absences



Rolling Year
Top 5 Known Reasons for Long Term Absences





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.

The infographic is a vertical layout with a grey header, a blue vision box, a grey mission box, a grey beliefs box, a teal will box, and two colored priority boxes at the bottom. It features the Plymouth City Council logo and various icons representing different areas of focus.

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

Summary

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%	▼

Summary

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%	▲

Summary

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	▲

Summary

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	▲

Summary

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%	▼

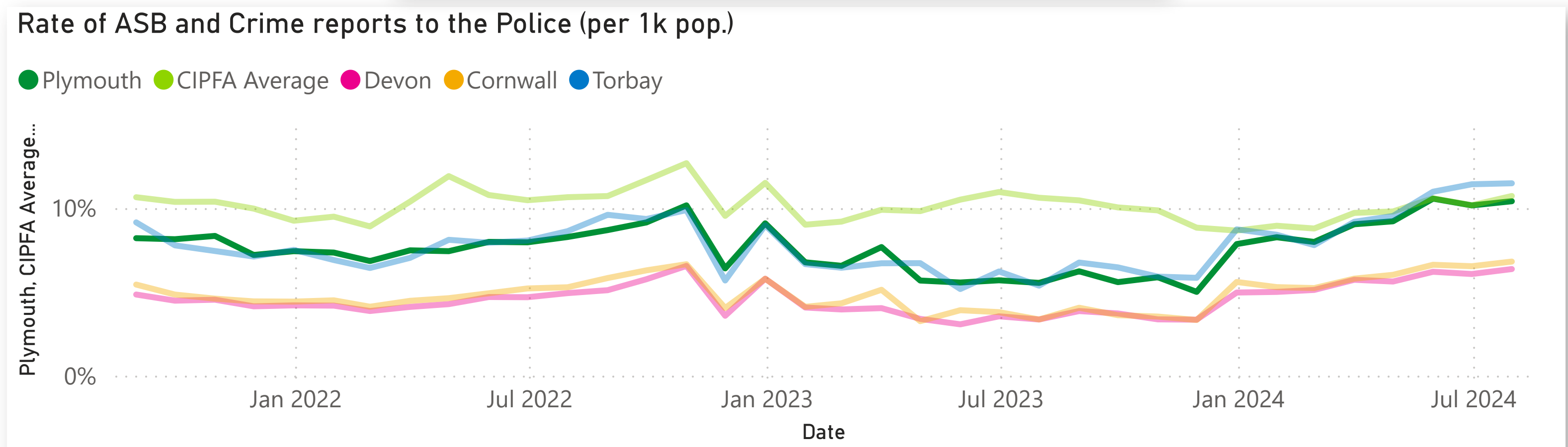
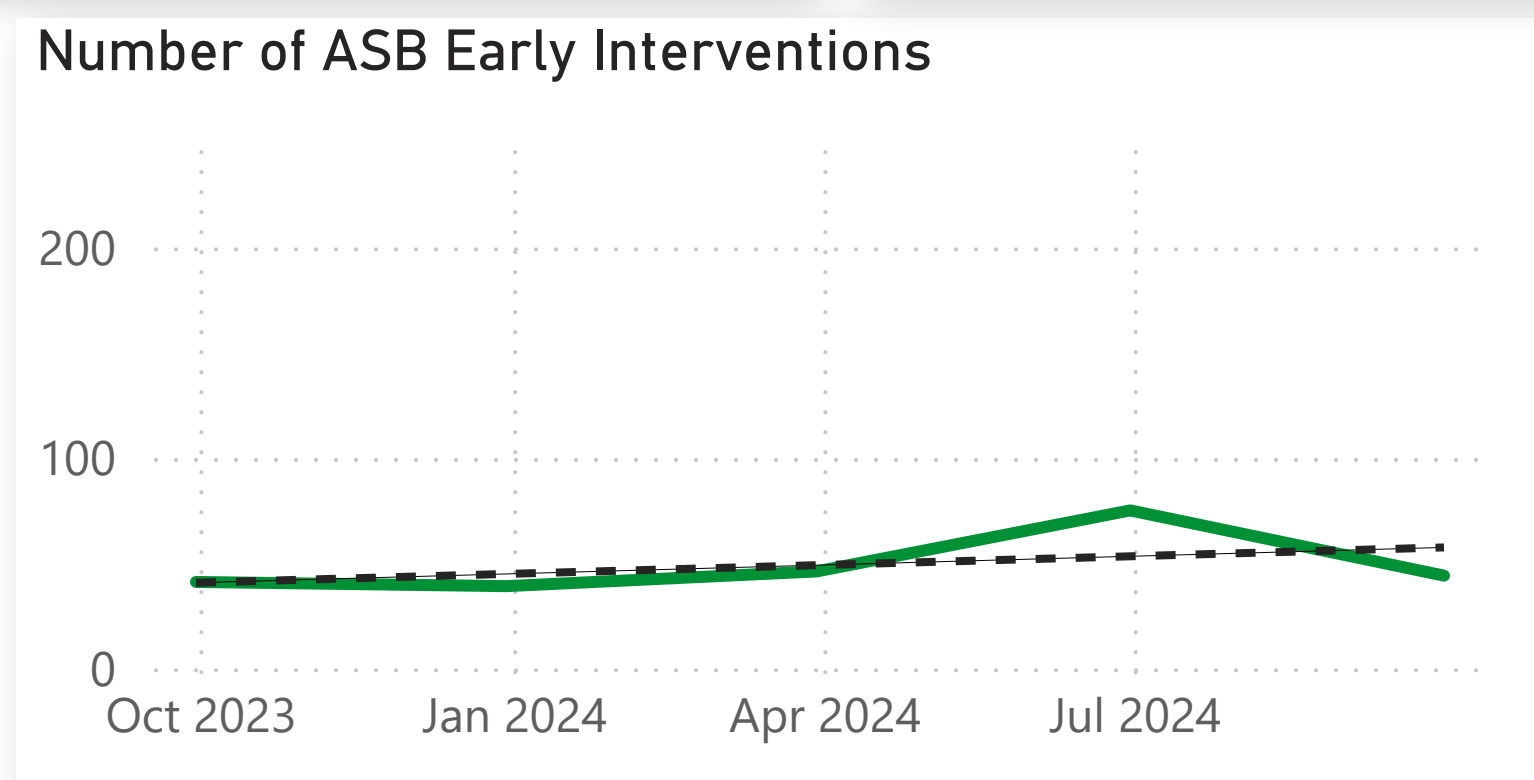
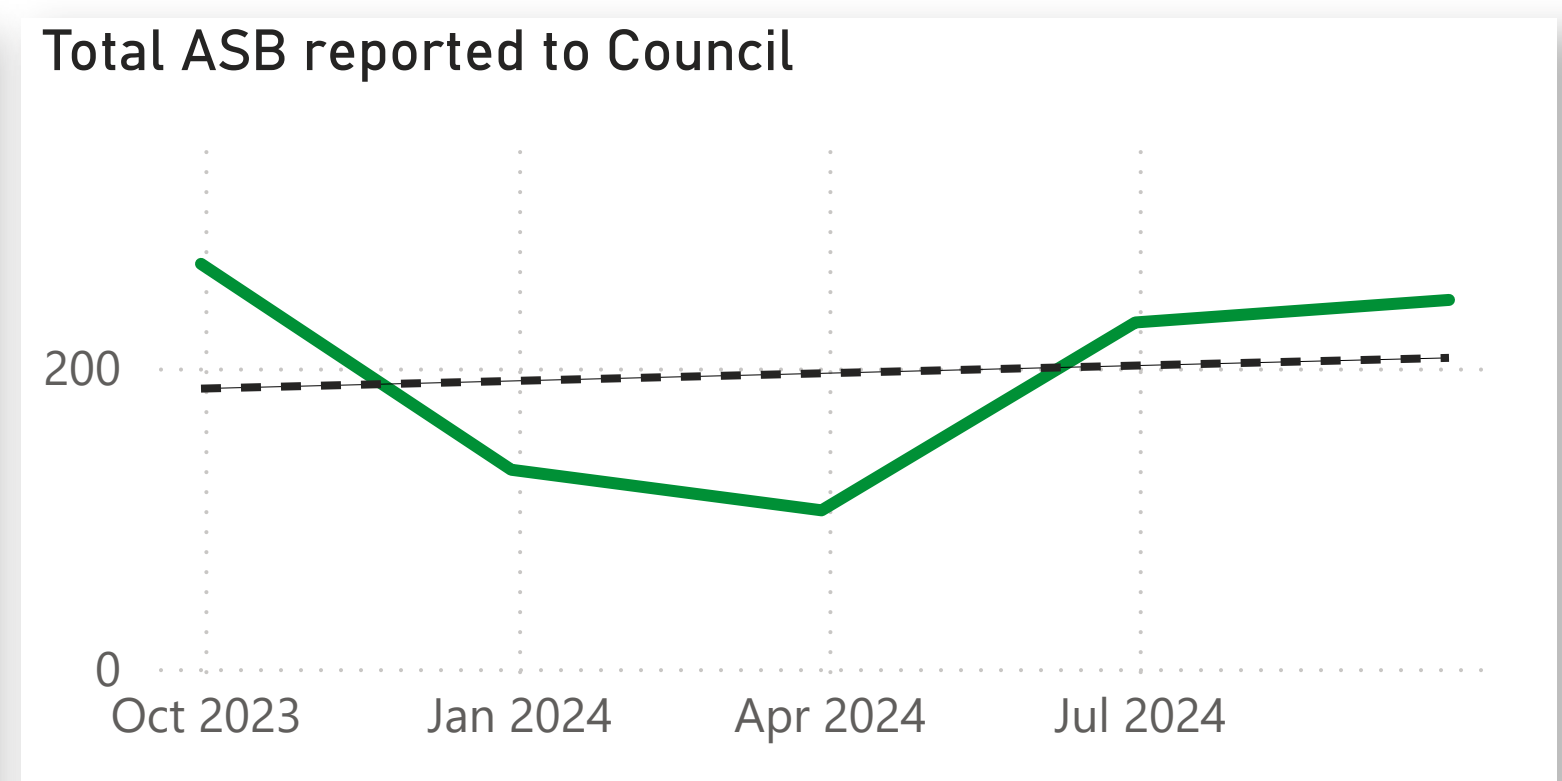
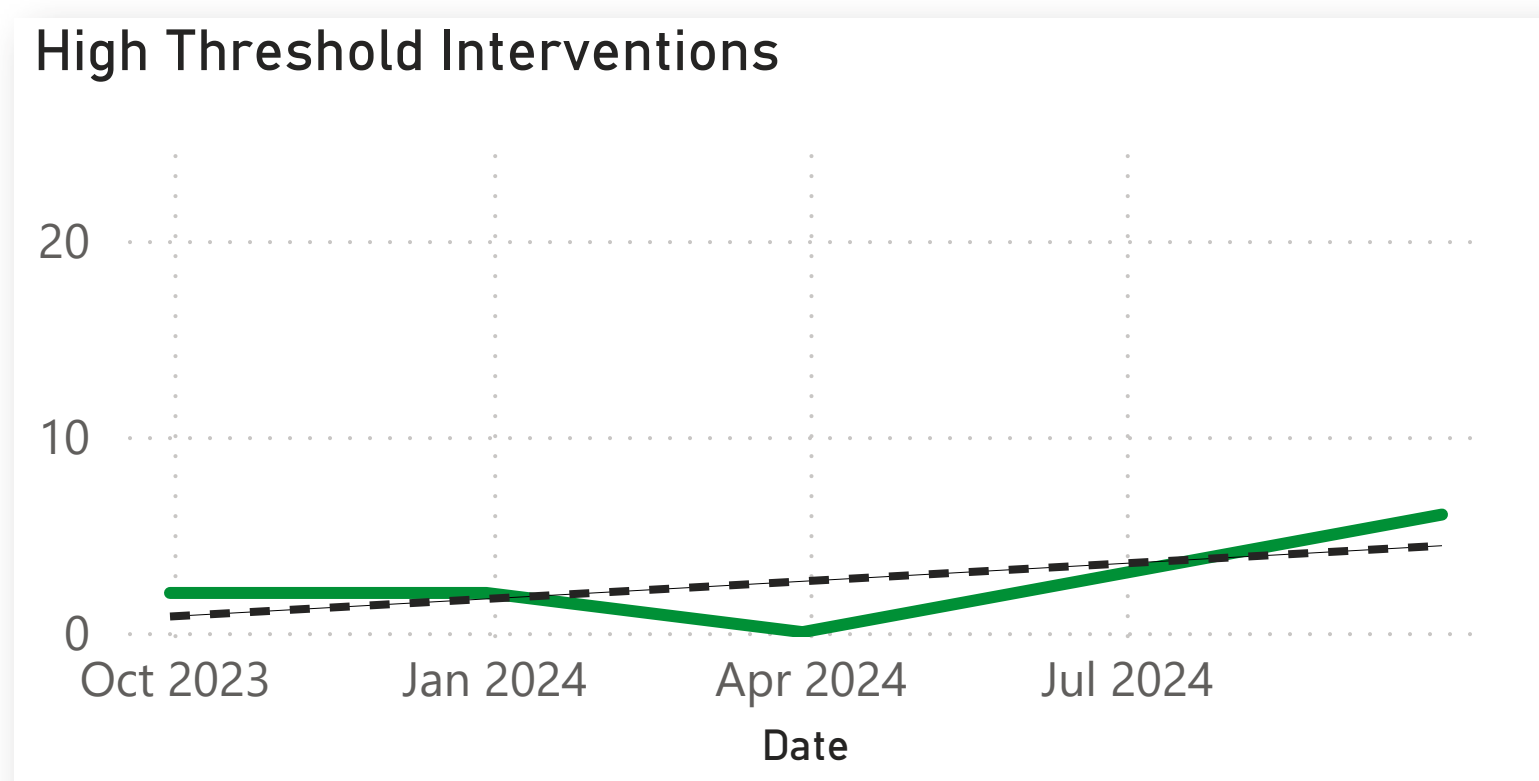
Summary

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	



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.

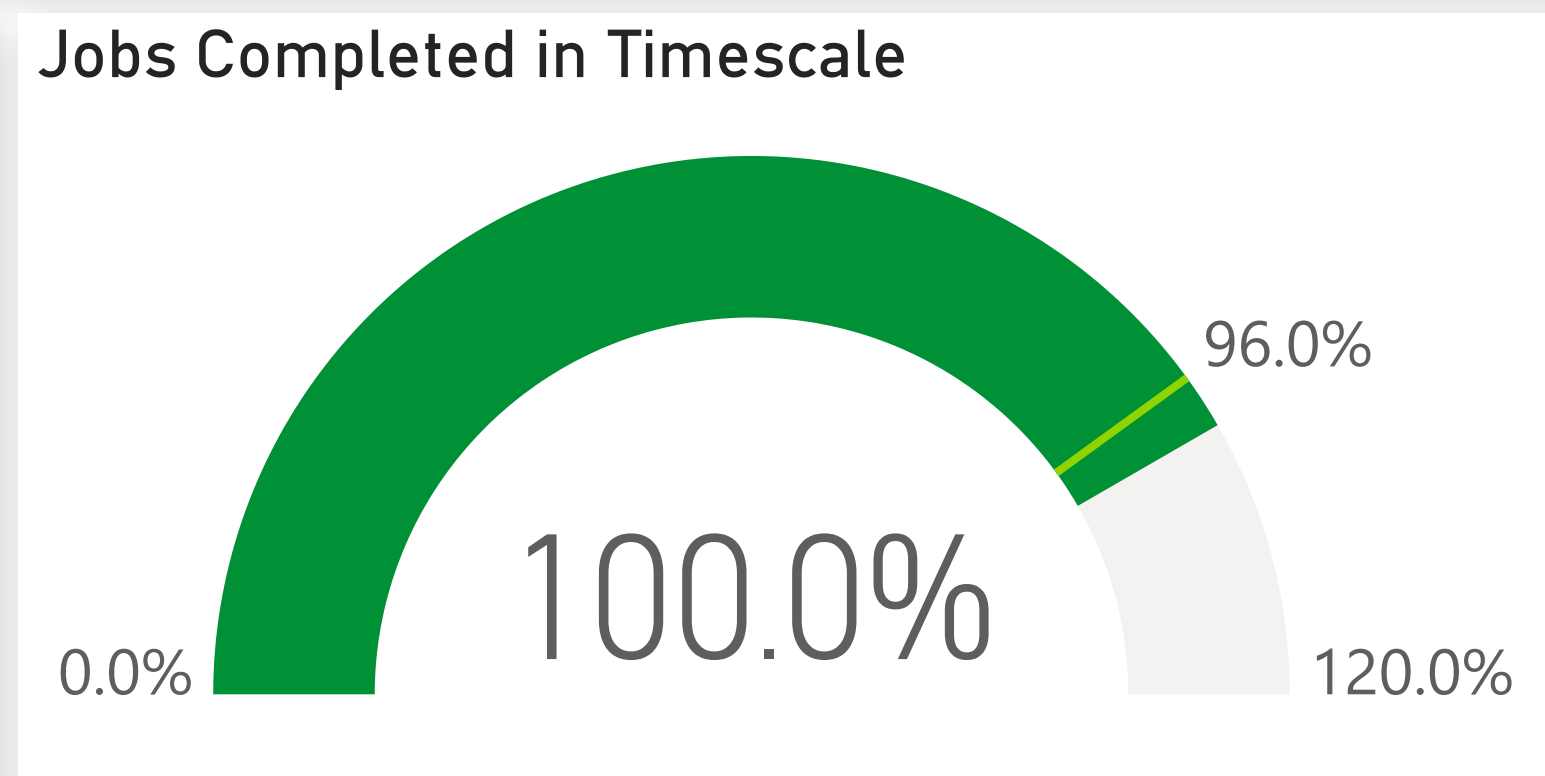
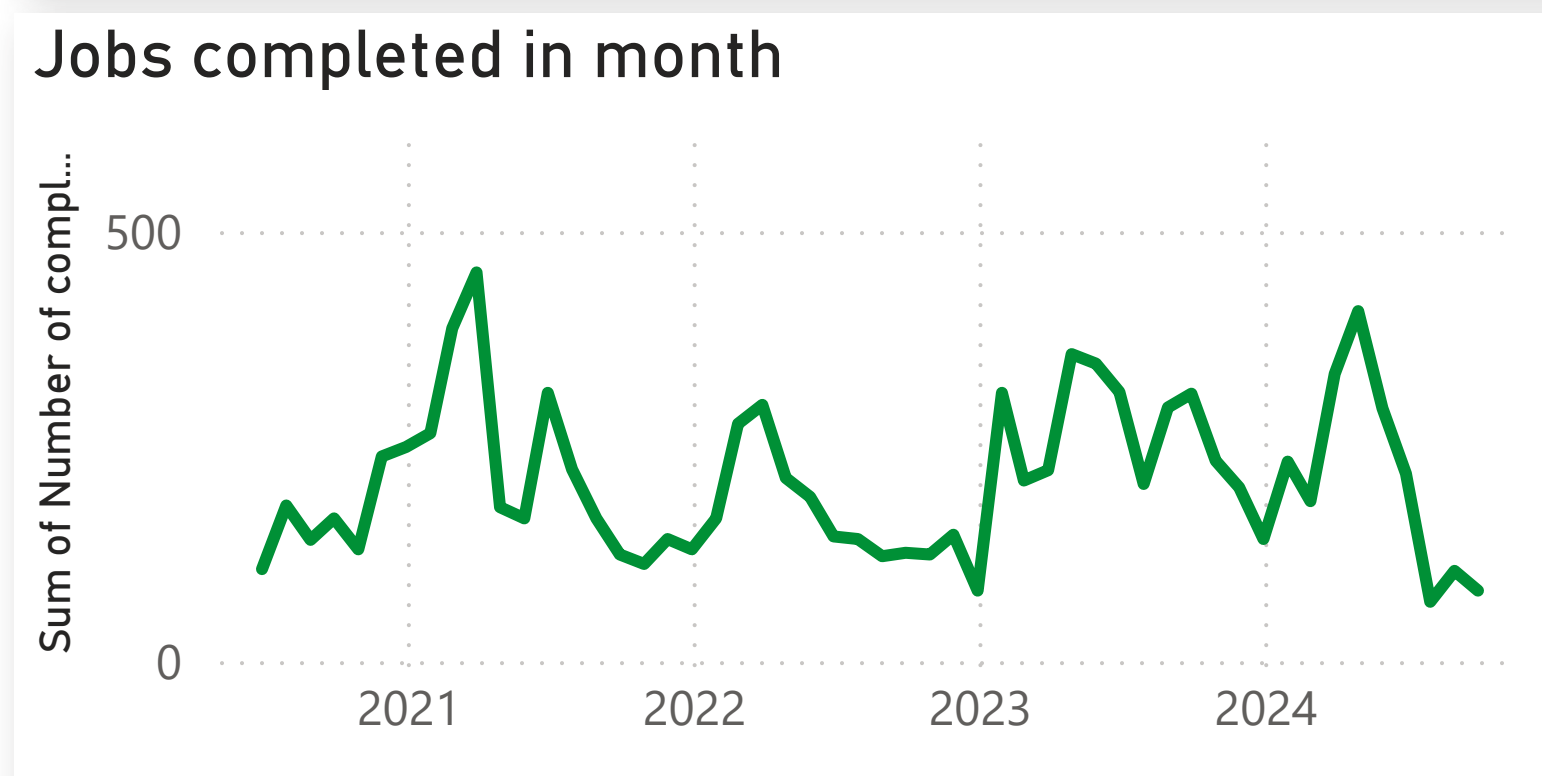
Domestic Abuse and Sexual Violence & Violence Against Women and Girls:

- 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).

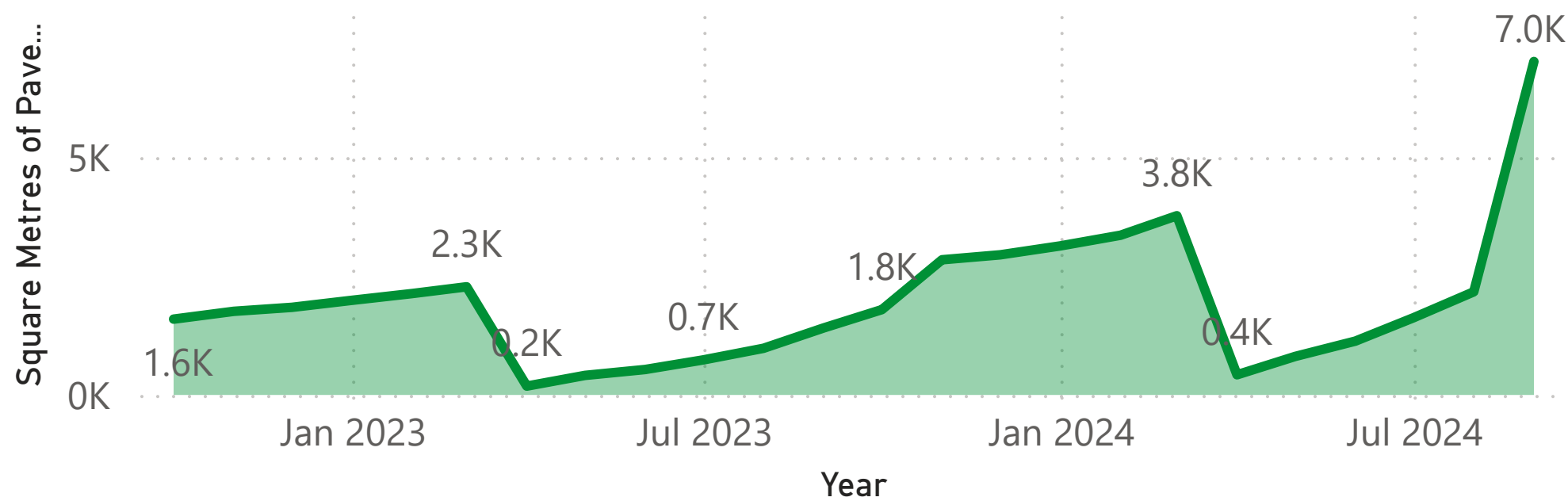
Plymouth City Council

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%

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.

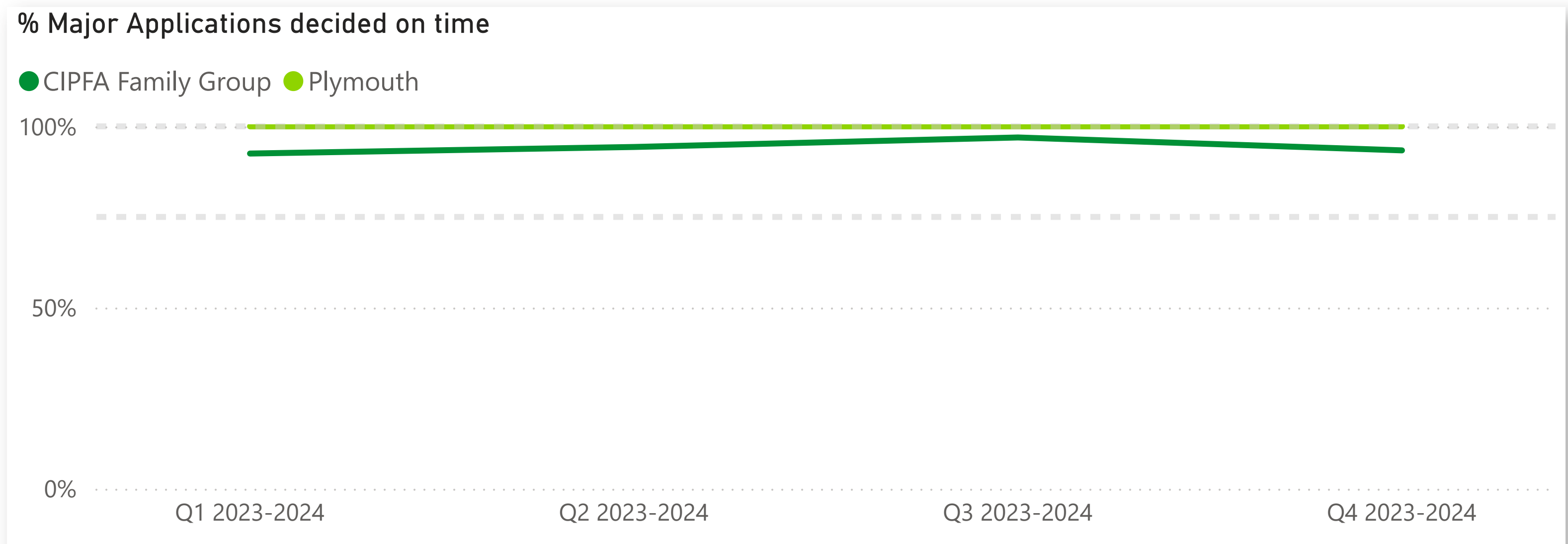
We use a contractor to litter pick the A38, this was last done in March and whilst originally planned for a further pick in November the team are monitoring litter levels to ensure we achieve value for money. The plan will be to hold off as long as possible whilst litter levels are relatively low.

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%

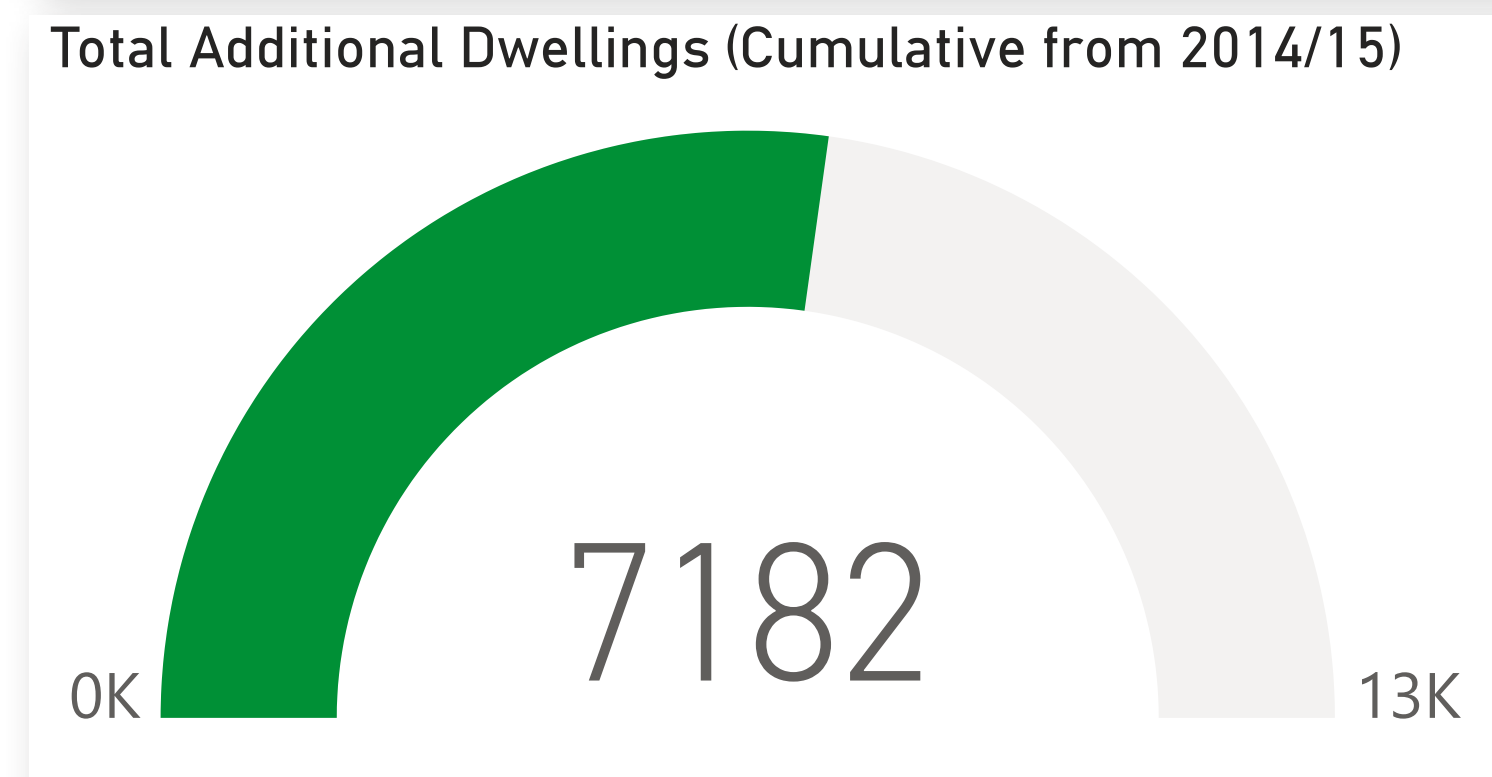
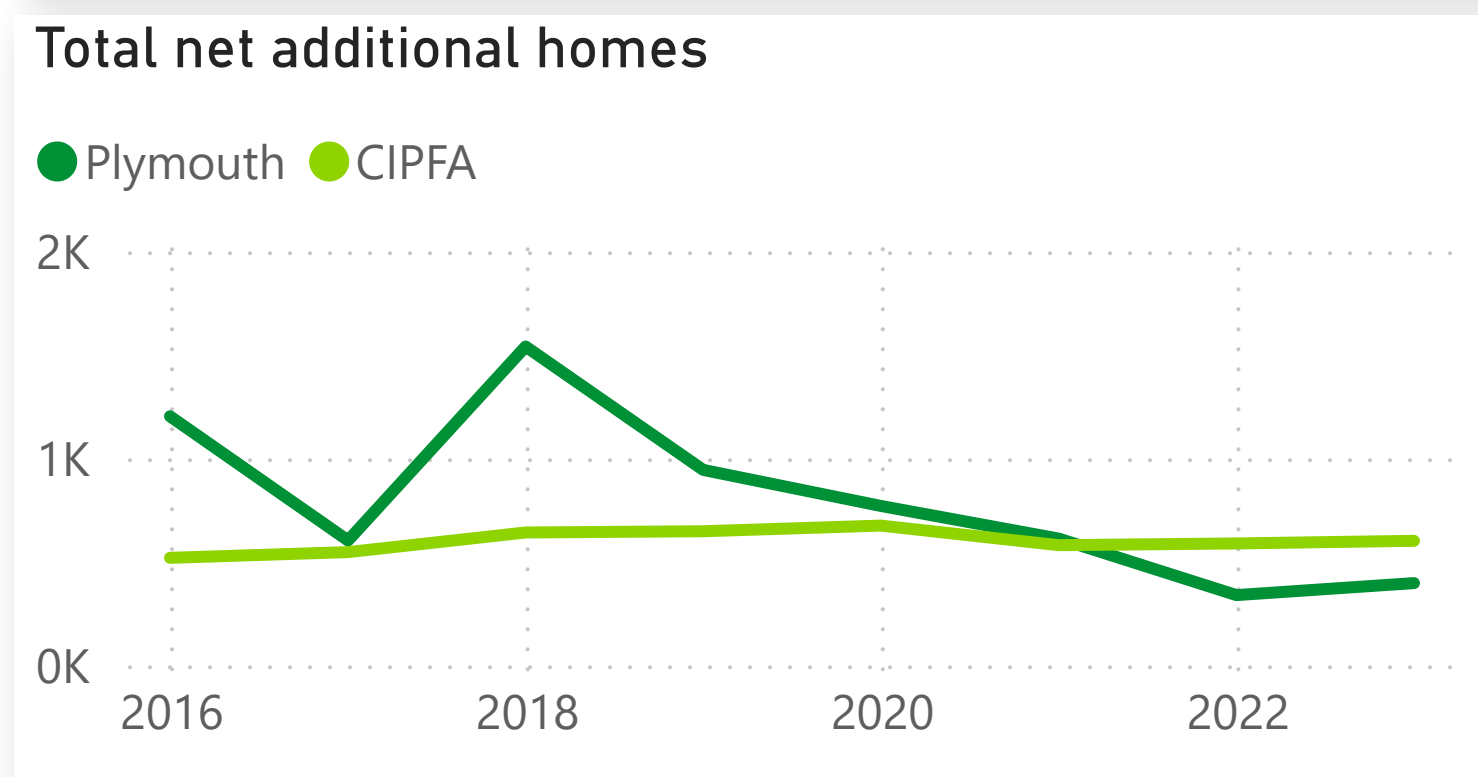
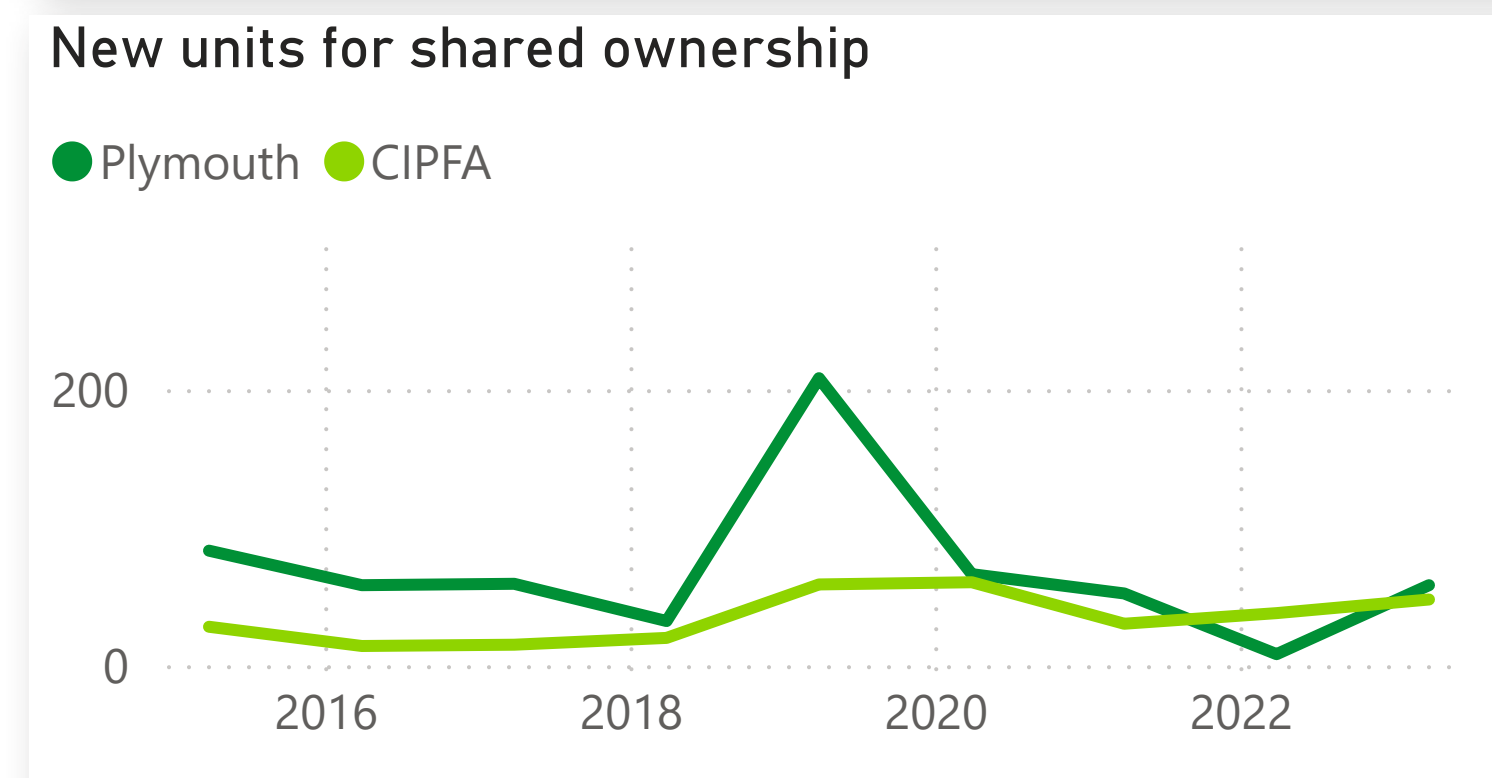
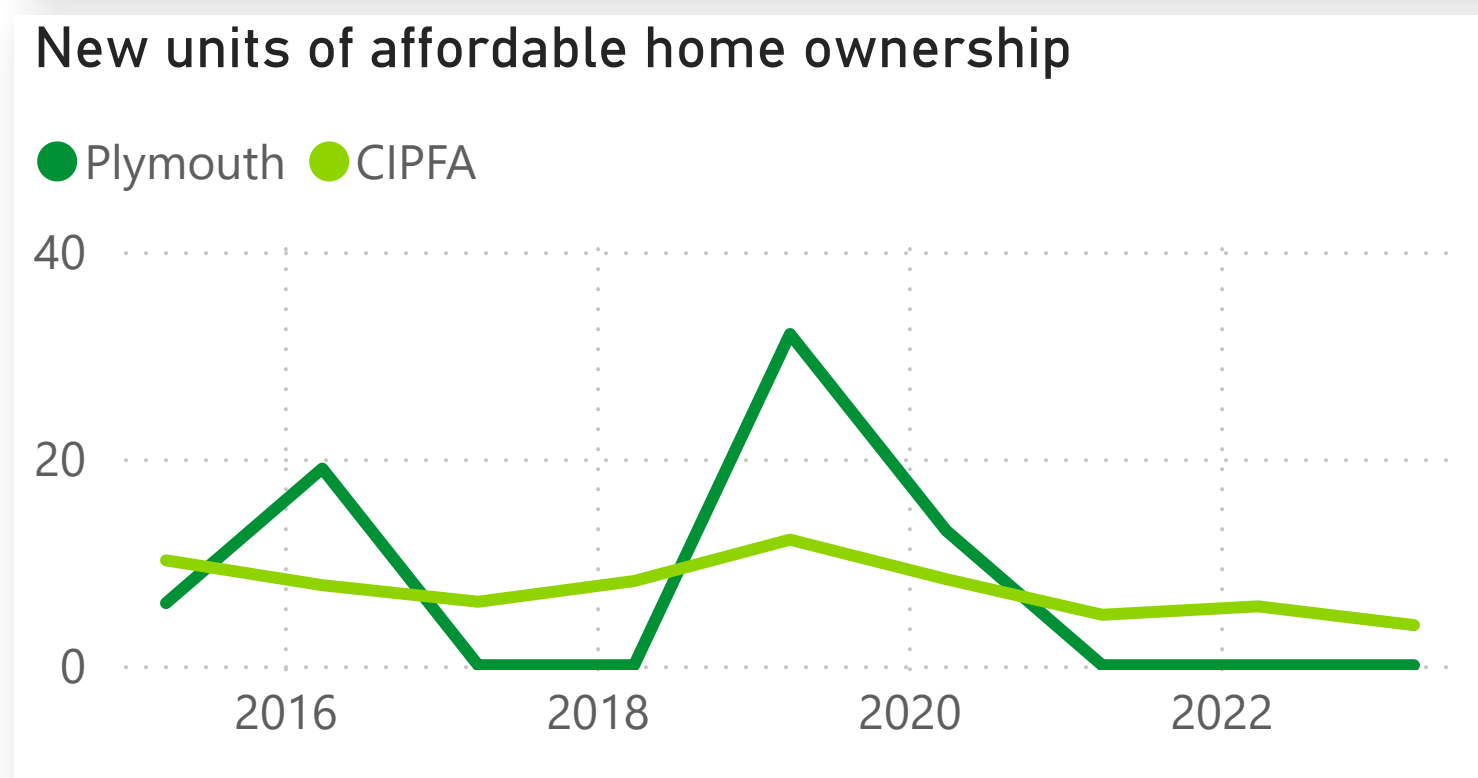
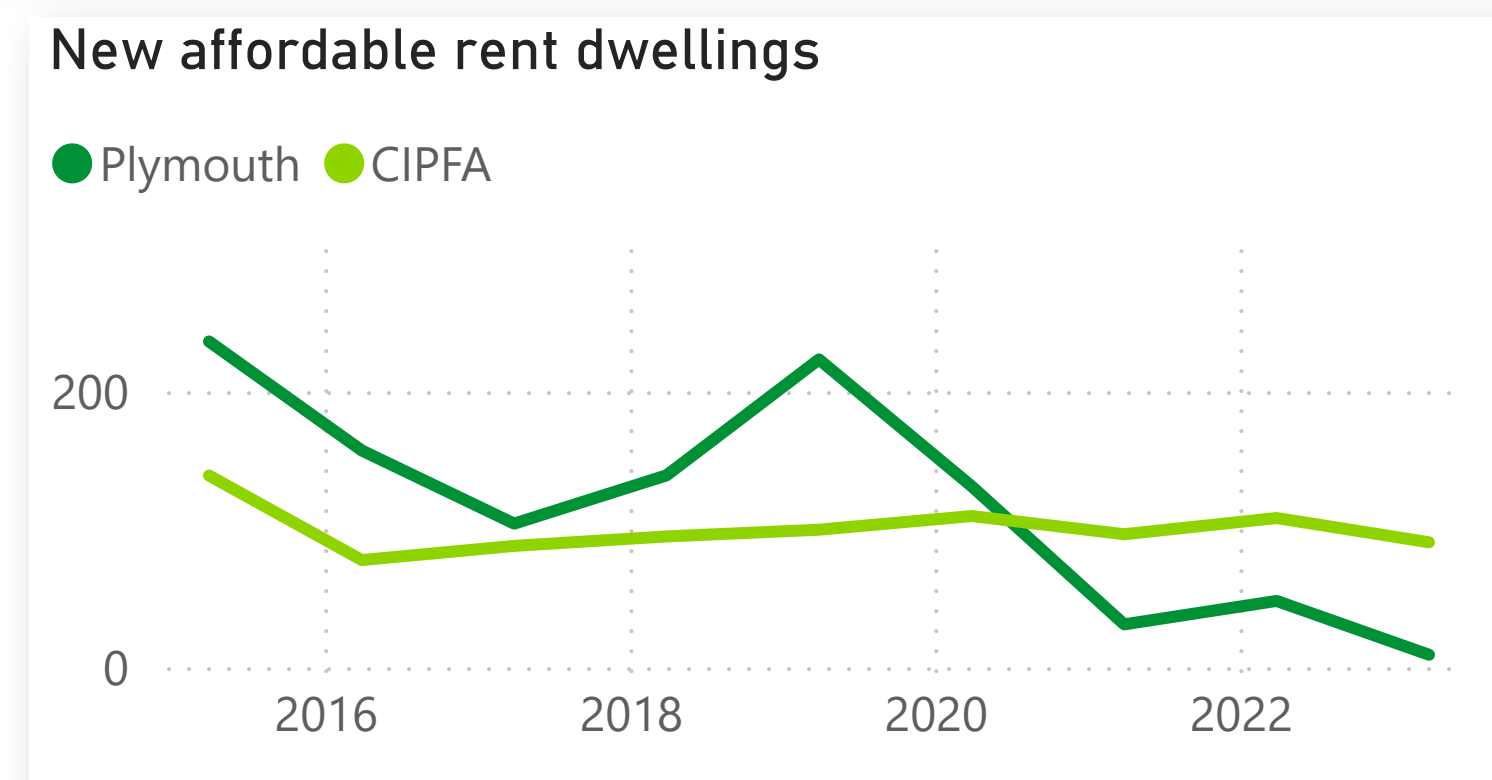
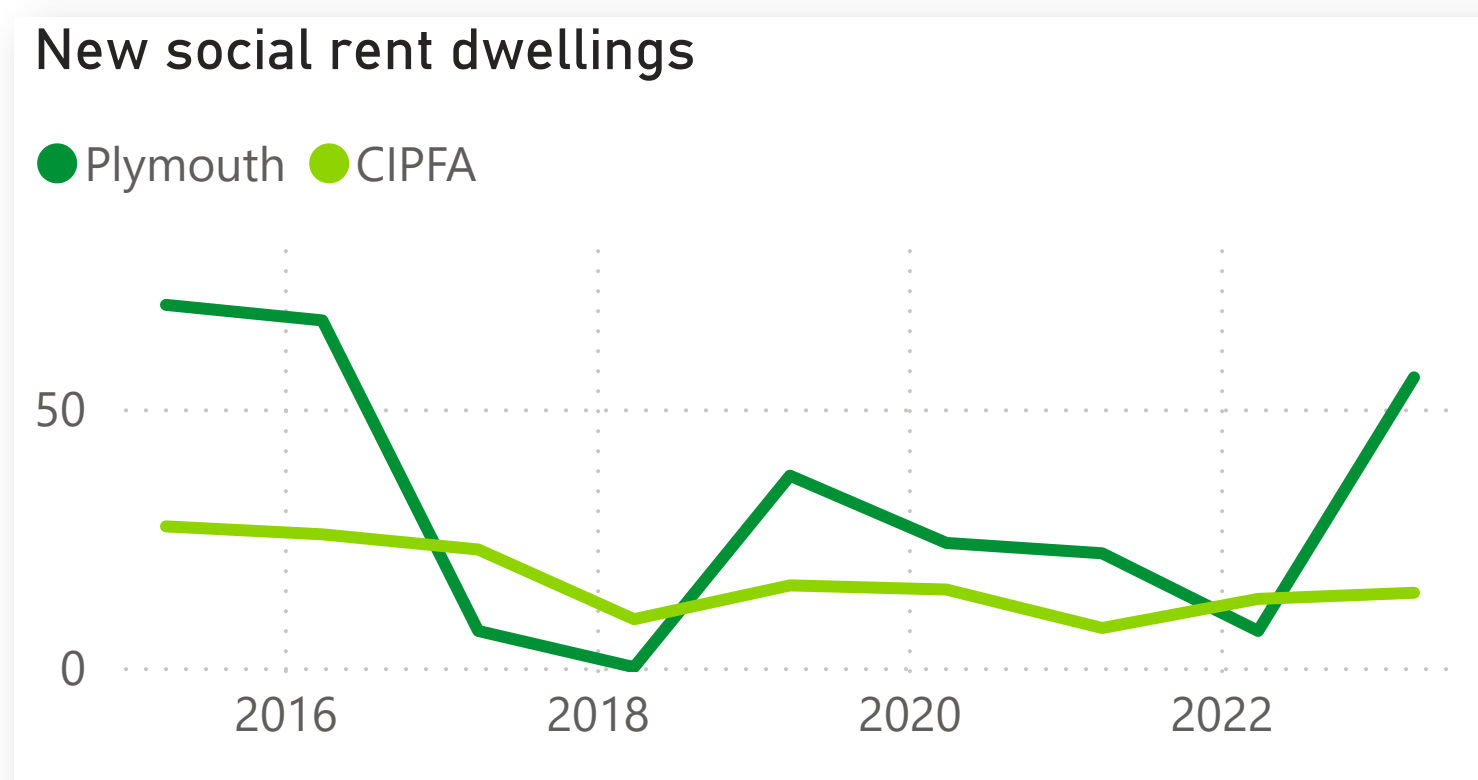


Build More Homes - for social rent and affordable ownership

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



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.

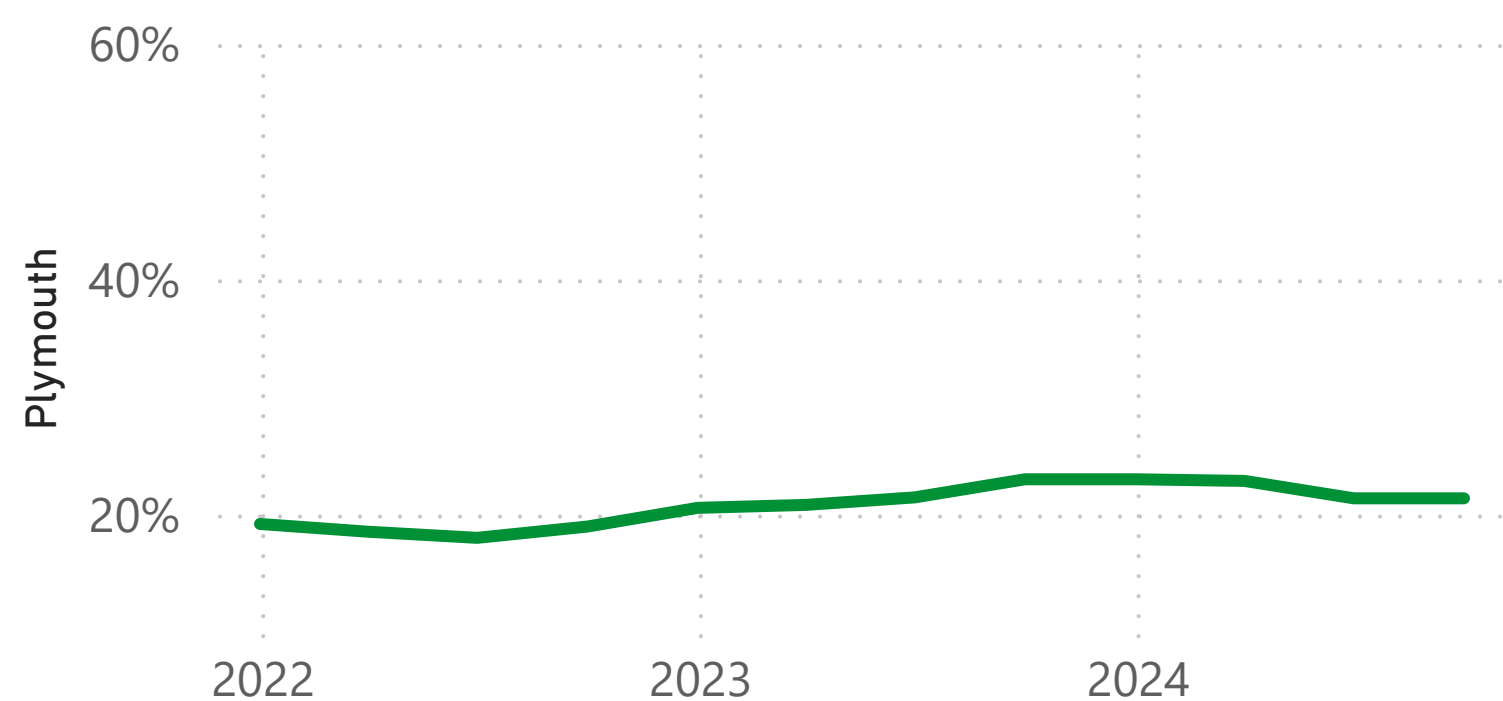
The new UK housing targets have significant implications for West Devon and the JLP area, particularly in terms of the increased number of homes required to be planned for. The targets, which aim to deliver 1.5 million more homes across England, could result in a 102% increase in the current JLP housing 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

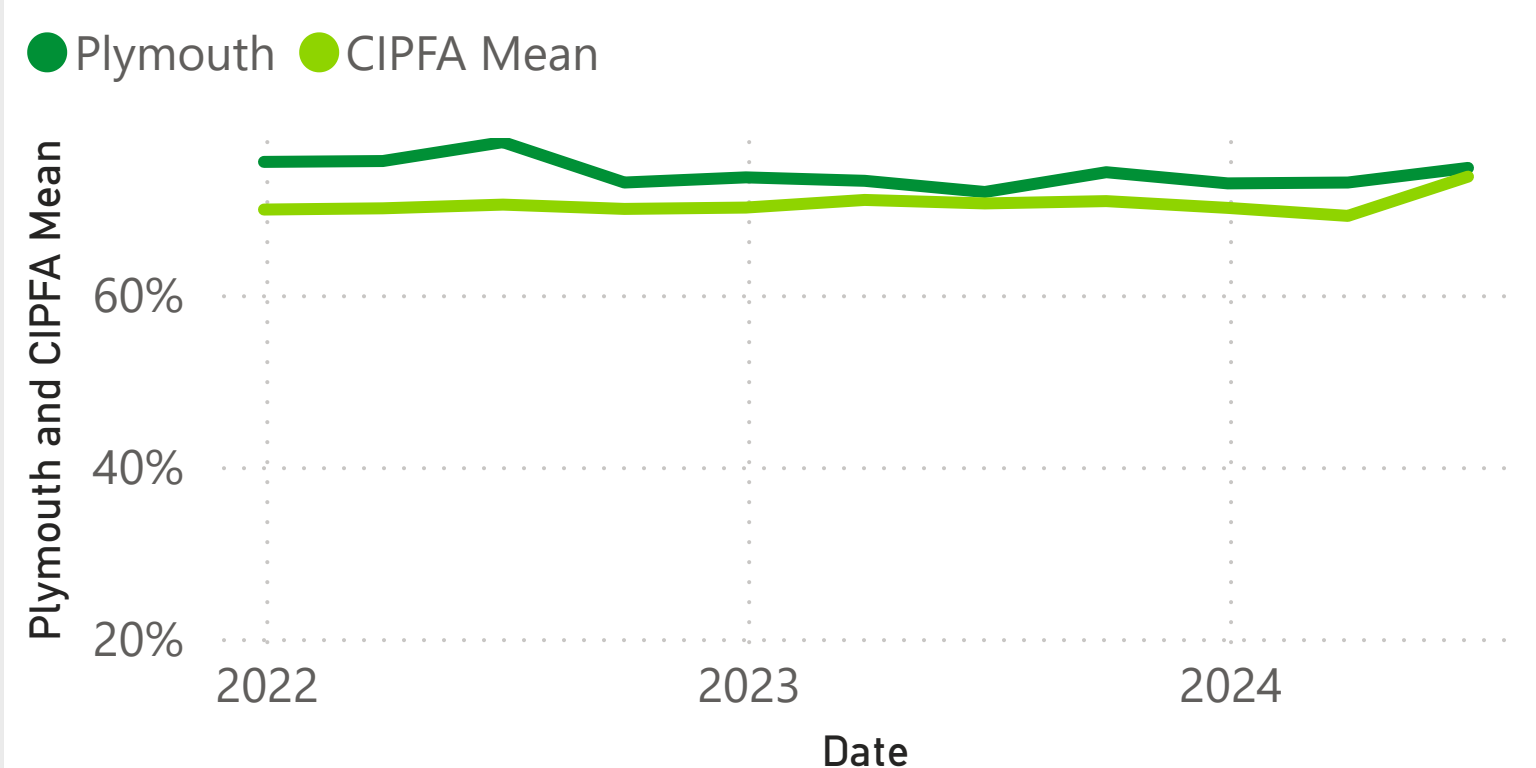
Green Investment, jobs, skills and better education

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%

Under 25 years old Universal Credit Claimants as % of all claimants

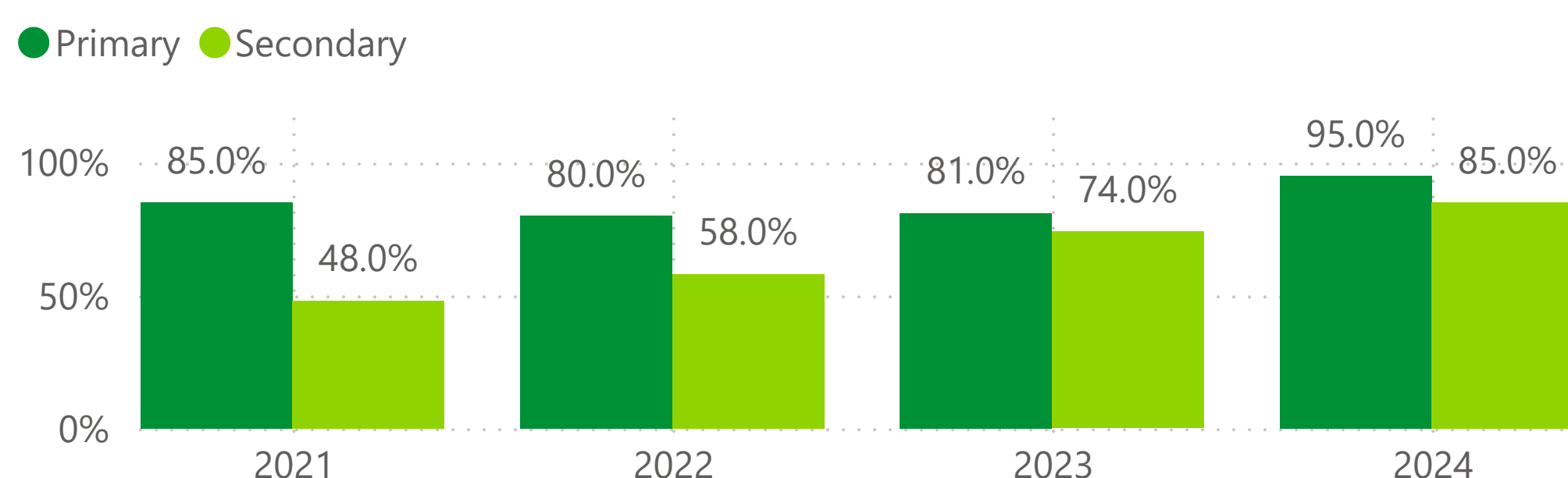


Employment Rate



FY	Business births per 10,000 residents	Business survival 5 years (5 years to year end)	Corporate scope 1/2 Co2 emissions (tonnes Co2e)Co2 Emissions	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	

% good / outstanding Schools

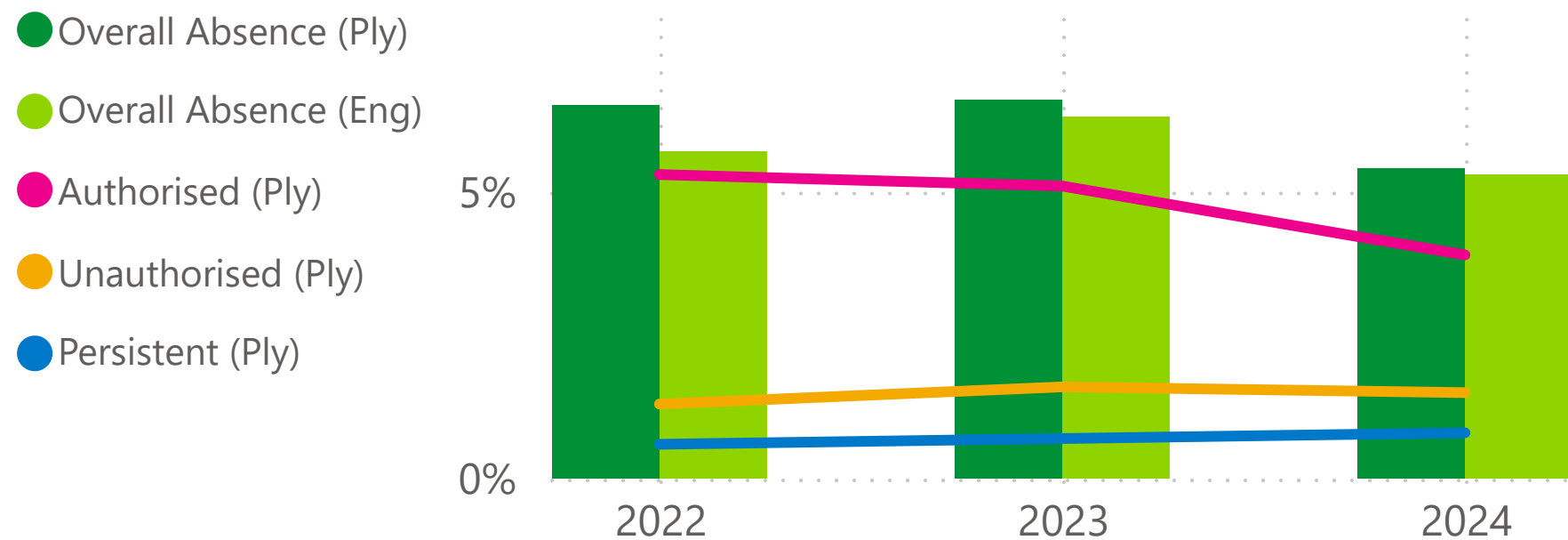


Green Investment, jobs, skills and better education

Plymouth City Council

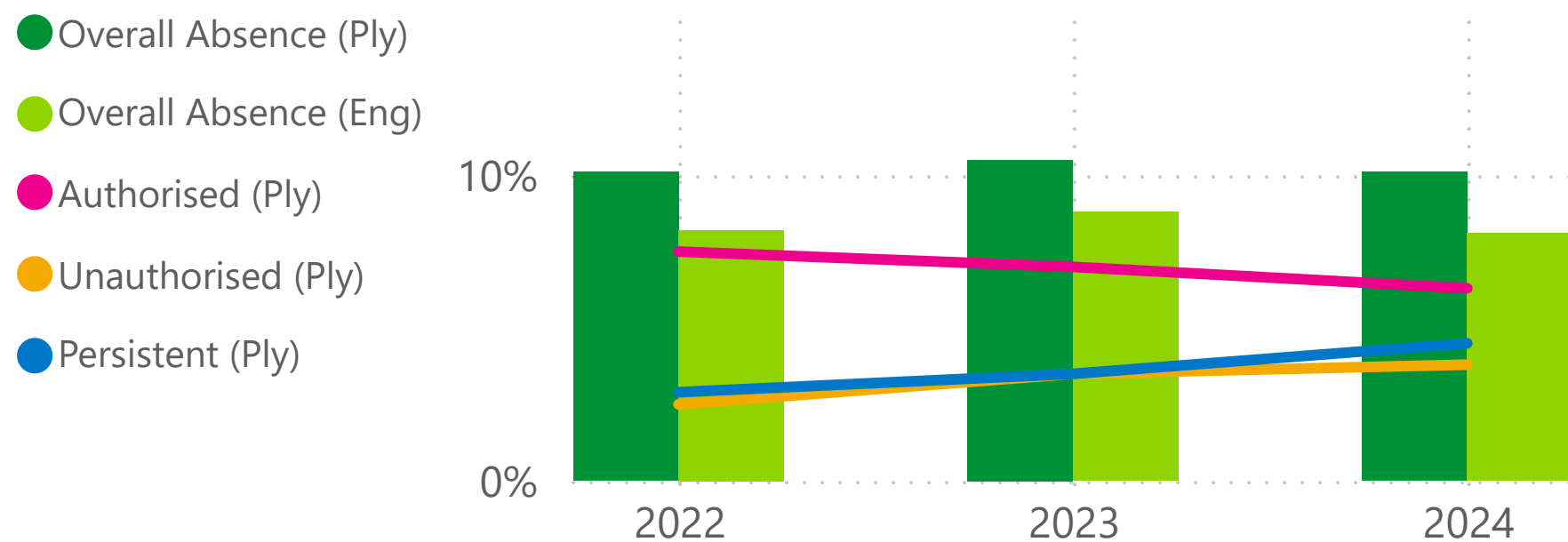
Green Investment, jobs, skills and better education

Primary Schools - Absence



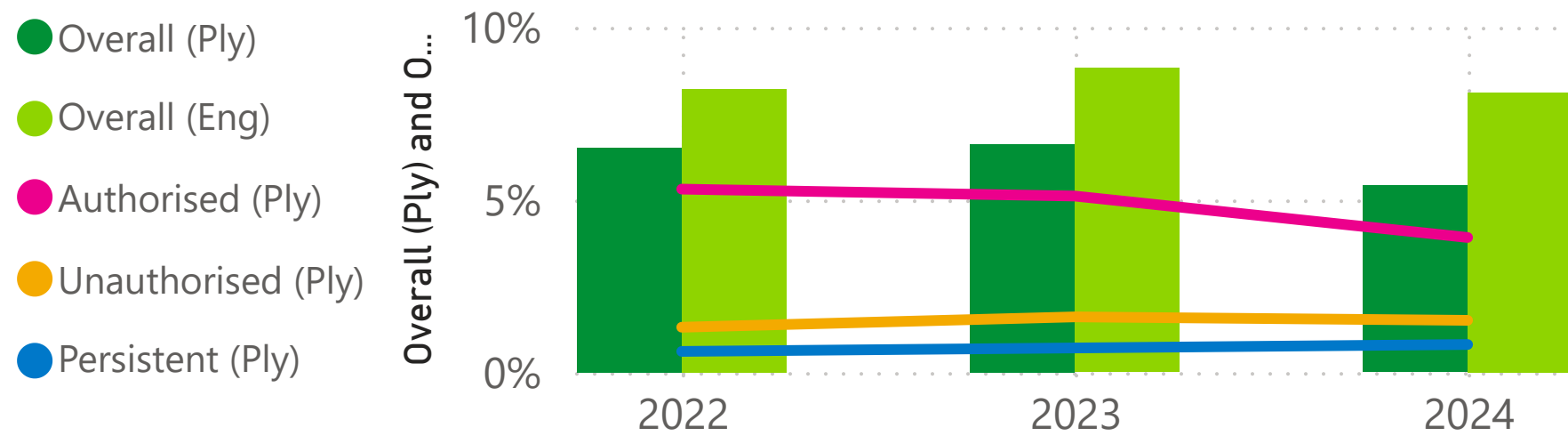
FY	Primary Persistent Absence (>50%)	Primary Overall Absence
2023-2024	0.80%	5.40%
2022-2023	0.70%	6.60%
2021-2022	0.50%	6.50%

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

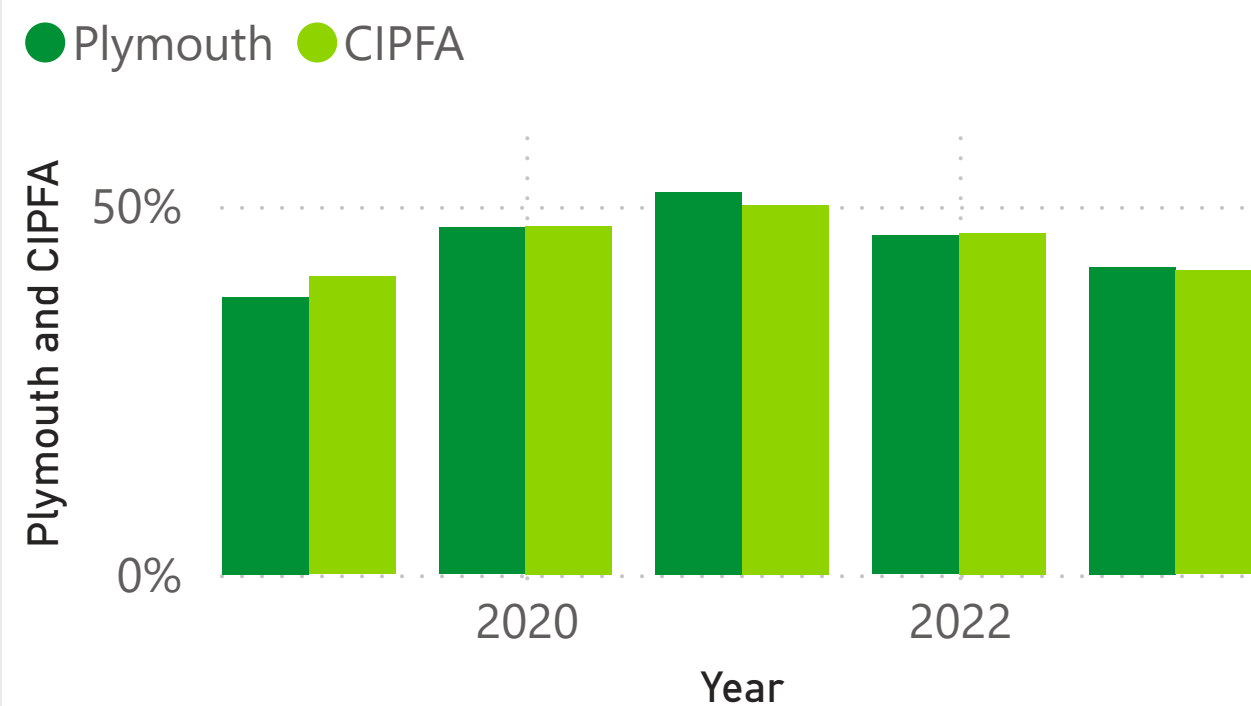


FY	Special School Persistent Absence (>50%)	Special School Overall Absence
2023-2024	3.80%	11.30%
2022-2023	5.10%	13.80%
2021-2022	4.10%	12.70%

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

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 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.

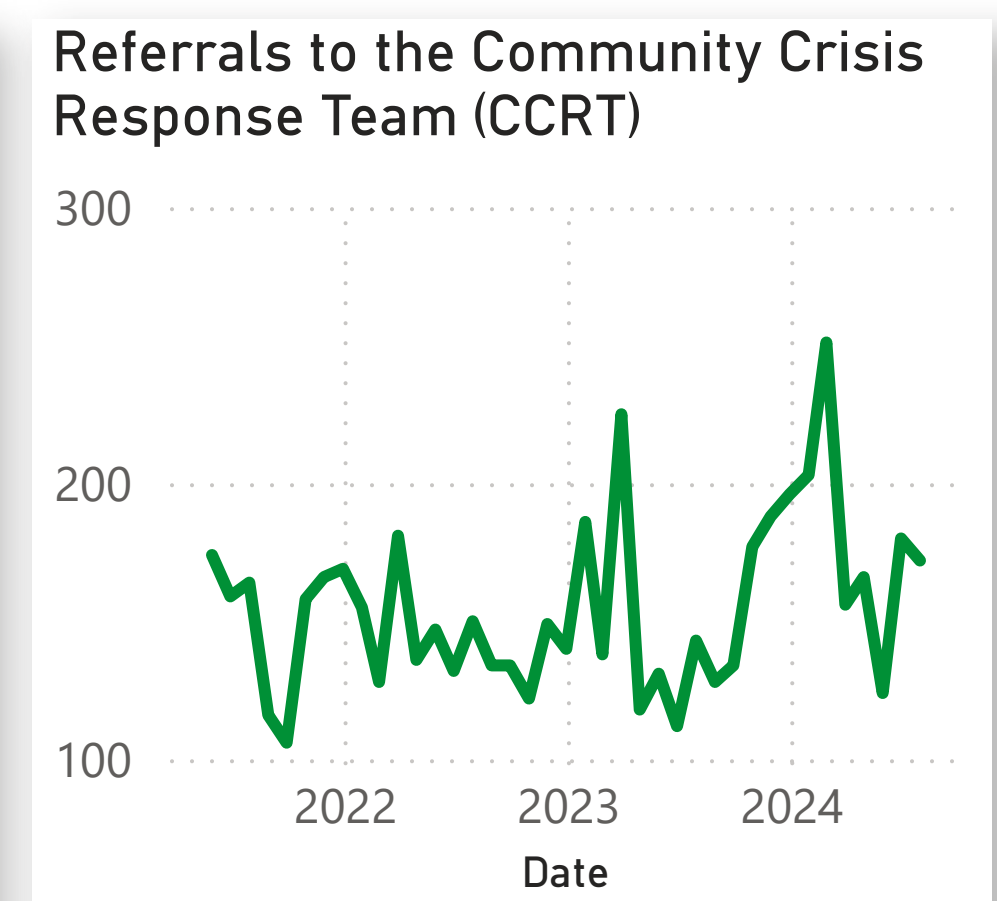
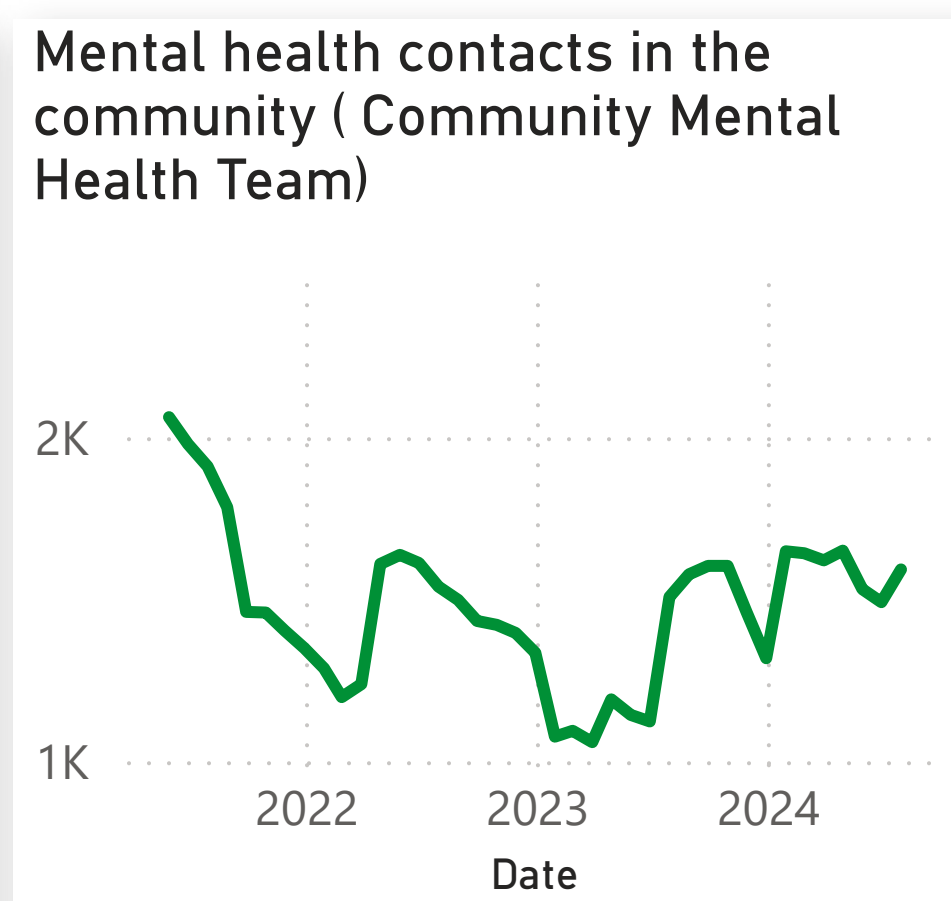
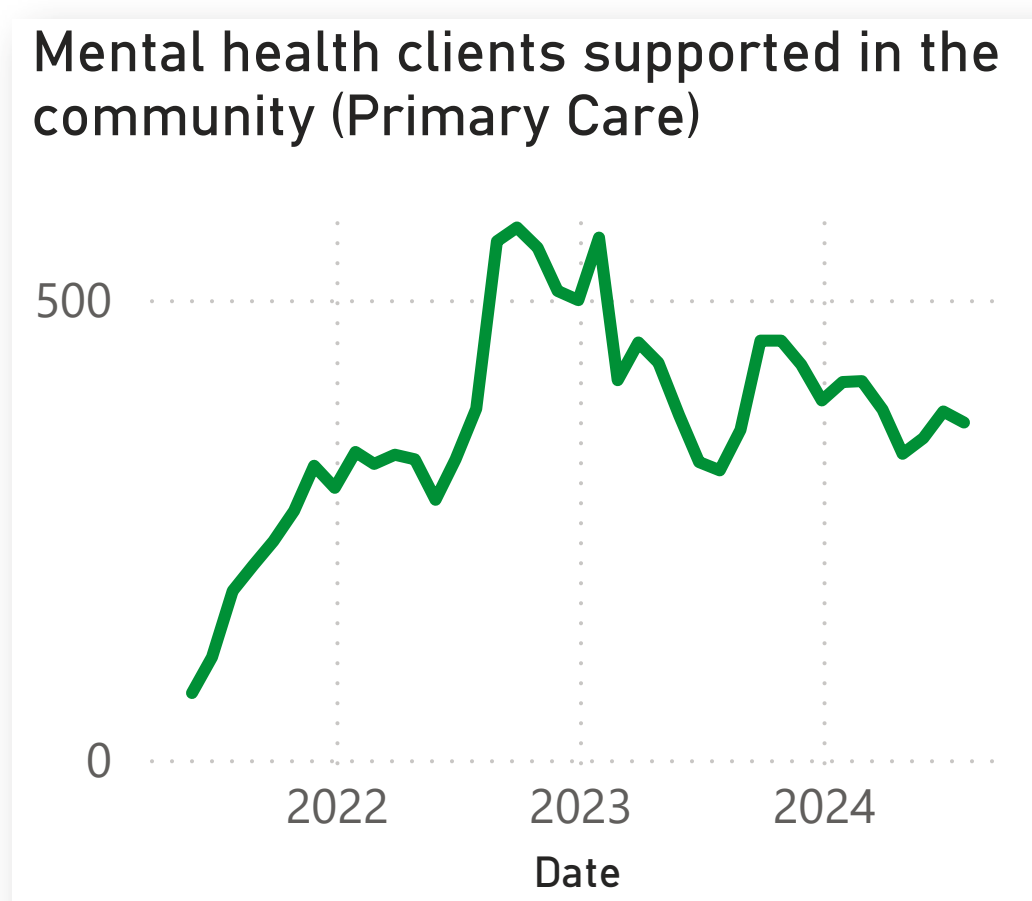
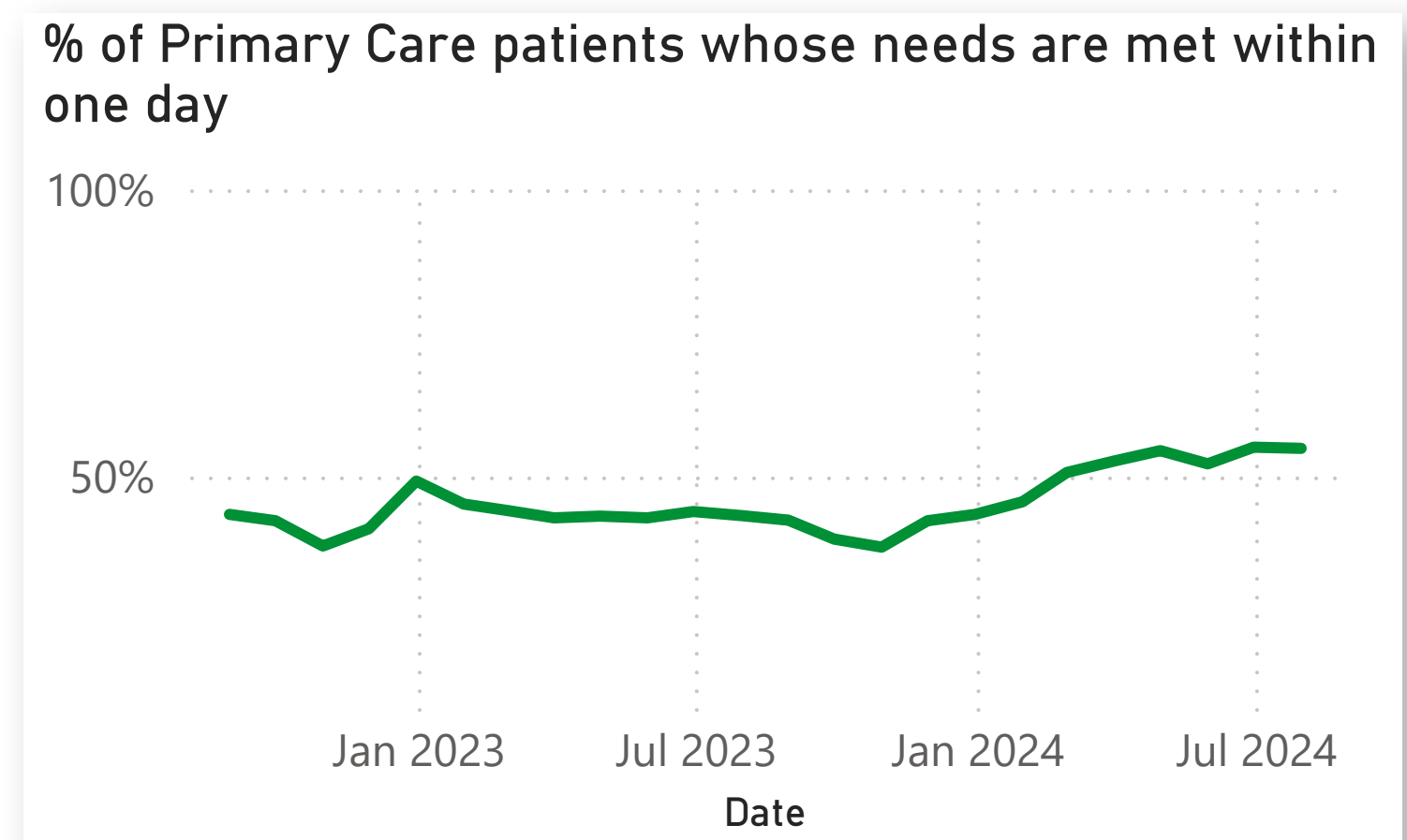
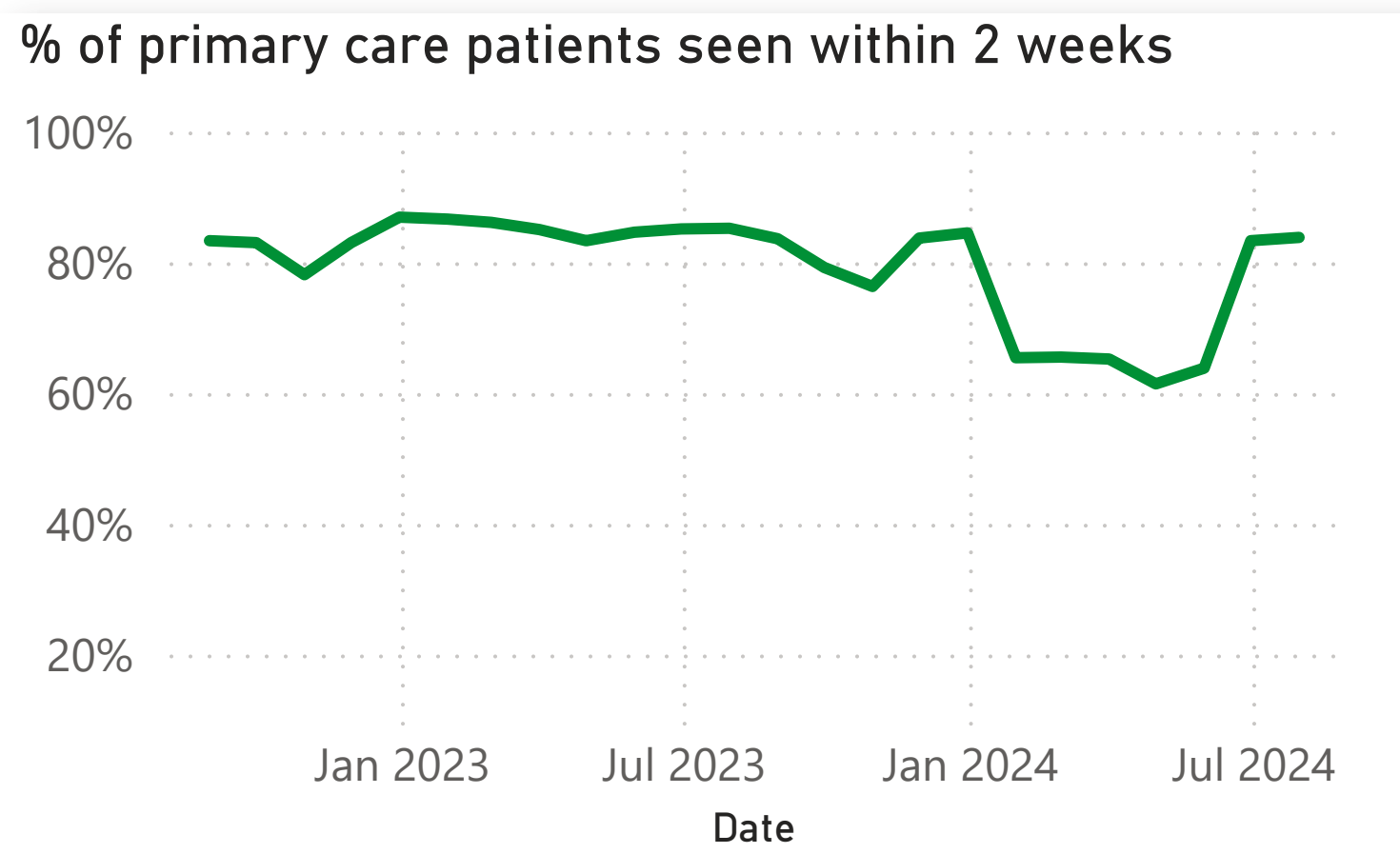
The Plymouth's Economic Strategy 2024 is a successor to Delivering Economic Growth 2020 and the Plymouth Local Economic Strategy 2014. It will continue to be led by the Plymouth Growth Board and managed by Plymouth City Council's Economic Development service.

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

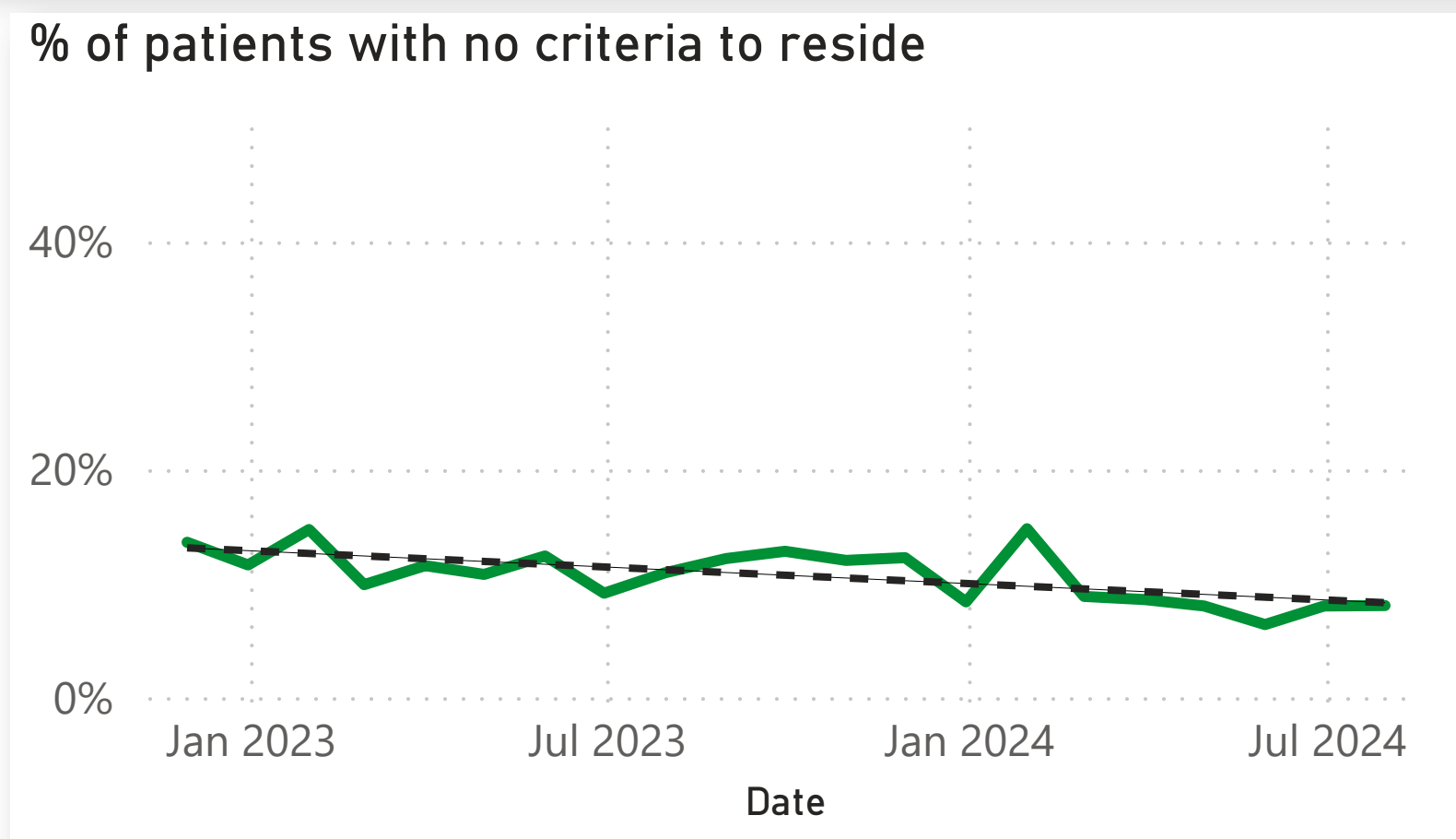


Working with the NHS to provide better access to health, care and dentistry

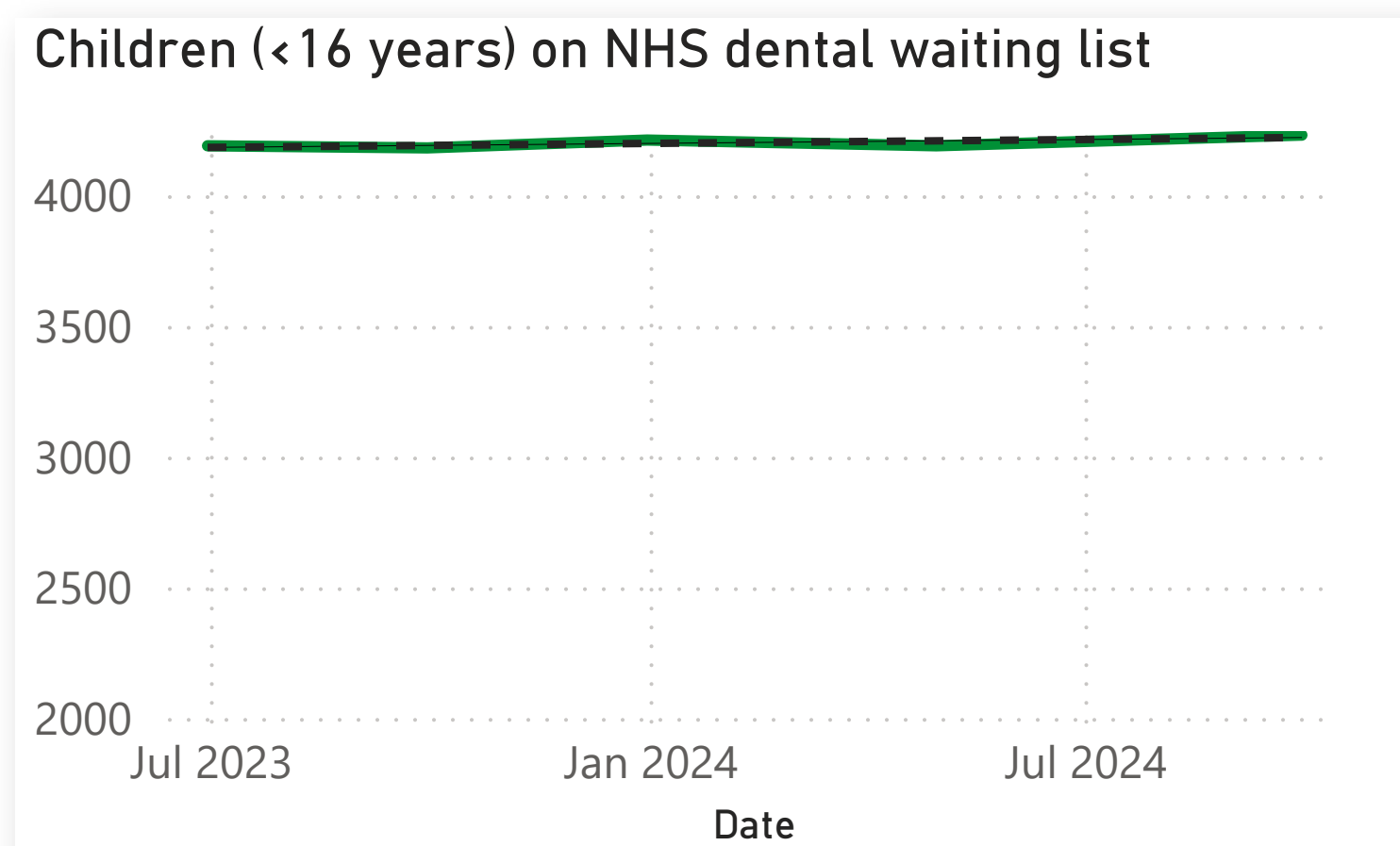
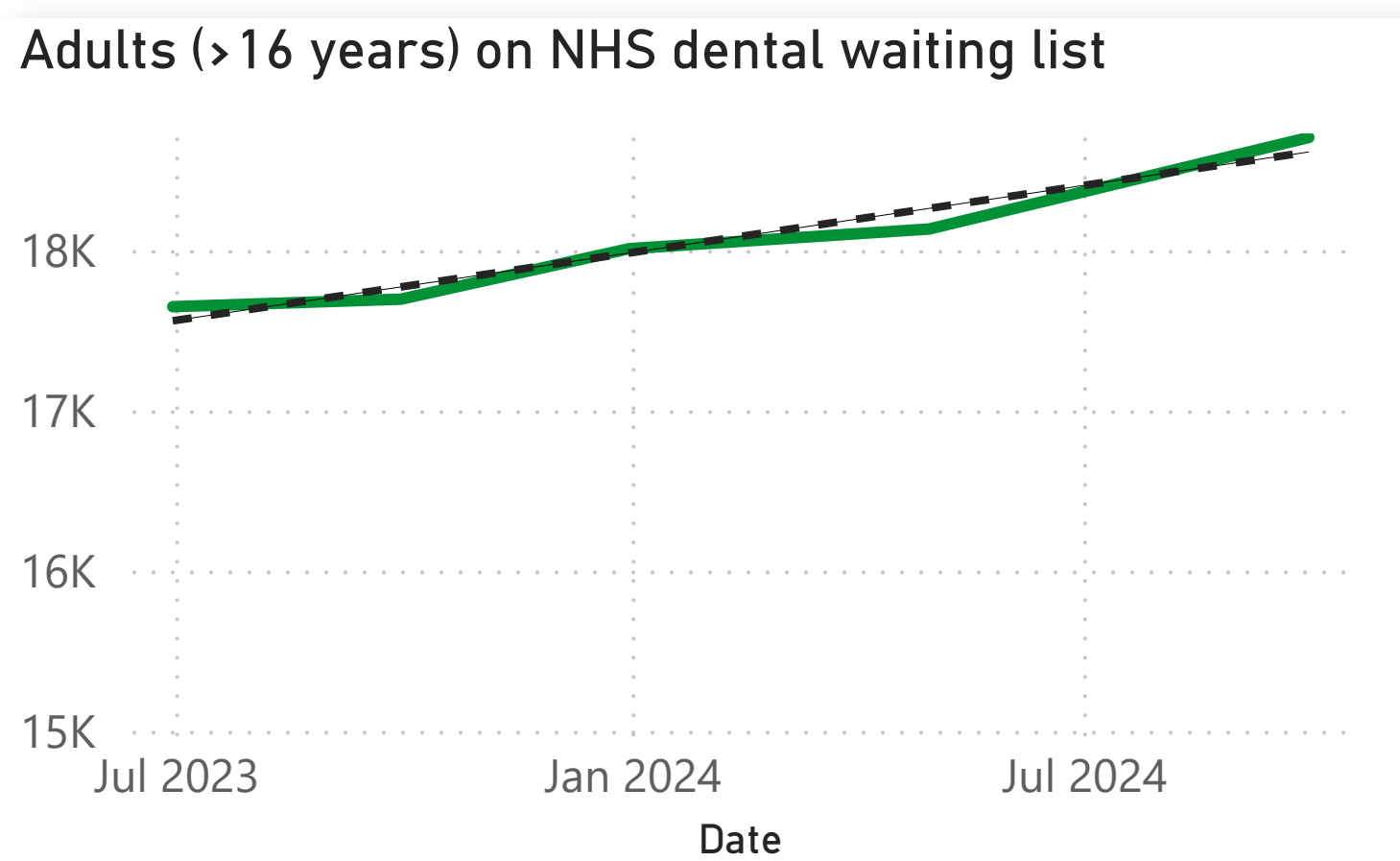
Plymouth City Council

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

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

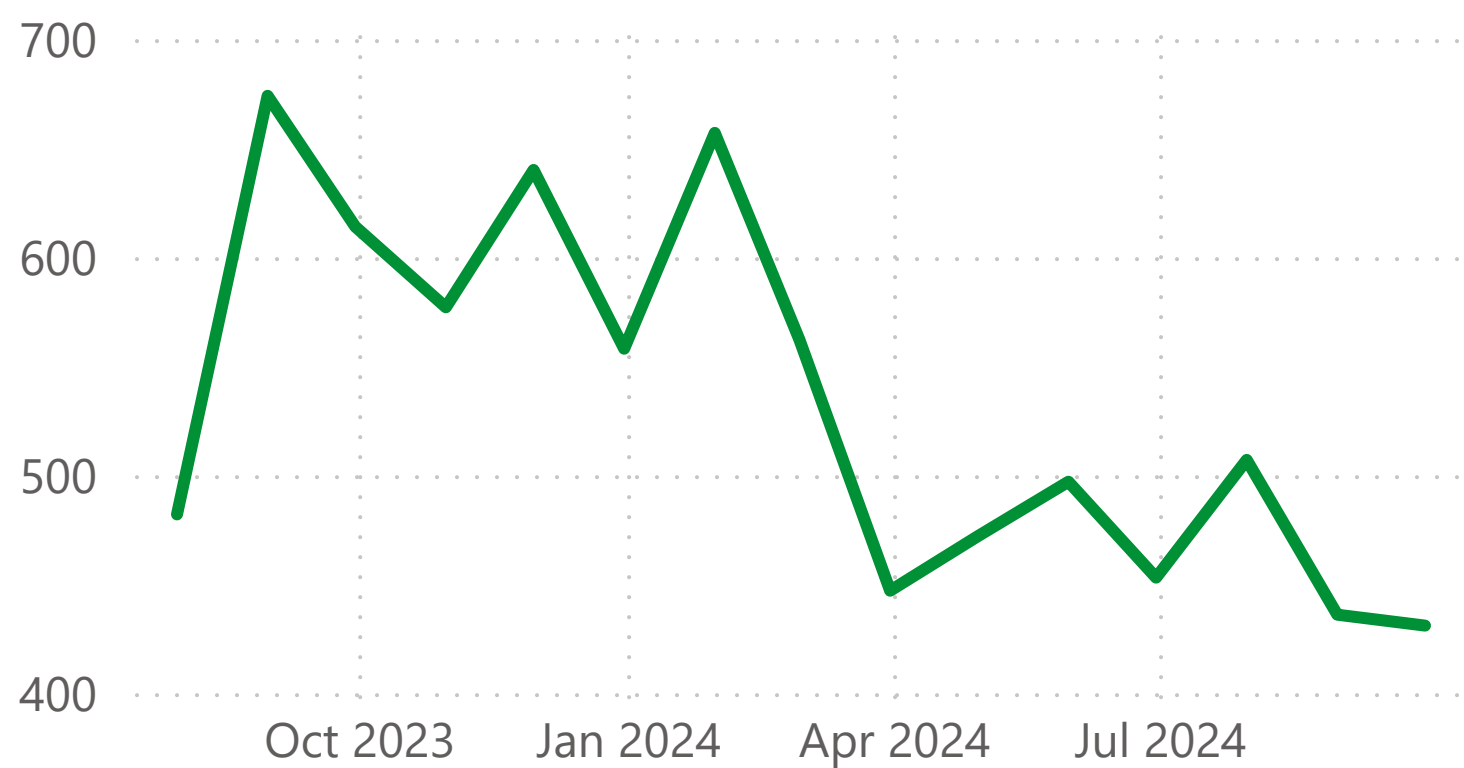
A plan has been agreed to address capacity issues, and six bids have been submitted to DLUHC/Homes England, with four being successful. A large hotel has been block-booked for reduced nightly charges to accommodate those in need. Future actions include developing a project around the Hospital Discharge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

Plymouth City Council

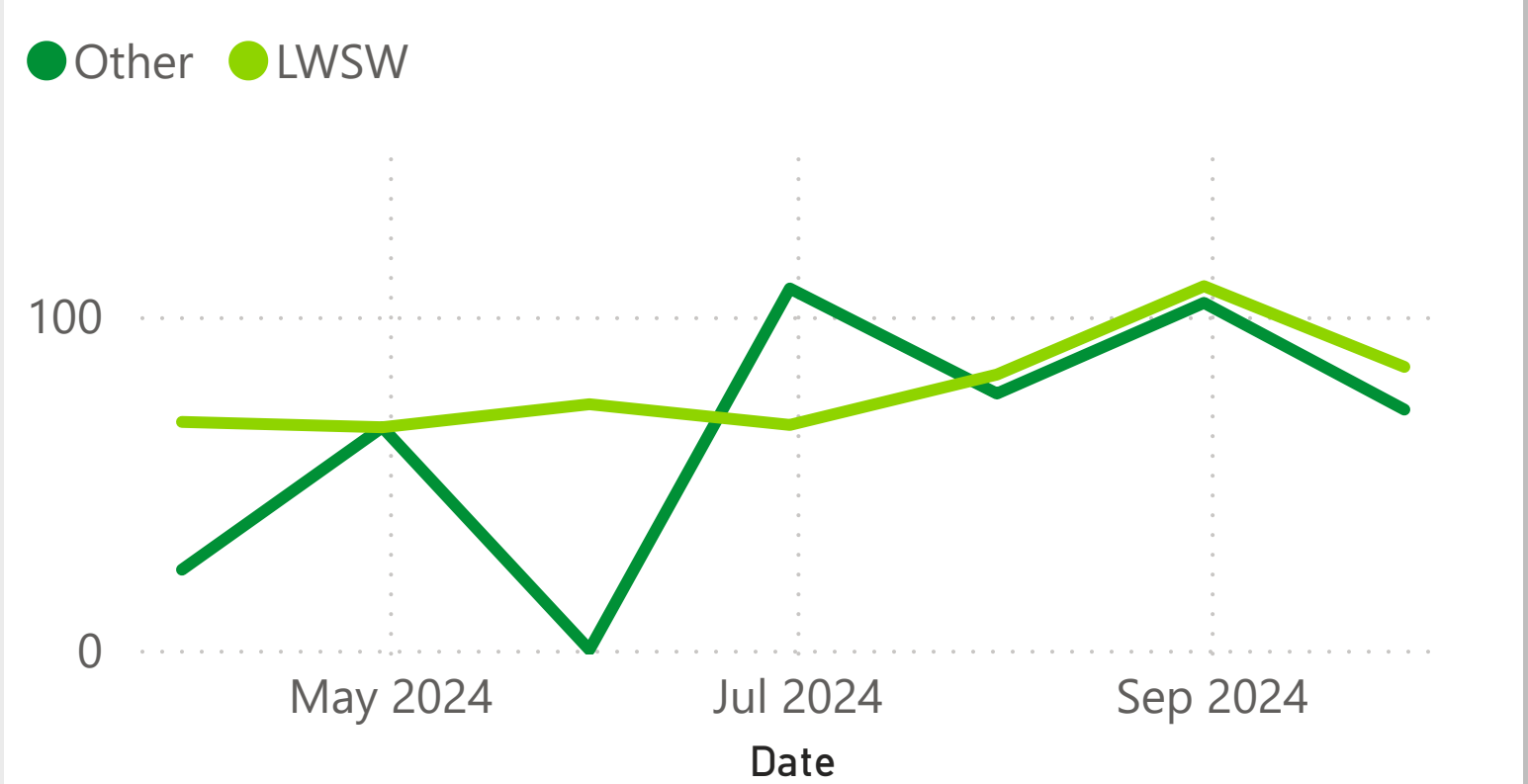
Keeping Children, Adults and Communities Safe

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 - LSWW	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%

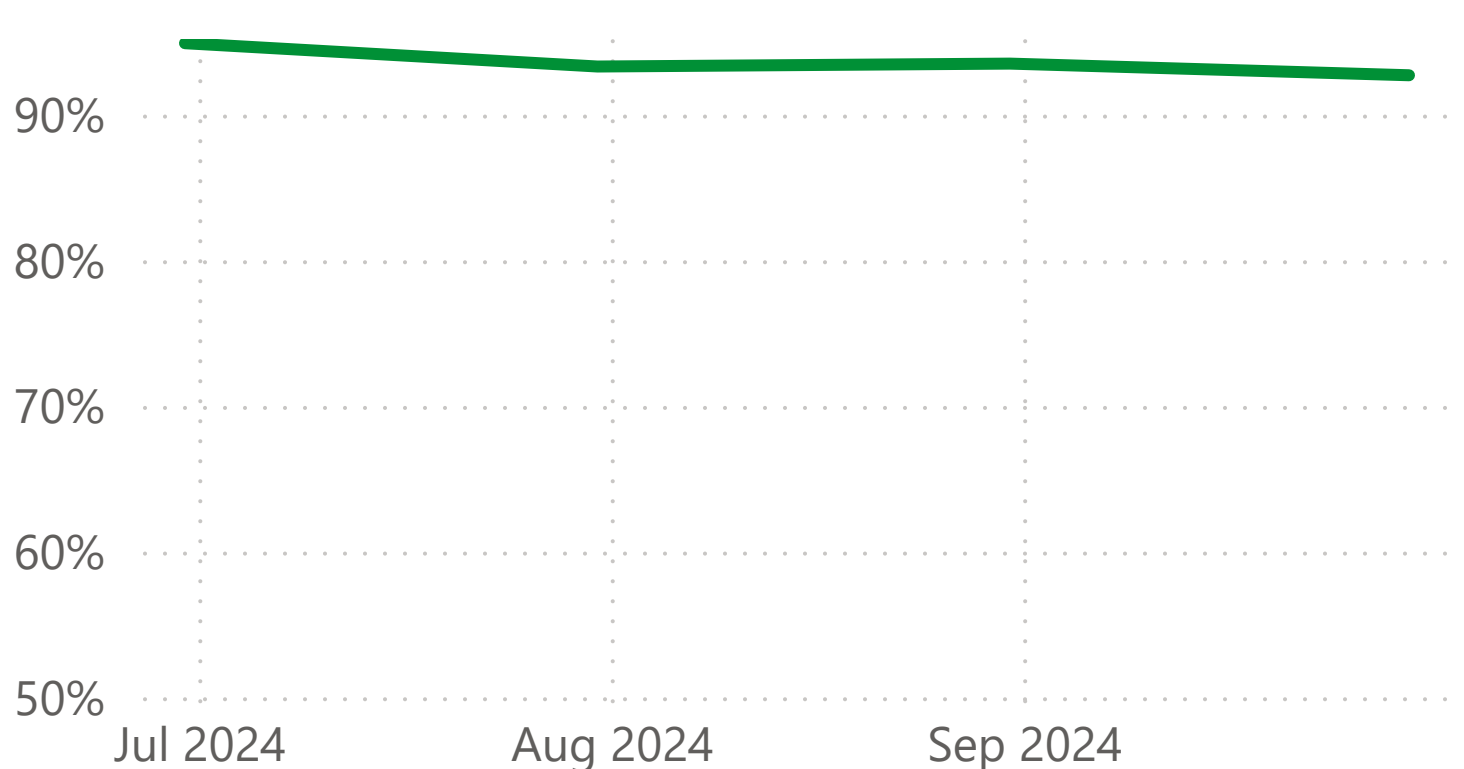
Referral and triage



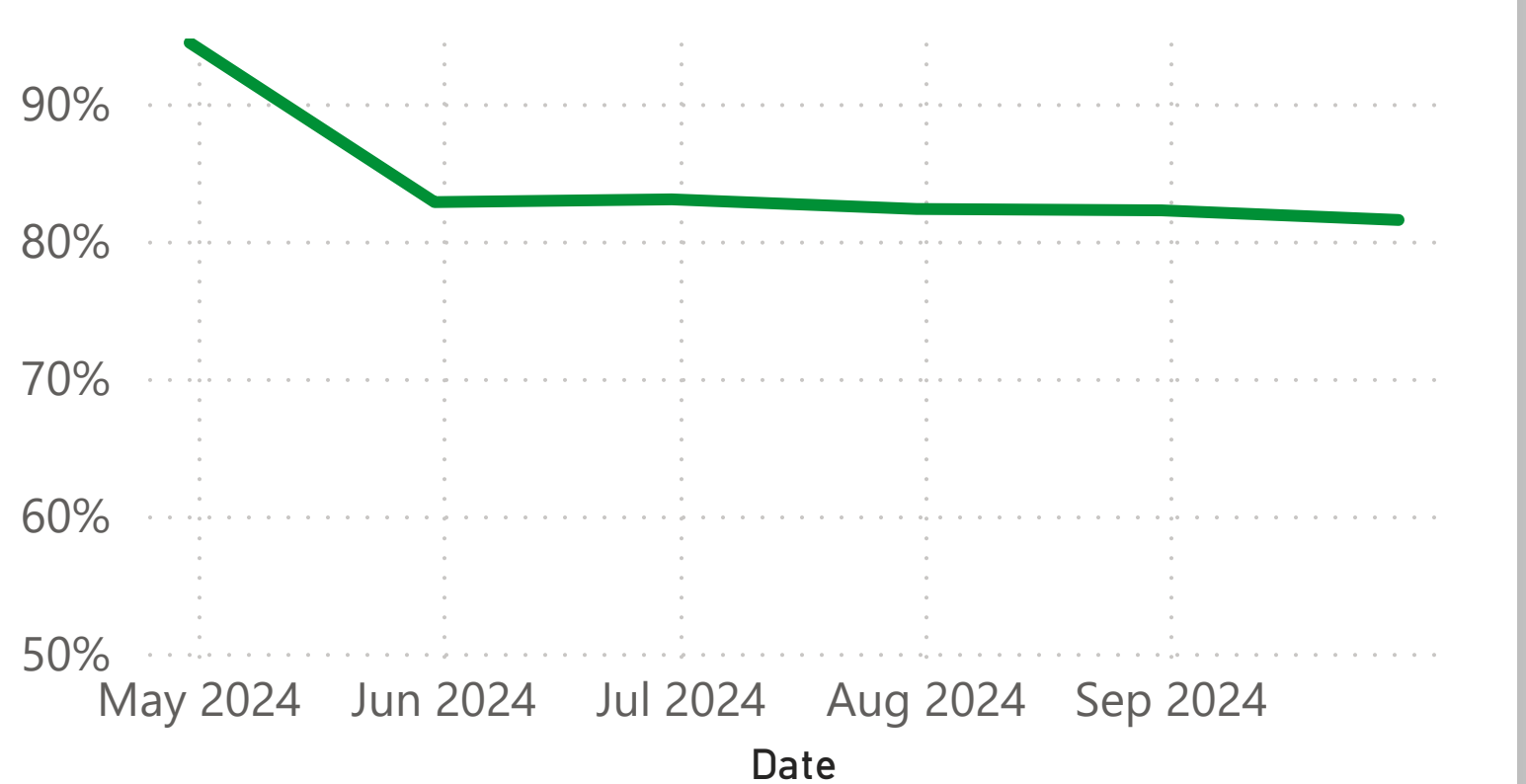
No. of days to process S. 42



Making Safeguarding Personal - outcomes achieved



Safeguarding Risks removed or Reduced



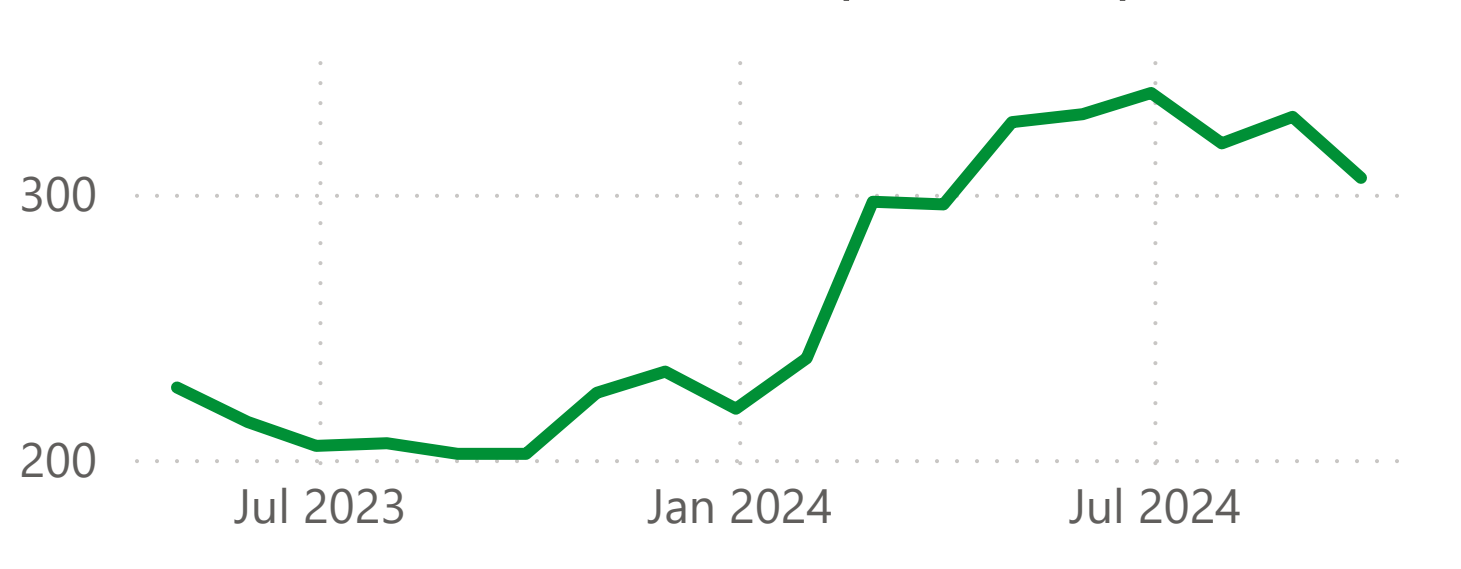
Keeping Children, Adults and Communities Safe

Plymouth City Council

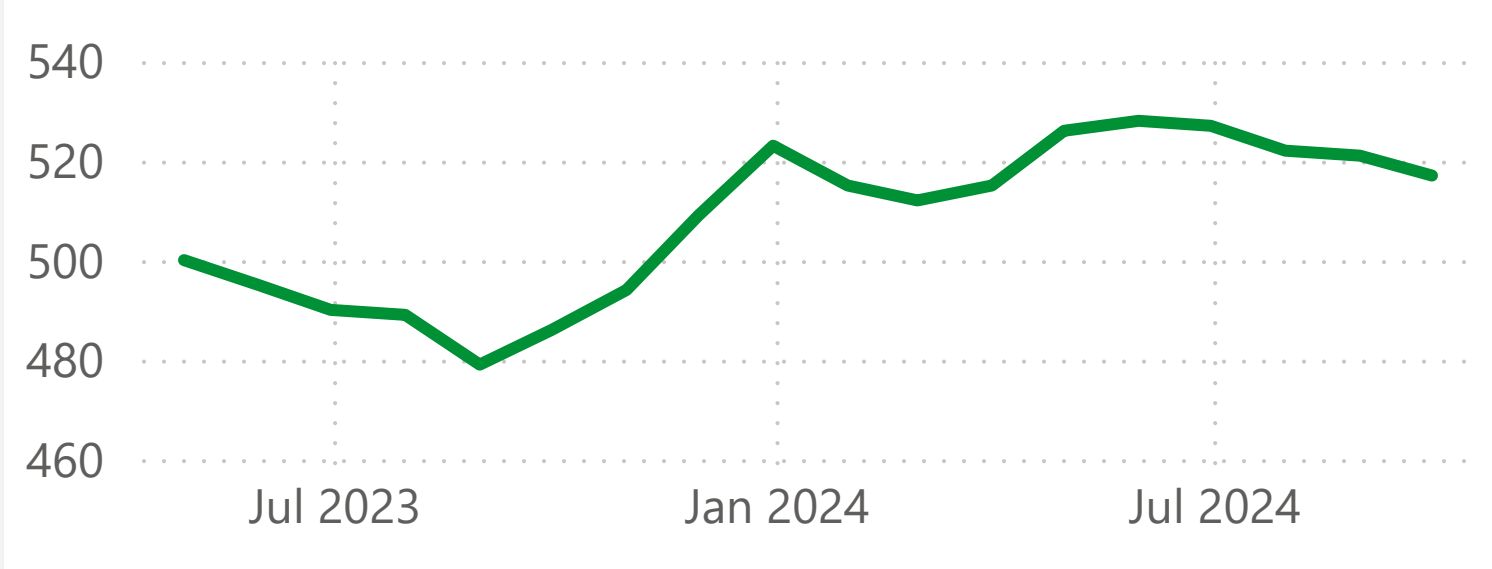
Keeping Children, Adults and Communities Safe

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

Number of Children with a child protection plan



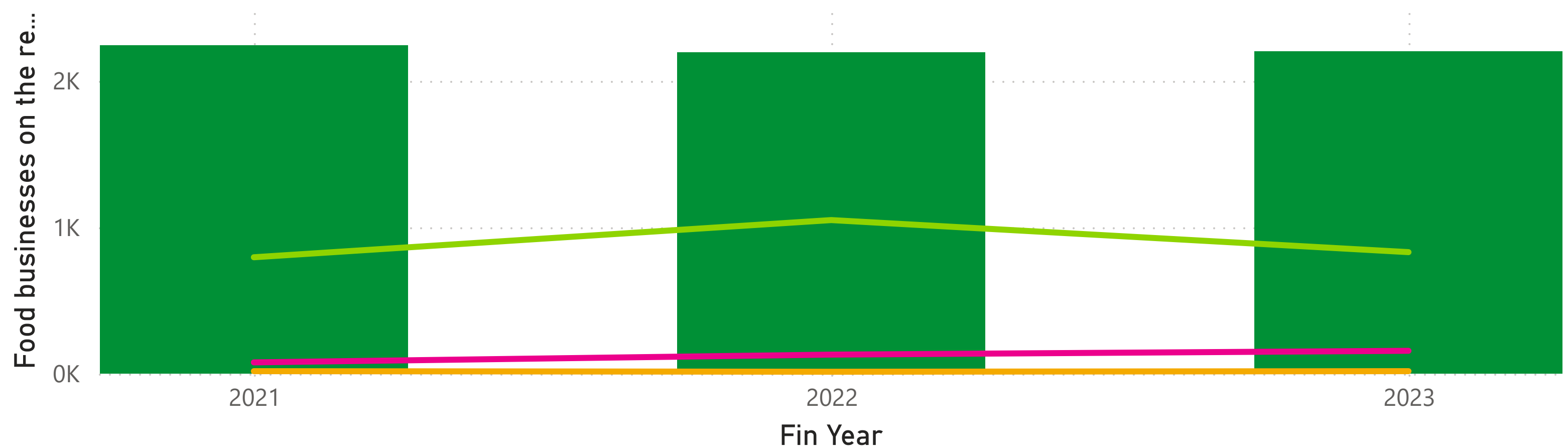
Number of looked after Children



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

Food Hygiene

● Food businesses on the register ● Food inspections carried out ● Food premises compliance chec... ● Food hygiene enforce...



Keeping Children, Adults and Communities Safe

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.

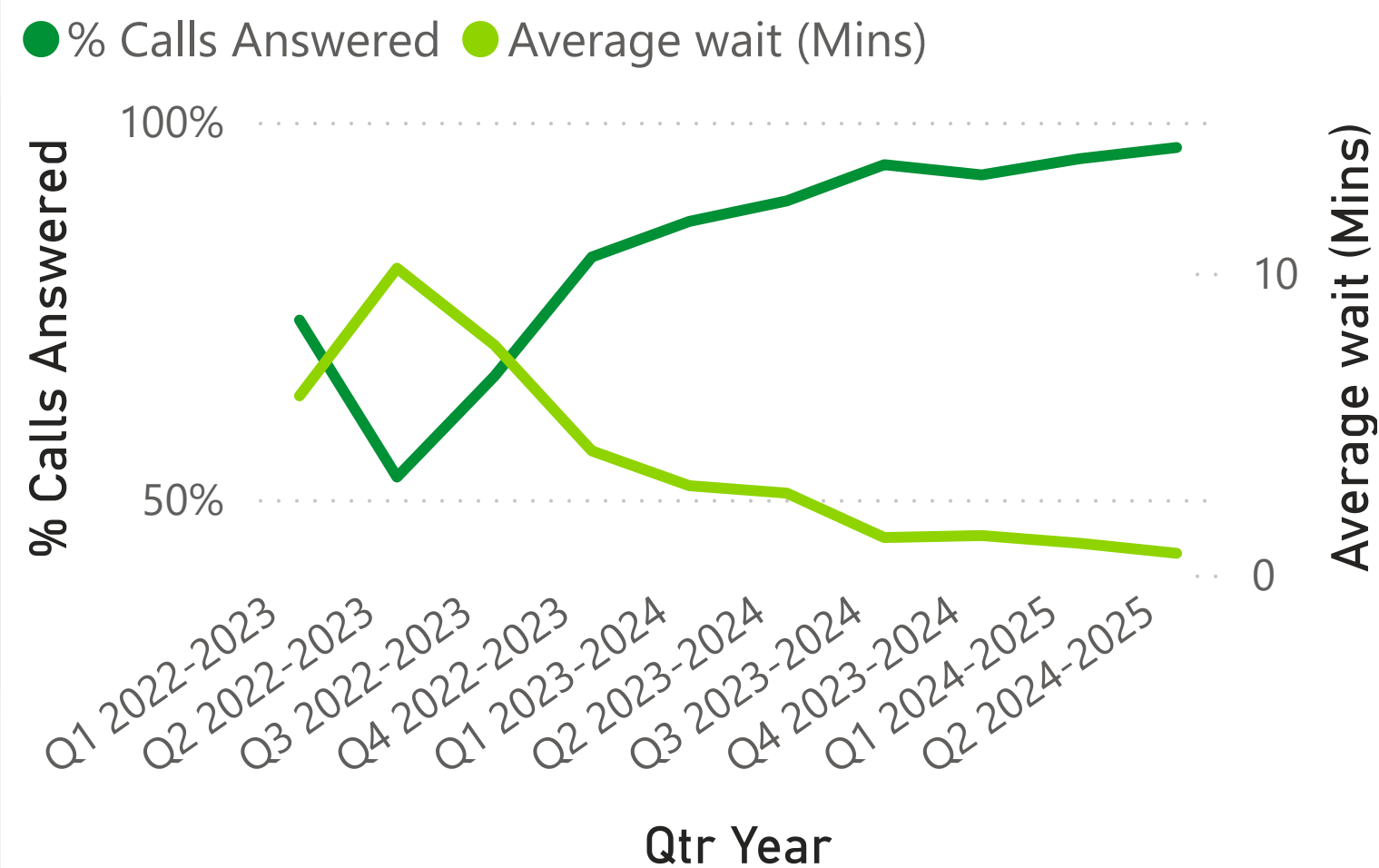
Environmental protection saw advancements in addressing pollution issues related to land, air, and waste. Key achievements include maintaining high standards in food safety and port health, and managing environmental complaints effectively. Future plans focus on enhancing air quality monitoring, continuing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

Plymouth City Council

Providing Quality Public Services

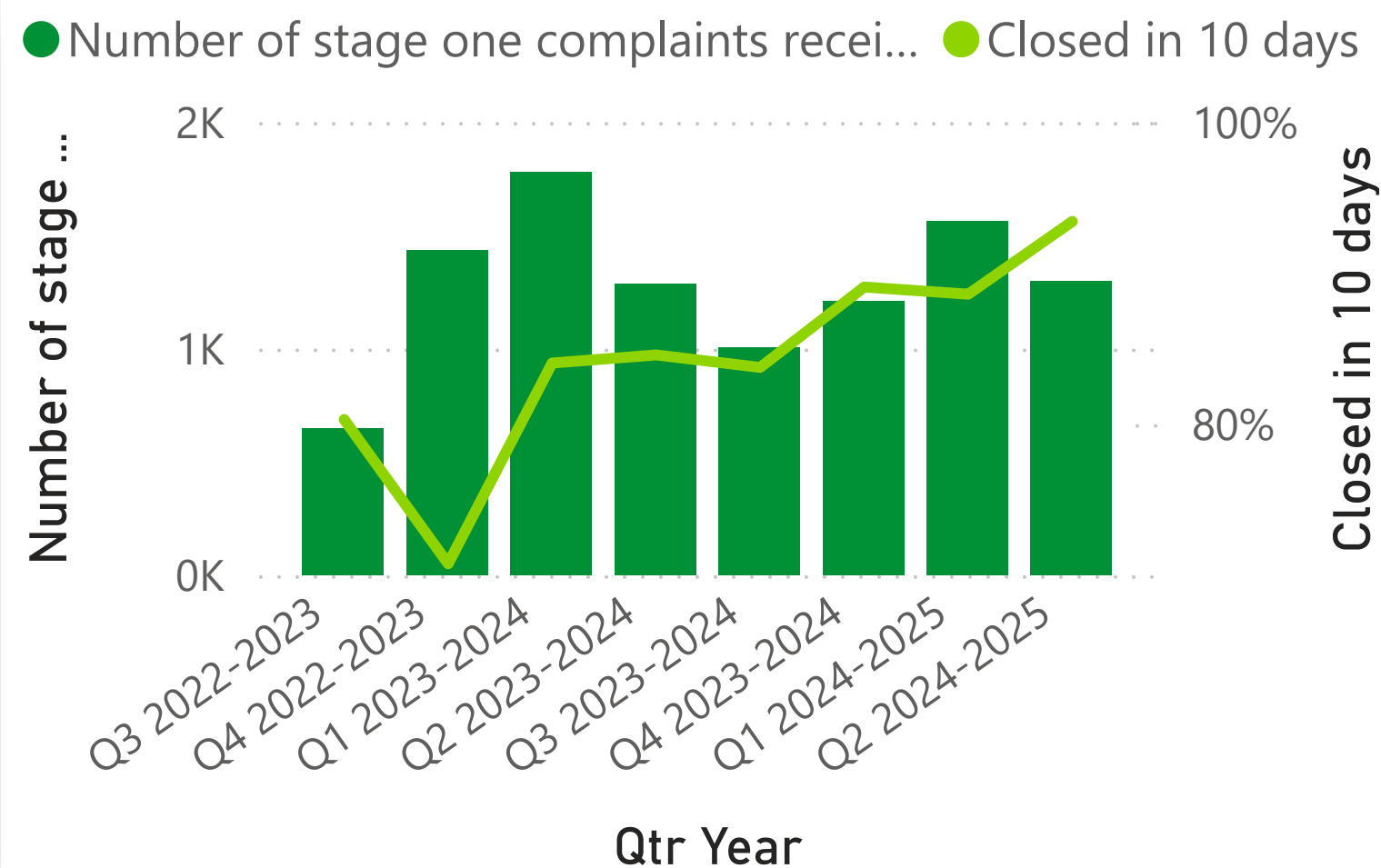
Qtr Year	% Calls Answered (Quarterly Average)	Average Wait Mins (Quarterly Average)
Q2 2024-2025	96.58%	1
Q3 2023-2024	95.94%	1
Q1 2024-2025	95.09%	1
Q4 2023-2024	92.95%	1

Calls answered and wait times (Quarterly Average)



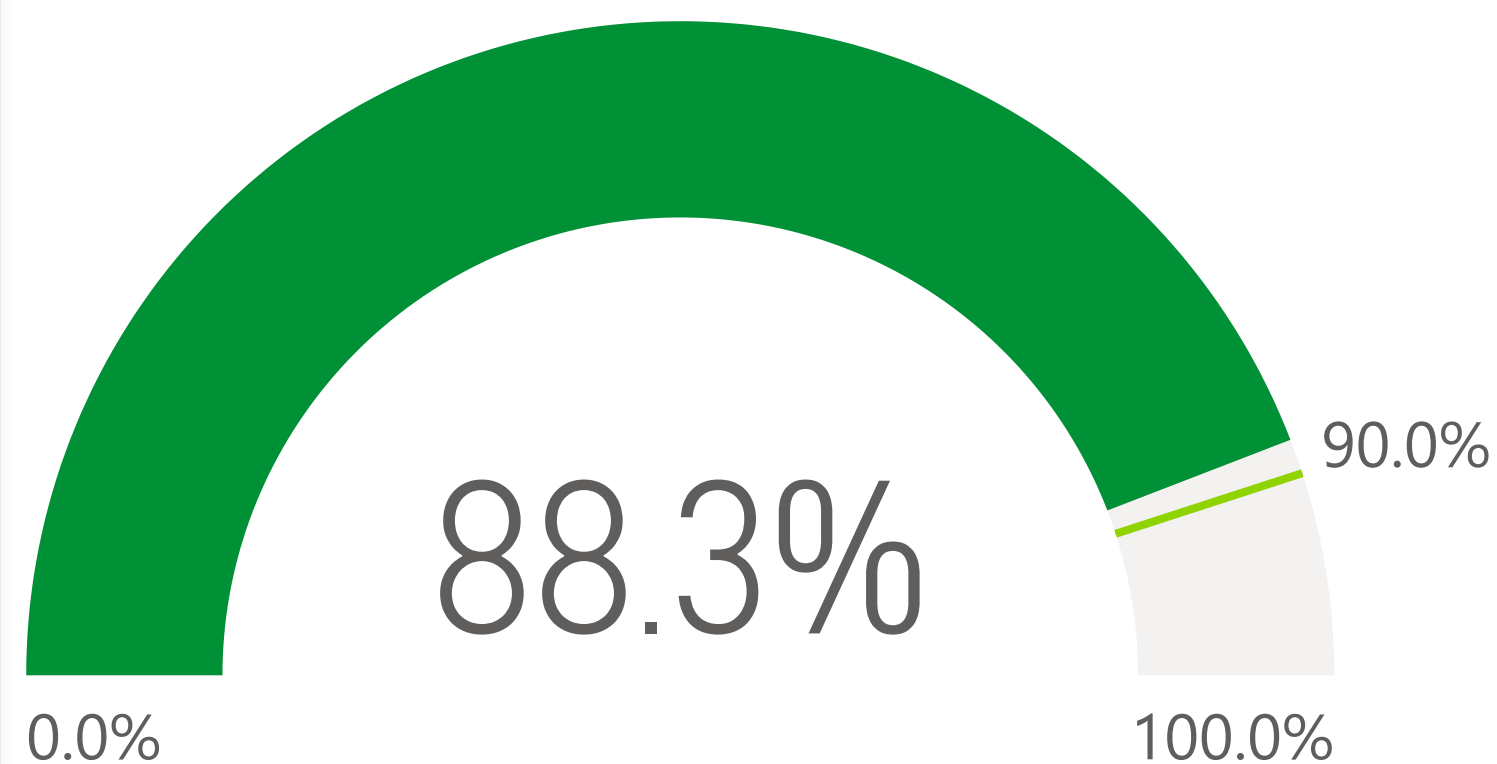
Qtr Year	Number of stage one complaints received	% Stage One Complaints Closed in 10 days (Quarterly Average)	% FOI requests closed in 20 days (Quarterly Average)
Q2 2024-2025	1,298.00	93.4%	85.1%
Q1 2024-2025	1,561.00	88.6%	86.9%
Q4 2023-2024	1,208.00	89.1%	84.2%
Q3 2023-2024	631.00	77.4%	83.6%

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.

FoI closed in timescales



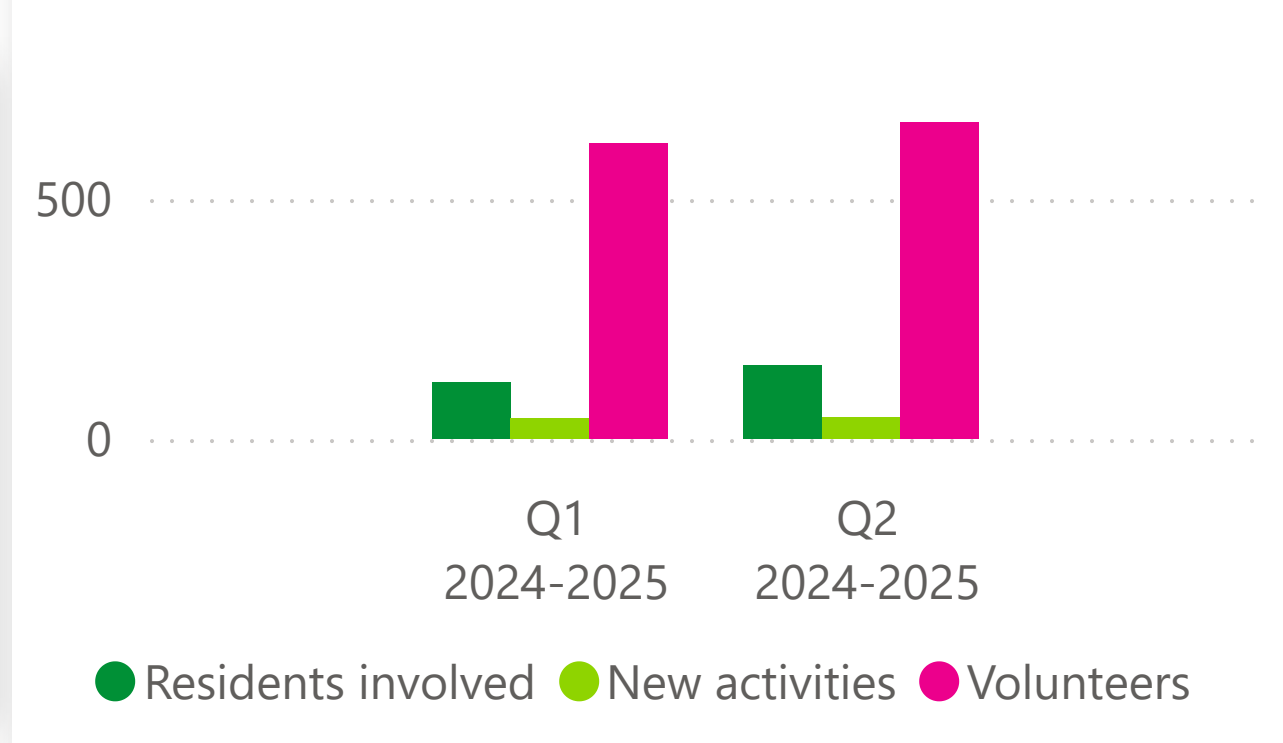
Providing Quality Public Services

Plymouth City Council

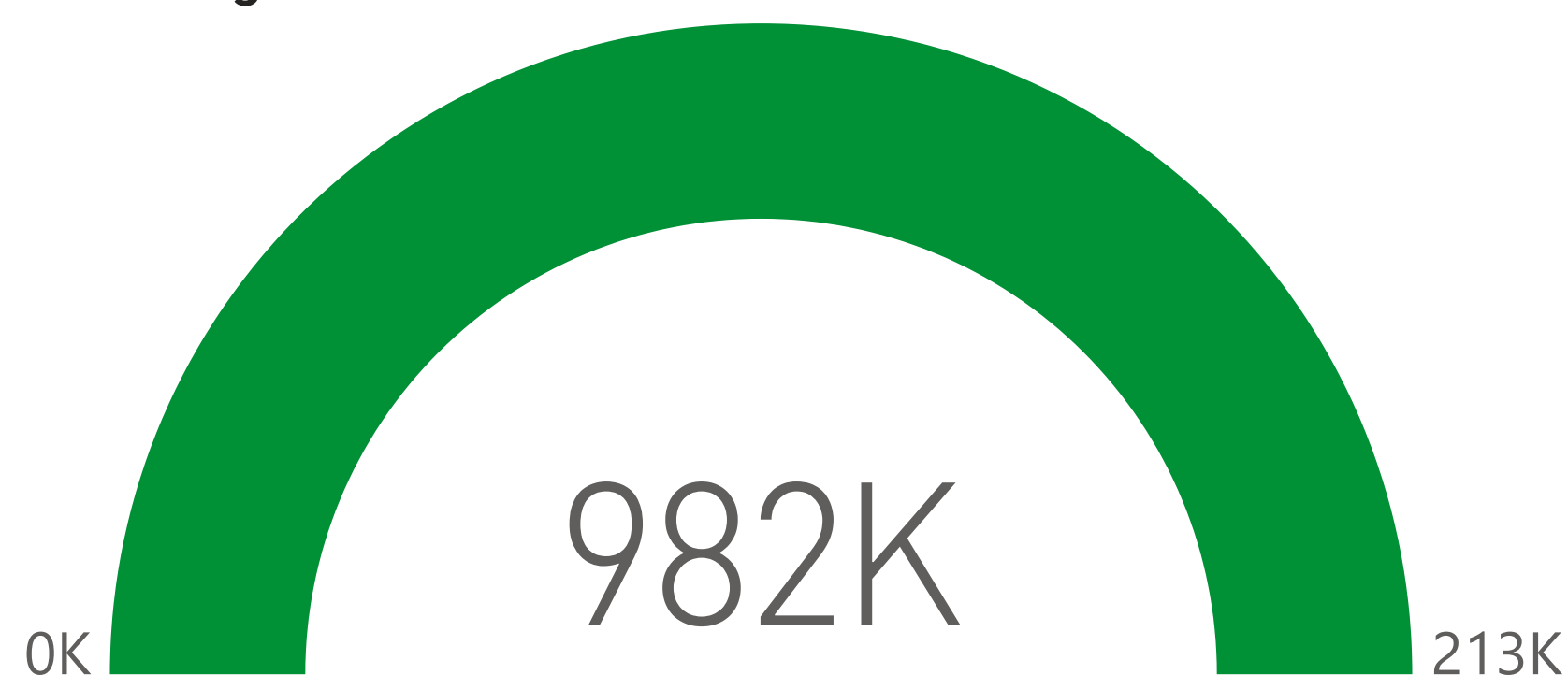
Trusting and Engaging Our Communities

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.

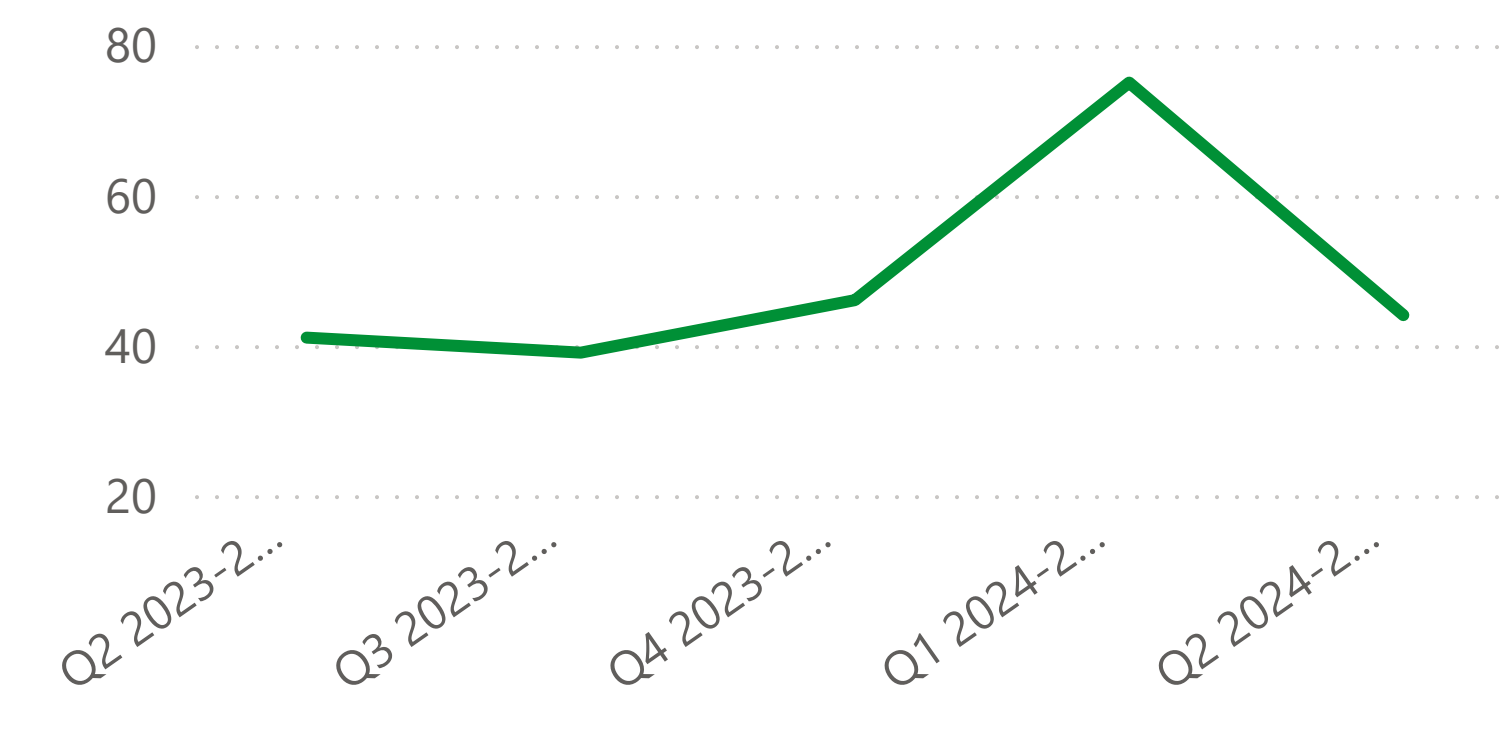
To increase voter registration and participation, Plymouth City Council runs campaigns emphasising the importance of civic engagement. These efforts include outreach through community events, social media, youth parliament and partnerships with local organisations to reach underrepresented groups. By 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

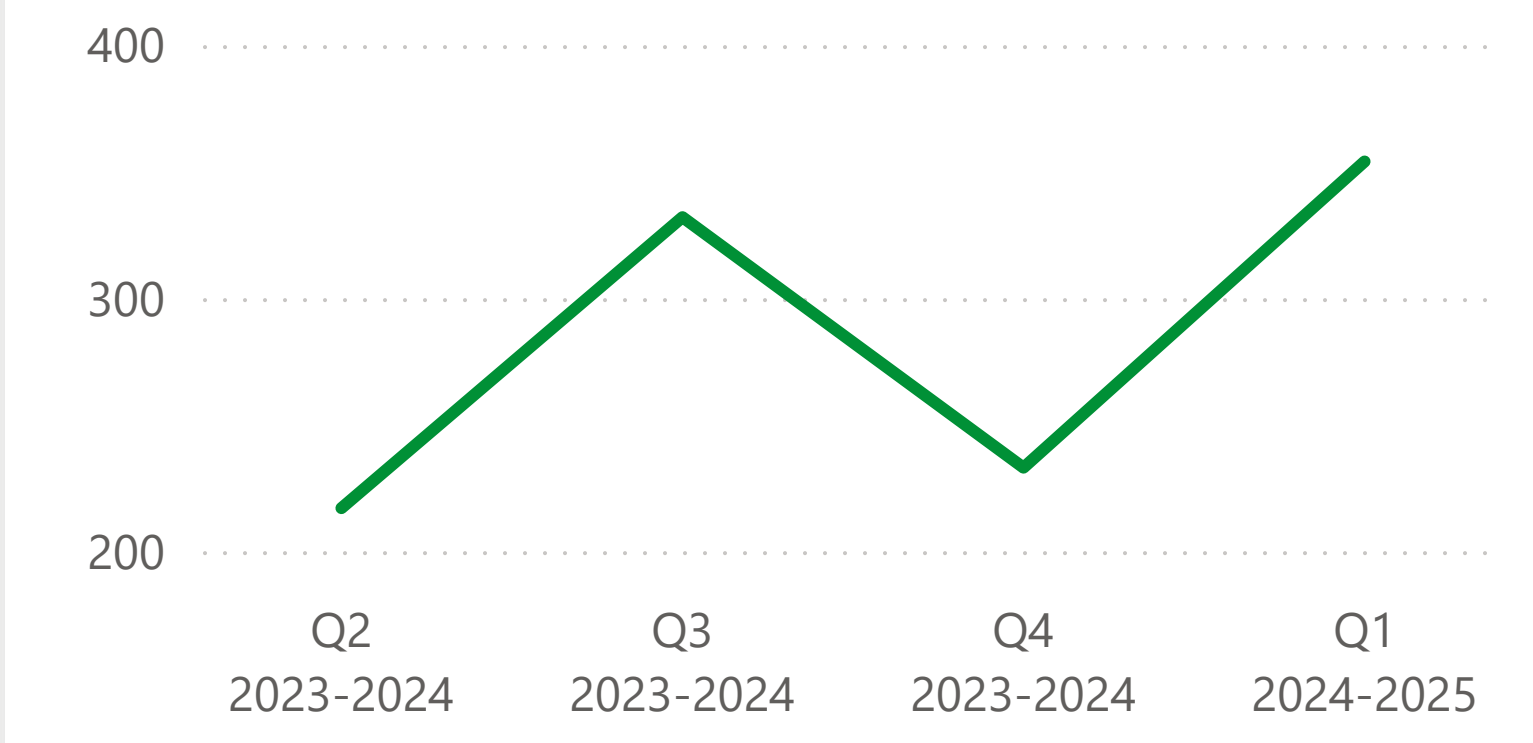
Focus on Early Intervention and Prevention

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%

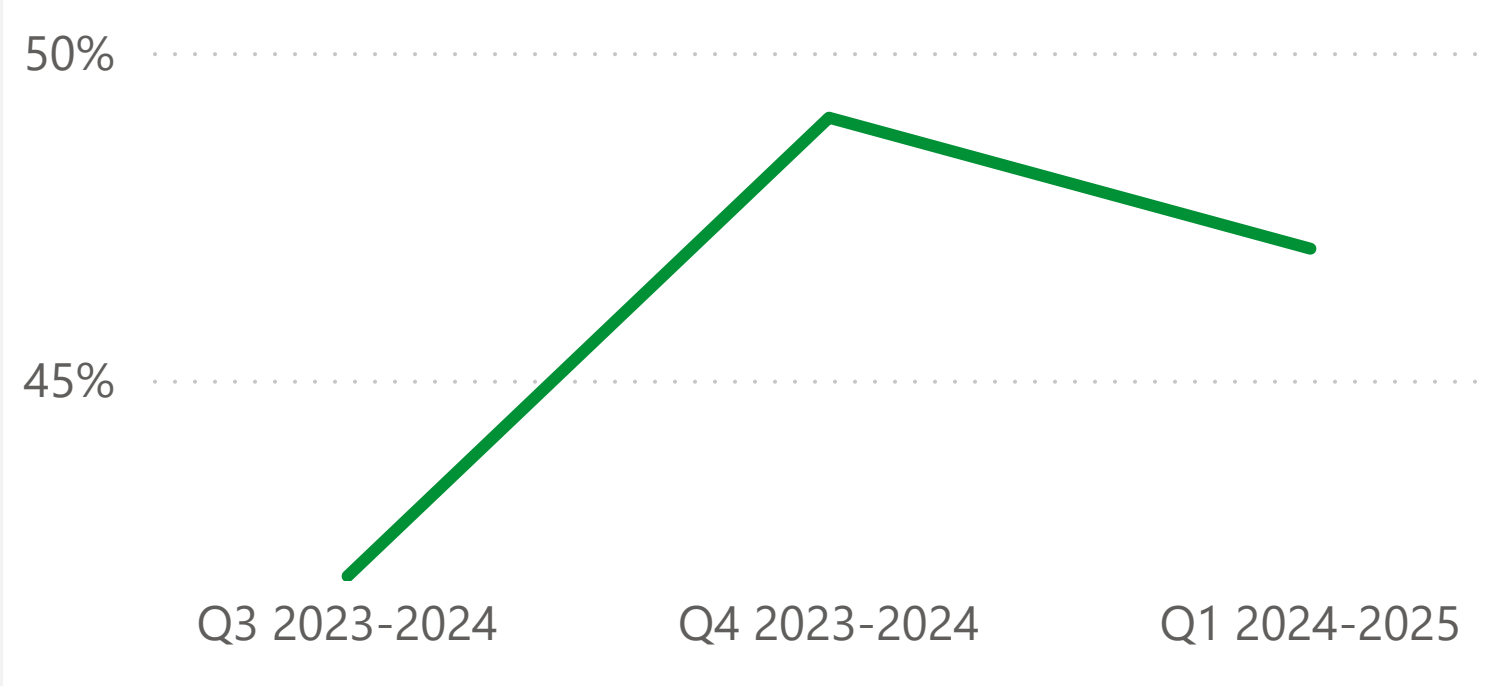
Number of Anti-Social Behaviour early interventions



Number of households prevented from homelessness



% of people accessing the Stop Smoking Service who have quit



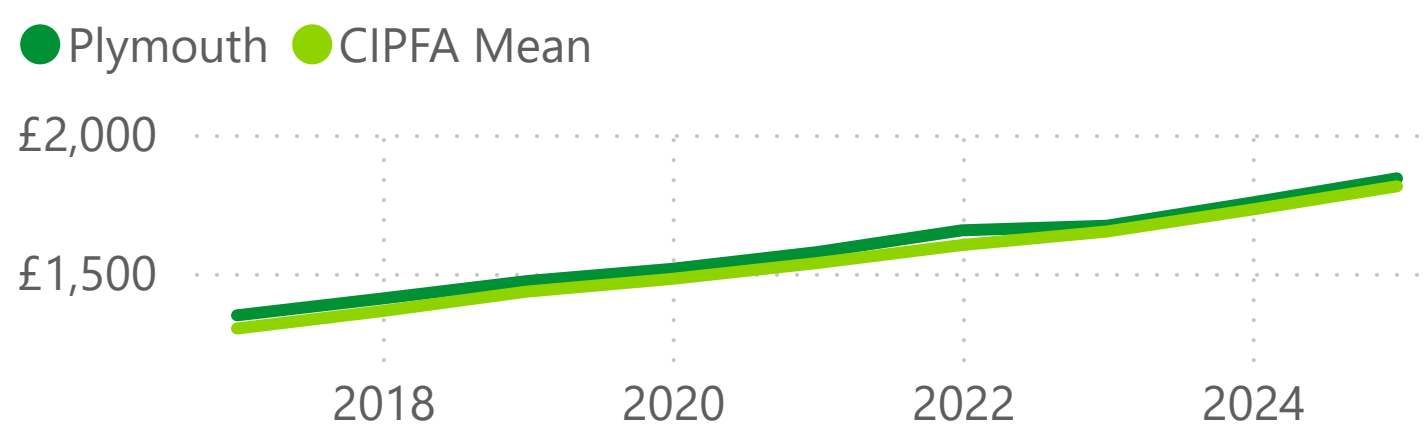
Plymouth City Council's early intervention and prevention strategies cover a wide range of issues. To tackle homelessness, the council collaborates with partners to provide timely support and prevent individuals from becoming homeless. This includes offering advice, support services, and accommodation 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

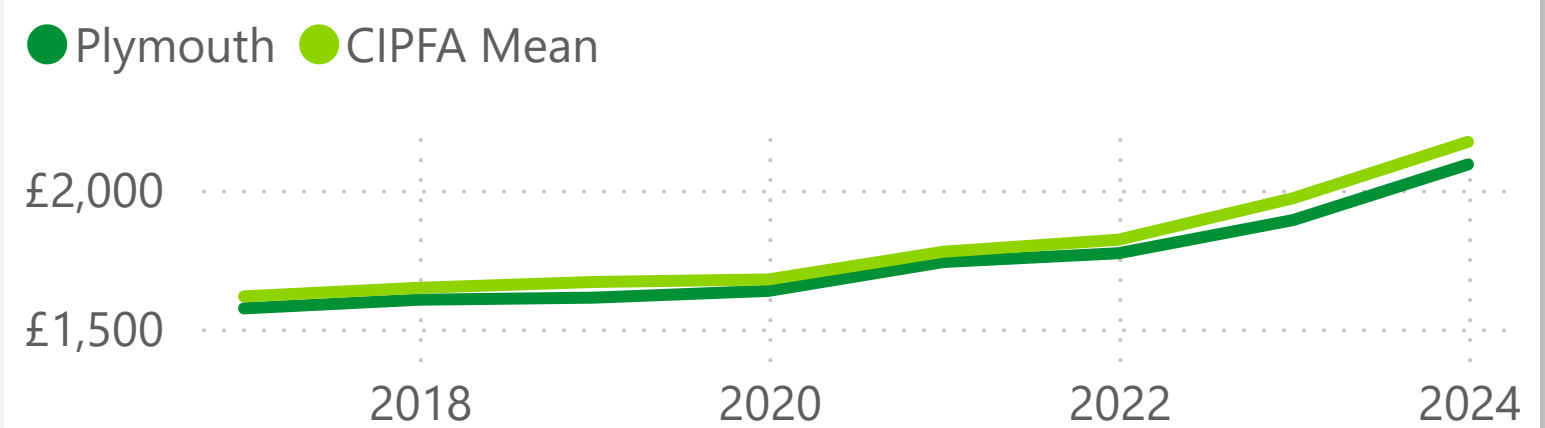
Spending Money Wisely

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%

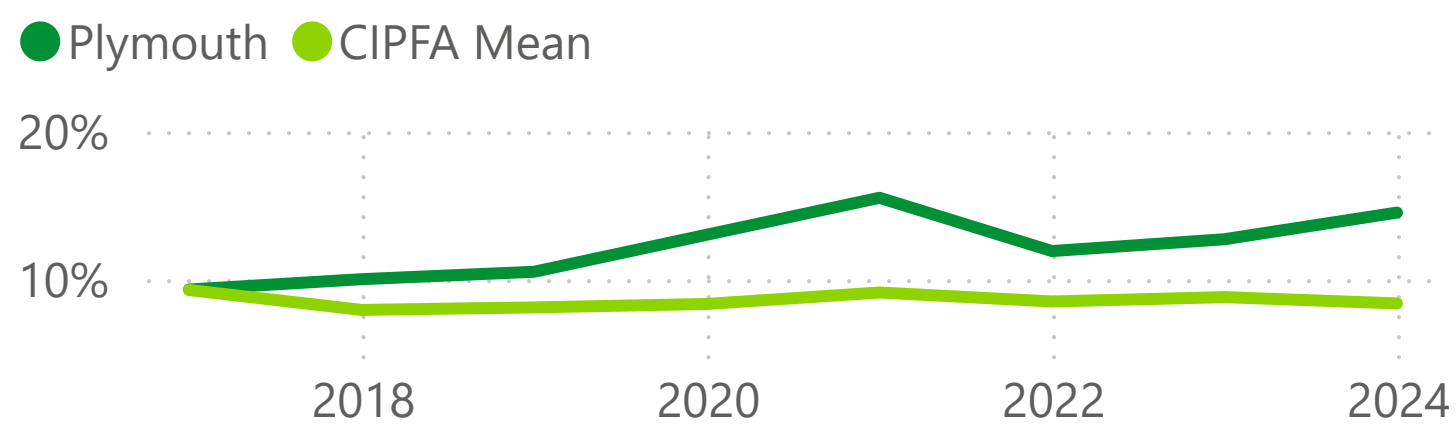
Average Band D - paid to local services



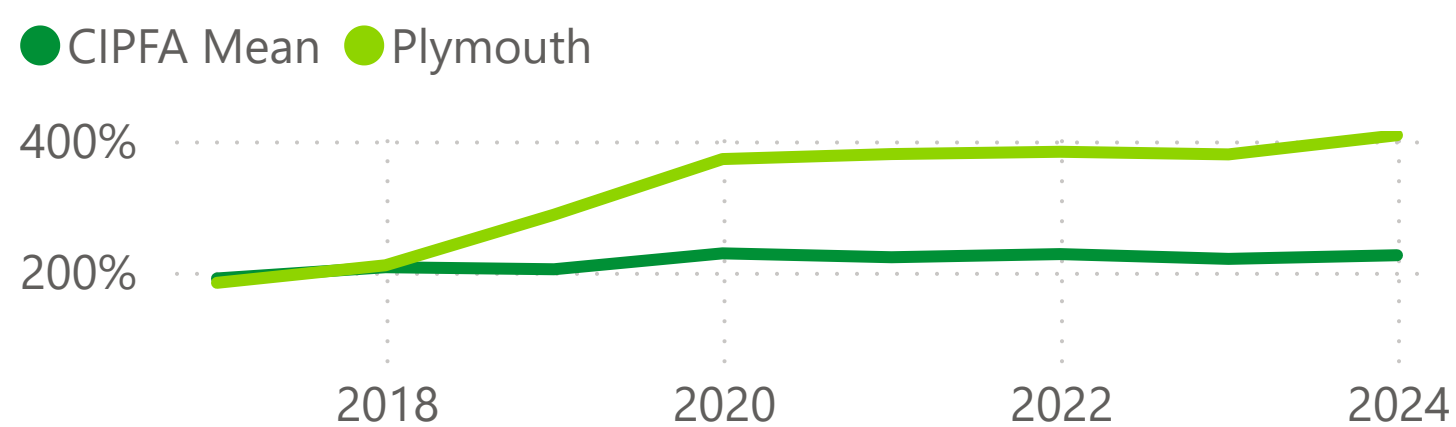
Core Spending Power Per Dwelling (Actual)



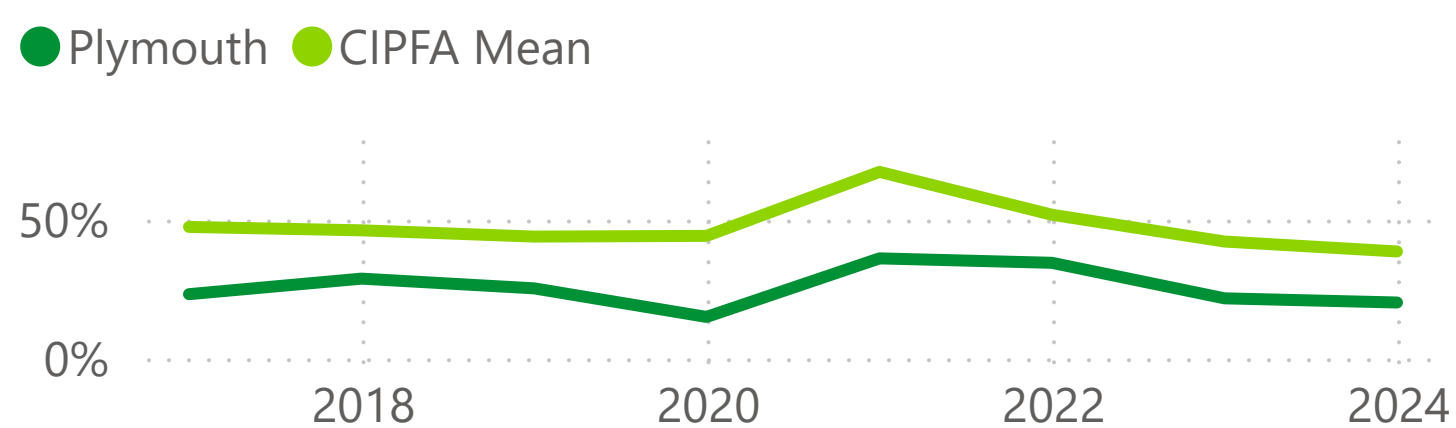
Debt servicing as % of core spending power



Total debt as % of core spending power



Reserves as a % of Net Revenue Expenditure Year



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.

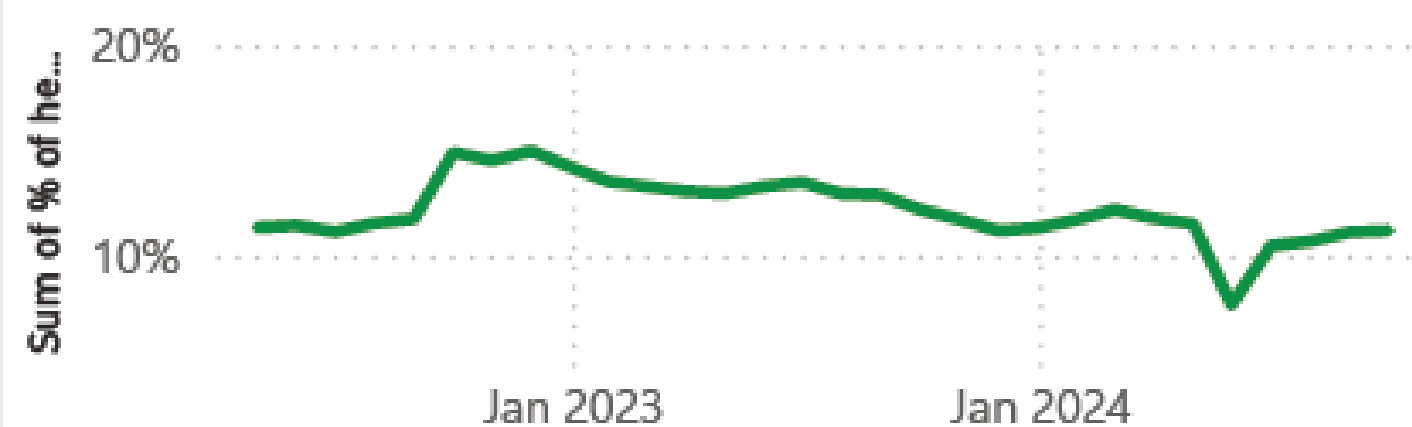
Although this approach increases the Council's total debt the development of income-generating assets, such as commercial properties, will generate rental income that can be reinvested into further economic development. This strategy is designed to create economic returns outweighing the costs of borrowing,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

Plymouth City Council

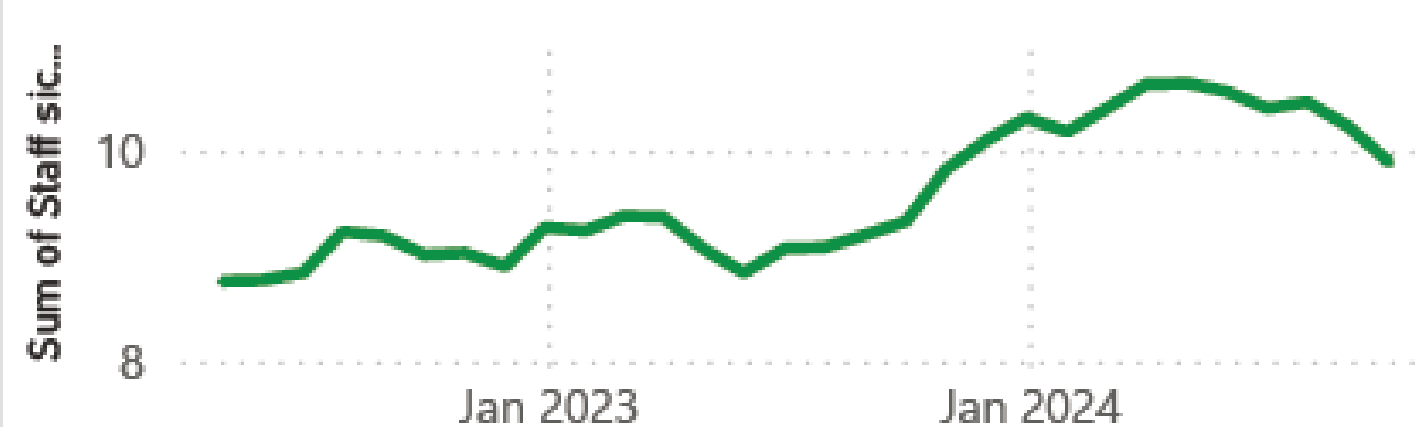
Empowering and Engaging Our Staff

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%

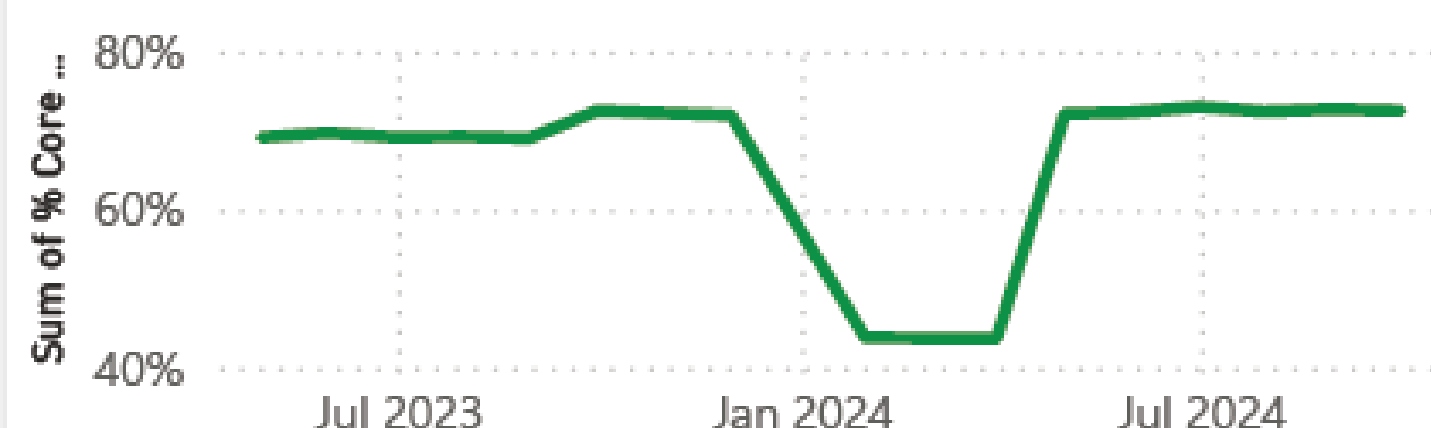
Headcount Leaving PCC



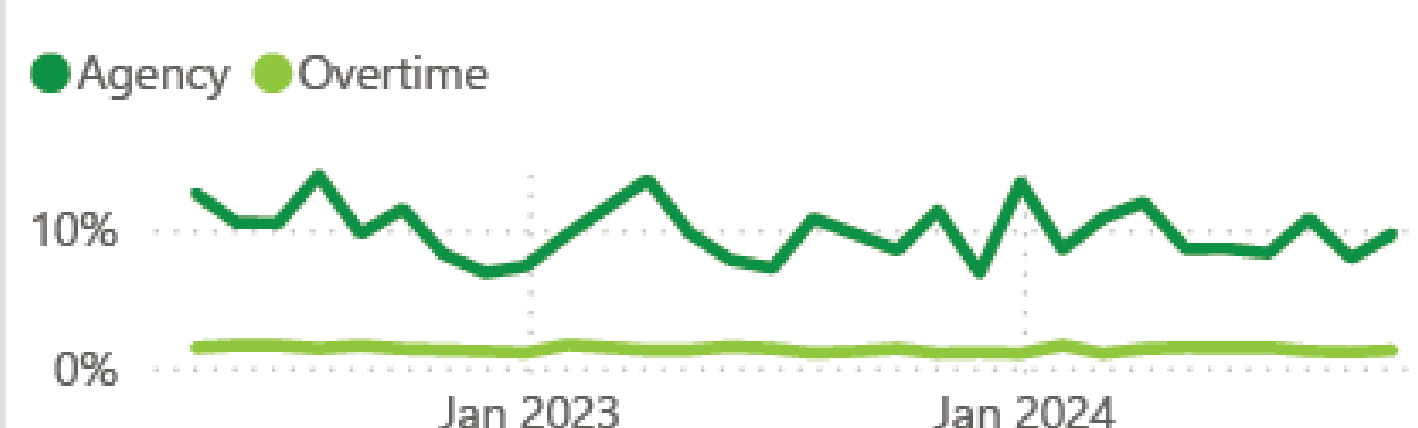
Staff Sickness



Core Training



Overtime / Agency Spend



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.

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.

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 CO2 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

STRATEGIC RISK REGISTER Q2

Summary



1. 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

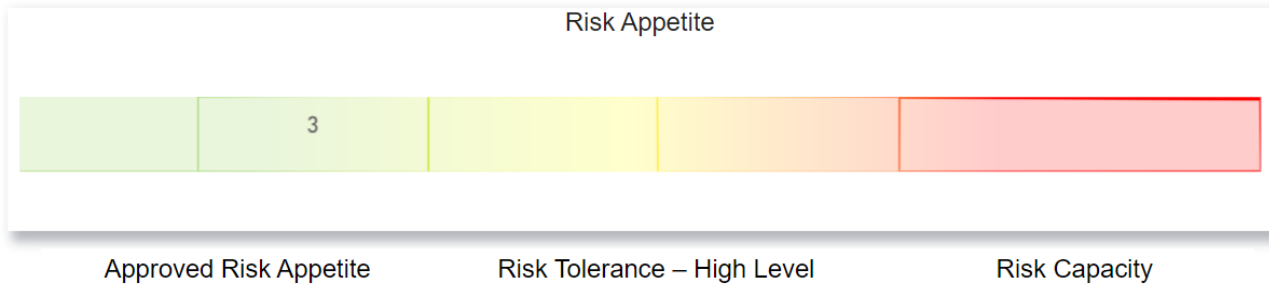
1.1. Since the last reporting period three strategic risks have been removed from the register. The risks removed concern –

- 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

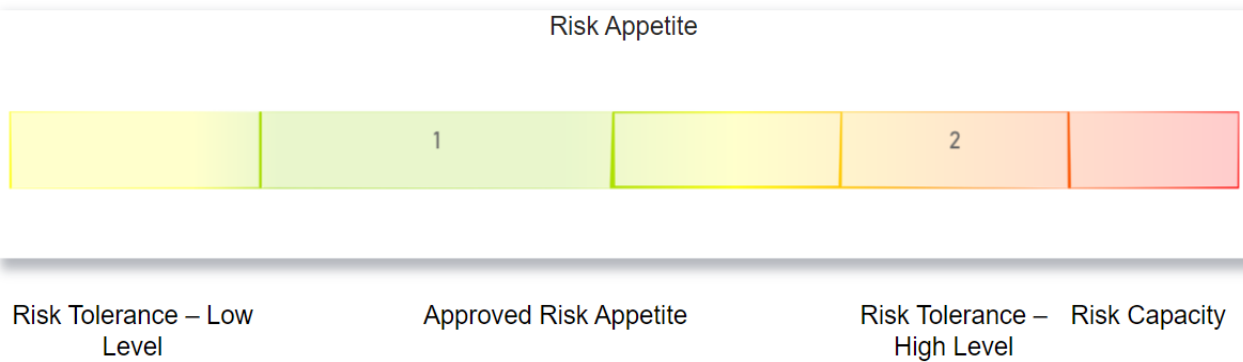
2.1. Risk appetite is the amount of risk, on a broad level, that Plymouth City Council is willing to accept in pursuit of value. Each category of risk has a Risk Appetite as defined in the Risk and Opportunity Management Strategy (2023-2025). Current Risks against risk appetite are identified below.

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)

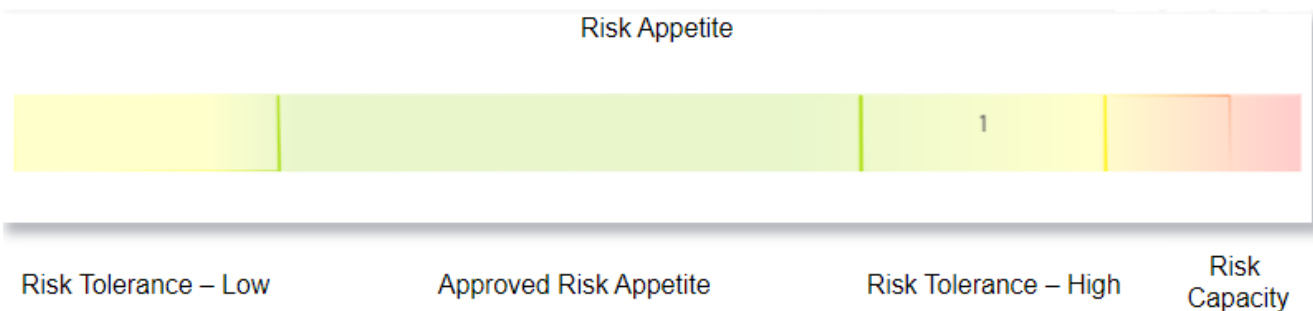
Risk Tolerance - High

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

Risk tolerance – Very High

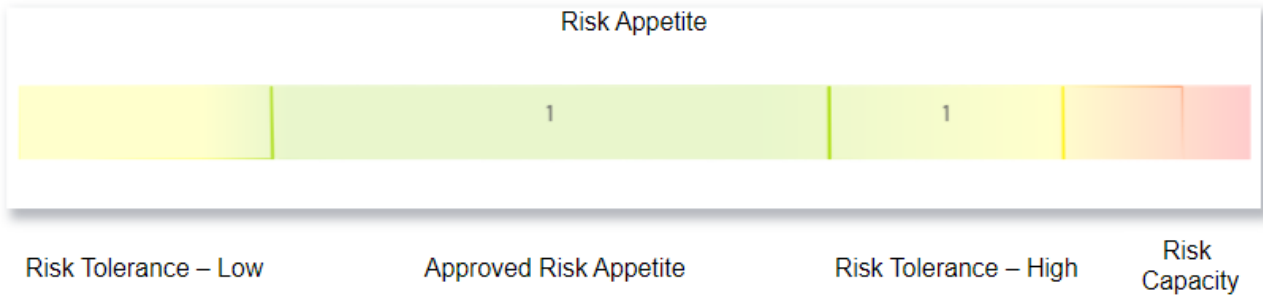
- Cyber-attack – (Digital and Customer, High)

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
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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

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