

**Oversight and Governance**

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AUDIT AND GOVERNANCE COMMITTEE

Tuesday 22 July 2025
2.00 pm
Council House, Plymouth

Members:

Councillor Allen, Chair
Councillor Finn, Vice Chair
Councillors Cuddihee, P.Nicholson, Raynsford, Sproston and Independent Member Annette Benny.

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

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Tracey Lee
Chief Executive

Audit and Governance Committee

Agenda

1. Apologies

To receive apologies for non-attendance submitted by Committee Members.

2. Declarations of Interest

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

3. Minutes (Pages 1 - 4)

To confirm the minutes of the meeting held on 01 April 2025.

4. Chair's Urgent Business

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

5. Role of an Audit Member: (Verbal Report)

6. Plymouth City Council Audit Plan 2024/25: (Pages 5 - 64)

7. Internal Audit End of Year Report 2024/25: (Pages 65 - 116)

8. Counter Fraud Service Annual Report 2024/25: (Pages 117 - 126)

9. Draft Statement of Accounts 2024/25: (Pages 127 - 254)

10. CIPFA assurance review – findings and response: (Verbal Report)

11. Annual Governance Statement: (To Follow)

12. Armada Way Action Plan Sub-Committee Report: (To Follow)

13. Health, Safety and Wellbeing Annual Report 2024/25: (Pages 255 - 282)

14. Treasury Management Outturn Report 2024/25: (Pages 283 - 298)

15. Procurement Strategy Report 2024/25: (Pages 299 - 328)

16. Risk Management Monitoring Report: (Pages 329 - 350)

17. Whistleblowing Policy: (Pages 351 - 364)

18. Annual Information Governance Statement: (Pages 365 - 382)

19. Action Log: (Pages 383 - 388)

20. Work Programme: (Pages 389 - 392)

21. Exempt Business

To consider passing a resolution under Section 100A(4) of the Local Government Act, 1972 to exclude the press and the public from the meeting for the following items of business, on the grounds that they involve the likely disclosure of exempt information, as defined in paragraph 3 of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

Part II (Private Meeting)

22. Internal Audit End of Year Report 2024/25 Part 2: (Pages 393 - 394)

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Audit and Governance Committee

Tuesday 1 April 2025

PRESENT:

Councillor Allen, in the Chair.

Councillor Finn, Vice Chair.

Councillors Cuddihee, P.Nicholson, Raynsford and Stevens.

Independent Member Annette Benny.

Also in attendance: Rosie Brookshaw (Democratic Advisor), Liz Bryant (Service Director for Legal), Peter Burgoyne (Senior Counter Fraud Officer, Devon Audit Partnership), Hannah Chandler-Whiting (Democratic Advisor) (via Microsoft Teams), John Finch (Information Governance Manager) (via Microsoft Teams), Ross Jago (Head of Devolution and LGR Office), David Johnson (Manager, Audit, Grant Thornton) (via Microsoft Teams), Tony Rose (Head of Devon Assurance Partnership, Devon Audit Partnership), Ian Trisk-Grove (Service Director for Finance) and Ollie Woodhams (Head of Finance).

The meeting started at 2.00 pm and finished at 2.56 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

97. **Declarations of Interest**

No declarations of interest were made.

98. **Minutes**

The Committee agreed the minutes of the meeting held on 11 March 2025 as an accurate record, subject to the following change to the recommendation made in Minute 94:

- a) To note the current draft revised Civic Protocol handbook. Officers would discuss the points highlighted by Committee with the Chair of the Lord Mayor Selection and Advisory Committee and provide an updated report at a future meeting of Committee.

99. **Chair's Urgent Business**

There were no items of Chair's urgent business.

100. **Audit Progress Report and Sector Updates**

David Johnson (Manager, Audit, Grant Thornton) introduced the report and highlighted:

- a) The audit team remained the same for the next year;

- b) 2024/25 statement planning had begun;
- c) Audit Plan for 2024/25 to be issued by 30 April 2025, so it would be presented to the Committee at the first meeting of the 2025/26 municipal year;
- d) Grant Thornton would report on 2024/25 to the Audit and Governance Committee by December 2025.

In response to questions, supported by Ollie Woodhams (Head of Finance) and Ian Trisk-Grove (Service Director for Finance), it was further explained:

- e) A response to a question on the figures for SEND (Special Education Needs and Disabilities) deficits from the statutory overrides, and how they would be accounted for on Council budget sheets would be provided to Committee Members;
- f) The number of Council's that needed exceptional financial support had increased year on year and contributed to the need for local government reorganisation;
- g) The financial resilience index was publically available and was used by Grant Thornton in value for money assessments;
- h) The CIPFA (Chartered Institute of Public Finance and Accountancy) external assurance review link would be shared with Committee members;
- i) The letter with regards to the pension transaction would be shared with Committee members when it was available.

101. **Anti-Fraud, Bribery and Corruption Policy 2025**

Tony Rose (Head of Devon Assurance Partnership, Devon Audit Partnership) introduced the report and highlighted:

- a) Kenneth Johnson had left Devon Audit Partnership and had been a great asset and would be missed;
- b) The principles of the policy remained the same;
- c) The Economic Crime and Corporate Transparency Action 2023, which would be in effect from 01 September 2025, had been added to the policy.

In response to questions, supported by Ian Trisk-Grove (Service Director for Finance) and Liz Bryant (Service Director for Legal), the following was discussed:

- d) There was an employee declaration threshold of £25 for gifts and hospitality;
- e) Changes to the wording of the code of conduct relating to employee declarations would be considered;
- f) The code of conduct link in the report would be reviewed;

- g) The code of conduct would be reviewed and the threshold of £25 for gifts and hospitality would be added.

The Committee agreed to note and agree the changes to the Anti-Bribery and Corruption Policy.

102. **Data Quality Strategy**

John Finch (Information Governance Manager) introduced the report and highlighted;

- a) The strategy emphasised the importance of data quality and responsibility of it;
- b) A role had been created to assess all data held across the Council to identify what was held, who was responsible in order to identify which areas required data quality to be improved.

Supported by Ross Jago (Head of Devolution and LGR Office), in response to questions it was further discussed;

- c) The use of the word 'manipulation' would be reconsidered within the strategy to make the intention more clear, as it could be misconstrued;
- d) Forecast could be used instead of estimated data within the strategy;
- e) The phrase 'wherever possible' referred to third party external contracts and 'wherever appropriate' would be considered instead;
- f) There were robust systems across the Council for managing data but they could be isolated from each other in some cases, so this would need to be reviewed;
- g) There were management processes in place to ensure regular reviews and updates to data;
- h) A response on whether GDPR had proved problematic, if and how qualitative and quantitative data streams had been separated, and what was being done to prevent bias being induced into data streams would be provided to Committee Members;
- i) The aim of the strategy was to gain accurate information to help direct resources to improve people's health across the city.

The Committee agreed to note the Data Quality Strategy and assurance that work was progressing to improve data quality across the Council, in line with the strategy.

103. **Committee Assessment Review**

Ross Jago (Head of Devolution and LGR Office) introduced the report and highlighted:

- a) The results of the Committee self-assessment was used to inform training and development, and in the Audit and Governance Chair's Update Report;
- b) Areas for minor improvement had been identified: that Council Leadership understood the role of the Audit and Governance Committee, refining approach to risk management, and

that agendas were focused on core functions;

- c) CIPFA guidance recommended the Committee met privately with auditors, which hadn't happened, but could be considered for the future;
- d) The questionnaire would be recirculated;
- e) The error on Page 18 of the supplement pack which gave a rating of 5 on a scale of 0-4 would be corrected.

During discussion the following point was made:

- f) The questionnaire should continue to be 'live' to allow continual self-assessment.

The Committee agreed to:

1. Note the findings of the self-assessment exercise;
2. Confirm that full compliance has been recognised in relation to each of the areas subject to scrutiny.

104. **Tracking Decisions**

The reports provided to the Committee on Adult Social Care Debt Management would be recirculated to Committee members.

105. **Work Programme**

The Committee agreed to do a task and finish on constitution under the name of the "constitutional review group" specifically to review the way in which a Lord Mayor is selected which would report back to the Committee in 2025/26.

The Audit Plan for Plymouth City Council

Year ending 31 March 2025

30 April 2025



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01 Key developments impacting our audit approach

Local Government Reorganisation

External factors

English Devolution White Paper

On 16 December 2024, the Secretary of State for Housing, Communities and Local Government, Angela Rayner, Presented to Parliament the English Devolution White Paper.

The White Paper sets out the direction of travel for the devolution of power across England. Devolution is seen by the government as being fundamental in achieving the change the public expect and deserve. The government's aim is for devolution to promote growth, a joined-up delivery of public services, and politics being done with communities, not to them. England is one of the most centralised countries in the developed world, this paper sets out to change that. The goal is universal coverage of strategic authorities in England.

Strategic authorities will be a combination of pre-existing Combined Authority's and Mayoral Strategic Authorities (MSAs). They will be funded through an integrated settlement which can be used by the Authority across housing, regeneration, local growth, local transport, retrofit, skills and employment support. This removes the complexity of numerous grants, conditions and reporting requirements, simplifying it into a single mutually agreed outcomes framework monitored over a supply review period. In combination with this Mayors will be given more control over the devolution of transport, skills & employment support, housing and planning, environment and climate change, supporting business and research, reforming and joining up public services.

The government will facilitate a programme of Local Government reorganisation for 2-tier areas across England. It will also facilitate the reorganisation of unitary councils where there is evidence of failure, or where their size and/or boundaries are a hinderance to local decision making. The assumption of the white paper is that this will be done in a phased approach and for many areas will mean creating councils serving a population of 500 000 or more, but there may be exceptions to ensure new structures make sense for an area and decisions will be on a case-by-case basis. Along with devolution Government wants to reset its relationship with Local Governments, end micro-management and enable Local Governments through multi-year settlements.

Local Government Reorganisation (continued)

External factors

English Devolution White Paper

The next steps are:

- a widening and deepening of devolution, expanding on the 2 new Mayors and 6 non-mayoral devolutions already noted in the white paper, with a priority programme for those with plans ready for action;
- an invitation from all remaining 2-tier areas and unitary councils where appropriate, to submit proposals for local reorganisation; and
- re-committing to the English Devolution Bill by putting the devolution framework into statute and moving to a systematic approach that ensures local leaders have the powers they need.

Update

Jim McMahon, Minister for Local Government and English Devolution, wrote to two-tier authorities in February 2025 to set out a timetable for reorganisation proposals to be submitted. We are expecting an interim plan by 21 March 2025 and a full proposal by 28 November 2025. A formal invitation was received from the Government on February 5th for the Council to put forward a proposal. The Council have considered a number of options and have proposed an increase in boundary size to include 13 further parish councils. This will provide the Council with a boundary population of 300,000 which, whilst below the Government's informal target of 500,000, is considered the optimum arrangement in order to deliver the services required to the population. There are a number of other consultations and considerations being undertaken by Councils in Devon and the South-West and ultimately it will be for the Government to confirm what the final boundaries and composition of Local Government will look like.

Local Audit Reform

External factors

Proposals for an overhaul of the local audit system

On 18 December 2024, the Minister of State for Local Government and English Devolution, Jim McMahon OBE, wrote to local authority leaders and local audit firms to announce the launch of a strategy to overhaul the local audit system in England. The proposals were also laid in Parliament via a Written Ministerial Statement.

The government’s strategy paper sets out its intention to streamline and simplify the local audit system, bringing as many audit functions as possible into one place and also offering insights drawn from audits. A new Local Audit Office will be established, with responsibilities for:

- coordinating the system – including leading the local audit system and championing auditors’ statutory reporting powers;
- contract management, procurement, commissioning and appointment of auditors to all eligible bodies;
- setting the Code of Audit Practice;
- oversight of the quality regulatory framework (inspection, enforcement and supervision) and professional bodies; and
- reporting, insights and guidance including the collation of reports made by auditors, national insights of local audit issues and guidance on the eligibility of auditors.

Our Response

Grant Thornton welcomes the proposals, which we believe are much needed, and are essential to restore trust and credibility to the sector.

Local Audit Reform (continued)

External factors

Proposals for an overhaul of the local audit system

The Minister also advised that, building on the recommendations of Redmond, Kingman and others, the government will ensure the core underpinnings of the local audit system are fit for purpose. The strategy therefore includes a range of other measures, including:

- setting out the vision and key principles for the local audit system;
- committing to a review of the purpose and users of local accounts and audit and ensuring local accounts are fit for purpose, proportionate and relevant to account users;
- enhancing capacity and capability in the sector;
- strengthening relationships at all levels between local bodies and auditors to aid early warning system; and
- increased focus on the support auditors and local bodies need to rebuild assurance following the clearing of the local audit backlog.

Our Response

Building and maintaining public trust is arguably the cornerstone of effective governance. Local government must prioritise transparency, open communication and meaningful public engagement to foster positivity within communities.

Despite councils' best efforts, financial pressures are affecting the scale, range and quality of council services provided to local residents. The clearest evidence of this is that councils' service spending is increasingly focused on adult and children's social care, SEND and homelessness. Ultimately spending is increasingly concentrated on fewer people, so councils are less able to support local and national agendas on key issues such as housing, economic growth, and climate change.

Sound strategic financial management, collaboration with other levels of government and exploring alternative funding sources are vital for local authorities to overcome financial constraints and deliver quality services.

Key developments impacting our audit approach

National Position

Local government faces many challenges, and the pandemic along with the cost of living crisis has left local authorities with economic, social, and health challenges to address:

Staffing: A key challenge facing councils in maintaining service sustainability is the growing difficulties in relation to workforce recruitment and retention. Councils struggle to attract and retain qualified staff, especially younger talent. Many councils have outdated recruitment processes and are heavily reliant on agency staff.

Climate change: As the impacts of climate change become increasingly evident, local government plays a pivotal role in mitigating and adapting to these changes. The UK's targets for achieving net zero carbon emissions and local authority pledges must align into cohesive policies with common goals. This includes ongoing local economy investment in renewable energy, promoting sustainable transportation and implementing measures to enhance resilience against extreme weather events.

Housing crisis: The shortage of affordable housing continues to be an issue. There aren't enough social rented homes to meet demand and it's difficult to find land for new housing developments. New requirements around net zero and other environmental considerations make it more complex to get planning permission. Local authorities therefore face the challenge of providing adequate housing while balancing environmental sustainability and statutory planning requirements.

Funding : Local government organisations face many challenges in securing funding, including declining grant income, slow tax revenue growth, and rising demand for services. These challenges can make it difficult for local government to balance their budgets, assess their revenue base, enforce taxes, and prevent tax evasion. Social care costs, maintaining aging infrastructure, SEND and homelessness are driving up council spending and cuts to discretionary services impact local communities. Strained budgets are making it challenging to fund essential services, infrastructure projects and the ongoing stream of section 114 notices will not come as a surprise this year.

Our Response

Our value for money audit work continues to identify significant weaknesses in all criteria of the Code of Audit Practice. This shows that local authorities are facing increasing pressure to provide services while managing change and reducing costs. We understand that the environment in which our audited bodies operate is dynamic and challenging and this understanding allows us to have insightful conversations and adapt our approach to delivering our audit work accordingly.

We know the difficulties and challenges faced within our Local Authority bodies and know there is a focus on improving quality and reducing costs. We will work with you as you strive to deliver these aims.

Key developments impacting our audit approach (continued)

National Position

Digital Transformation : The fast pace of technological advancement poses both opportunities and challenges for local government. The adoption of digital tools and platforms is crucial for improving service delivery, enhancing communication and streamlining administrative processes. However, many communities still lack access or ability to navigate essential technology which creates a digital divide. Local government needs to ensure inclusivity in its digital strategies, addressing disparities and ensuring all residents can benefit from the opportunities technology offers.

Cybersecurity: Local government needs to protect against malware and ransomware attacks. They also need to navigate central government policy shifts and constraints. With increased reliance on digital platforms, they become more vulnerable to cyber threats. Safeguarding sensitive data and ensuring the integrity of critical systems are paramount and local authorities must invest in robust cybersecurity measures, employee training and contingency plans to protect themselves.

IFRS 16 Leases



Summary

IFRS 16 Leases is now mandatory for all Local Government (LG) bodies from 1 April 2024. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

Introduction

IFRS 16 updates the definition of a lease to:

- “a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.” In the public sector the definition of a lease is expanded to include arrangements with nil consideration.

This means that arrangements for the use of assets for little or no consideration (sometimes referred to as peppercorn rentals) are now included within the definition of a lease.

IFRS 16 requires all leases to be accounted for 'on balance sheet' by the lessee (subject to the exemptions below), a major change from the requirements of IAS 17 in respect of operating leases.

There are however the following exceptions:

- leases of low value assets (optional for LG)
- short-term leases (less than 12 months).

Lessor accounting is substantially unchanged leading to asymmetry of approach for some leases (operating). However, if an LG body is an intermediary lessor, there is a change in that the judgement, as to whether the lease out is an operating or finance lease, is made with reference to the right of use asset rather than the underlying asset. The principles of IFRS 16 will also apply to the accounting for PFI assets and liabilities.

Systems and processes

We believe that most LG Bodies will need to reflect the effect of IFRS 16 changes in the following areas:

- accounting policies and disclosures
- application of judgment and estimation
- related internal controls that will require updating, if not overhauling, to reflect changes in accounting policies and processes
- systems to capture the process and maintain new lease data and for ongoing maintenance
- accounting for what were operating leases
- identification of peppercorn rentals and recognising these as leases under IFRS 16 as appropriate

Planning enquiries

As part of our planning risk assessment procedures, we will make enquiries to the management, understand the business process around implementation of IFRS 16, perform walkthrough for the relevant controls etc. We would appreciate a prompt response to these enquires in due course.

Key developments impacting our audit approach (continued)

Our commitments

As a firm, we are absolutely committed to audit quality and financial reporting in local government. Our proposed work and fee, as set out further in this Audit Plan has been agreed with the Service Director for Finance.

To ensure close work with audited bodies and an efficient audit process, our preference as a firm is either for our UK based staff to work on site with you and your staff or to develop a hybrid approach of on-site and remote working. Please confirm in writing if this is acceptable to you, and that your staff will make themselves available to our audit team.

We would like to offer a formal meeting with the Chief Executive twice a year, and with the Service Director for Finance quarterly as part of our commitment to keep you fully informed on the progress of the audit.

At an appropriate point within the audit, we would also like to meet informally with the Chair of your Audit and Governance Committee, to brief them on the status and progress of the audit work to date.

Our Value for Money work will continue to consider the arrangements in place for you to secure economy, efficiency and effectiveness in the use of your resources.

We will continue to provide you and your Audit and Governance Committee with sector updates providing our insight on issues from a range of sources via our Audit and Governance Committee updates.

We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other clients to support consistent and accurate financial reporting across the sector.



The Backstop

Local Government National Context – The Backstop

On 30 September 2024, the Accounts and Audit (Amendment) Regulations 2024 came into force. This legislation introduced a series of backstop dates for local authority audits. These Regulations required audited financial statements to be published by the following dates:

- for years ended 31 March 2023 and earlier by 13 December 2024; and
- for years ended 31 March 2024 by 28 February 2025; and
- for years ended 31 March 2025 by 27 February 2026.

The Statutory Instrument is supported by the National Audit Office's (NAO) new Code of Audit Practice 2024. The backstop dates were introduced with the purpose of clearing the backlog of historic financial statements and enable to the reset of local audit. Where audit work is not complete, this will give rise to a disclaimer of opinion. This means the auditor has not been able to form an opinion on the financial statements.

Local Government National Context – Local Audit Recovery

In the audit report for the year ended 31 March 2024, a disclaimer of opinion was issued due to the backstop. This was due to being unable to gain assurance over opening balances as a result of disclaiming the 2022/23 financial statements and being unable to gain assurance over any consequential effect on the Comprehensive Income and Expenditure Statement.

As a result, we anticipate that for 2024/25:

- we will have no assurance over opening balances for 2024/25; and
- limited assurance over the closing reserves balance also due to the uncertainty over their opening amount.

We are in discussion with the NAO and the Financial Reporting Council (FRC) as how we regain assurance. We will work with the Council to rebuild assurance over time.

Our Work

Our initial focus for the audit will be on in-year transactions including income and expenditure, journals, capital accounting, payroll and remuneration and disclosures; and closing balances for 2024/25. Our objective is to continue the pathway to recovery, by providing assurance over the in year 2024/25 transactions and movements, building on the 2023/24 audit, where possible, and those closing balances which can be purely determined in isolation without regard to the opening balance, such as payables and receivables. As guidance is received from the NAO and the FRC, we will formulate a more detailed strategy as to how assurance can be gained on prior years including opening balances which contributed to the disclaimed audit opinion in 2023/24. At the planning stage we anticipate that there will be a disclaimed opinion on the opening balances for 2024/25, and we will consider the impact on the closing balances.



02 Introduction and Headlines

Introduction and headlines



Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Plymouth City Council ('the Council') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued the Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Plymouth City Council. We draw your attention to these documents.

Scope of our Audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Governance committee); and we consider whether there are sufficient arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that arrangements are in place to use resources efficiently in order to maximise the outcomes that can be achieved as defined by the Code of Audit Practice.

The audit of the financial statements does not relieve management or the Audit and Governance Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

Introduction and headlines (continued)



Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control;
- Valuation of land and buildings;
- Valuation of investment property; and
- Valuation of the pension fund net liability.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £10,400k (PY £7,700k) for the Council, which equates to 1.75% of your prior year gross operating costs for the year. Materiality benchmarks have increased for 2024-25 following discussion with the Financial Reporting Council and the maximum for Plymouth is 2% up from 1.5% in 2023-24. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance.

Clearly trivial has been set at £520k (PY £385k).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has identified risks of significant weakness in the following areas:

- Financial sustainability – Identification of significant financial pressures relevant to short and medium-term plans.
- Financial sustainability – Plans to bridge funding gaps and identifying achievable savings.
- Improving economy, effectiveness and efficiency – Evaluate services to assess performance and identify areas of improvements.

Audit logistics

Our planning work took place in March 2025 and we expect our final accounts audit will take place between September and December 2025. Our key deliverables are this Audit Plan, our Audit Findings Report, our Auditor's Report and Auditor's Annual Report.

Our proposed fee for the audit is £426,564 (PY: £392,808) for the Council, subject to the Council delivering a good set of financial statements and working papers and no significant new financial reporting matters arising that require additional time and/or specialist input.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2024) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements

03 Identified risks

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.



“In determining significant risks, the auditor may first identify those assessed risks of material misstatement that have been assessed higher on the spectrum of inherent risk to form the basis for considering which risks may be close to the upper end. Being close to the upper end of the spectrum of inherent risk will differ from entity to entity and will not necessarily be the same for an entity period on period. It may depend on the nature and circumstances of the entity for which the risk is being assessed. The determination of which of the assessed risks of material misstatement are close to the upper end of the spectrum of inherent risk, and are therefore significant risks, is a matter of professional judgment, unless the risk is of a type specified to be treated as a significant risk in accordance with the requirements of another ISA (UK).” (ISA (UK) 315).

In making the review of unusual significant transactions “the auditor shall treat identified significant related party transactions outside the entity’s normal course of business as giving rise to significant risks.” (ISA (UK) 550).



Management should expect engagement teams to challenge them in areas that are complex, significant or highly judgmental which may be the case for accounting estimates, going concern, related parties and similar areas. Management should also expect to provide engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management’s assumptions and request evidence to support those assumptions.

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Management override of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities.	We have therefore identified management override of controls, in particular journals, management estimates and transactions outside the course of business as a significant risk of material misstatement.	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.
Valuation of land and buildings	The Council revalues its land and buildings on a rolling five yearly basis. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved and the sensitivity of this estimate to changes in key assumptions.	<p>Where a rolling programme is used, management will need to ensure the carrying value in the Council financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date.</p> <p>We therefore identified valuation of land and buildings as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuation was carried out; • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding, the Council's valuer's report and the assumptions that underpin the valuation; • use an auditor's expert to critically evaluate the valuation instructions and report; • test revaluations made during the year to see if they had been input correctly into the Council's asset register; and • evaluate the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value at year end.

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Valuation of investment properties	The Council revalue its investment property on an annual basis as required by the CIPFA Code. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£224m at 31/03/24) and the sensitivity of this estimate to changes in key assumptions	Management have engaged the services of an external valuer to estimate the fair value as at 31 March 2025. We therefore identified valuation of investment property as a significant risk of material misstatement.	We will: <ul style="list-style-type: none"> • evaluate management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work, with the assistance of an auditor's expert; • evaluate the competence, capabilities and objectivity of the valuation expert; • write to the valuer to confirm the basis on which the valuations were carried out; • challenge the information and assumptions used by the valuer to assess completeness and consistency with our understanding; and • test, on a sample basis, revaluations made during the year to ensure they have been input correctly into the Council's asset register.

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
Valuation of the pension fund net liability	The Council's pension fund net liability, as reflected in the balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements.	<p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£64.2m at 31/03/24) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Council's pension fund net liability as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; • assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of Devon Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund and the fund assets valuation in the pension fund financial statements.

Significant risks identified (continued)

Significant risk	Risk relates to	Audit team's assessment	Planned audit procedures
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council we have determined that the risk of fraud arising from revenue recognition can be rebutted because:</p> <ul style="list-style-type: none"> - there is little incentive to manipulate revenue recognition; - opportunities to manipulate revenue recognition are very limited; and - the culture and ethical frameworks of local authorities, including Plymouth City Council, mean that all forms of fraud are seen as unacceptable. 	We do not, therefore, consider this to be a significant risk for Plymouth City Council.
The expenditure cycle includes fraudulent transactions	Practice Note 10 (PN10) states that as most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure may be greater than the risk of material misstatements due to fraud related to revenue recognition. As a result under PN10, there is a requirement to consider the risk that expenditure may be misstated due to the improper recognition of expenditure.	We have identified and completed a risk assessment of all expenditure streams for the Council. We have considered the risk that expenditure may be misstated due to the improper recognition of expenditure for all expenditure streams and concluded that there is not a significant risk. This is due to the low fraud risk in the nature of the underlying nature of the transaction, or immaterial nature of the expenditure streams both individually and collectively.	We do not, therefore, consider this to be a significant risk for Plymouth City Council.

Other risks identified

Risk identified	Risk relates to	Audit team’s assessment	Planned audit procedures
Remeasurement of leases and right of use assets including the PFI liability as at 1 April 2024 following the implementation of IFRS16	IFRS16 requires all leases to be accounted for ‘on balance sheet’ by the lessee. A further amendment has changed the way in which PFI liabilities are measured and reported within the financial statements. Where there is a change in index rate the liability needs to be remeasured to include the change in index, or rate, up to the measurement date Further the lessee is required to assess the impact of all changes in index from the start of the PFI scheme which is likely to have a material impact on the financial statements and will require an adjustment to opening balances	<p>The introduction of IFRS16 has resulted in significant changes to the financial statements that are likely to be material.</p> <p>The Council’s PFI liability is a significant balance within the financial statements (£222m at 31 March 2024) and the change in accounting standard could require a material adjustment to the disclosure.</p> <p>We therefore identified the remeasurement of the Council’s right of use assets and PFI liability as a risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none">– Review and confirm the work undertaken by management to identify all relevant transactions and ensure the completeness of disclosures within the financial statements– Review the steps taken by management to identify the impact on the PFI liability and ensure that updated values have been calculated accurately and in line with the requirement of IFRS16– Test the calculation of the PFI liability change to ensure accuracy.

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report and Annual Governance Statement and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.
- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under legislation and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your financial statements, consider and decide upon any objections received in relation to the financial statements;
 - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act; or
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

05 Our approach to materiality

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Matter	Description	Planned audit procedures
01	Determination We have determined planning materiality (financial statement materiality for the planning stage of the audit) based on professional judgement in the context of our knowledge of the Council, including consideration of factors such as stakeholder expectations, industry developments, financial stability and reporting requirements for the financial statements	We determine planning materiality in order to: <ul style="list-style-type: none"> • establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; • assist in establishing the scope of our audit engagement and audit tests; • determine sample sizes; and • assist in evaluating the effect of known and likely misstatements in the financial statements.
02	Other factors An item does not necessarily have to be large to be considered to have a material effect on the financial statements	An item may be considered to be material by nature when it relates to instances where greater precision is required.
03	Reassessment of materiality Our assessment of materiality is kept under review throughout the audit process	We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality

Our approach to materiality (continued)

Matter Description



Matters we will report to the Audit and Governance Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Governance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) ‘Communication with those charged with governance’, we are obliged to report uncorrected omissions or misstatements other than those which are ‘clearly trivial’ to those charged with governance. ISA 260 (UK) defines ‘clearly trivial’ as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Planned audit procedures

We report to the Audit and Governance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £520k (PY £385k).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

Misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; Judgments about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and Judgments about matters that are material to users of the financial statements are based on a consideration of the common financial information needs of users as a group. The possible effect of misstatements on specific individual users, whose needs may vary widely, is not considered. (ISA (UK) 320)

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

	Amount (£)	Qualitative factors considered
Materiality for the entity financial statements	£10,400,000	This is the equivalent to approximately 1.75% of the prior year gross expenditure of the Council. We have increased this from 1.30% in 2023/24 audit. Materiality benchmarks have increased for 2024-25 following discussion with the Financial reporting council and the maximum for Plymouth is 2% up from 1.5% in 2023-24
Performance materiality	6,750,000	Set at 65% of the materiality (same percentage as 2023/24 audit) to recognise the errors and issues in prior year.
Trivial matters	520,000	Set at 5% of materiality



06 Progress against prior year audit recommendations

Progress against prior year audit recommendations

We identified the various issues in our 2023/24 audit of the Council's financial statements, which resulted in 15 recommendations being reported in our 2023/24 Audit Findings Report. Recommendation from 2023/24 audit were issued in February 2025 Audit and Governance Committee meeting. There has not been sufficient time for management to address the recommendations and we will follow up on these during the final accounts work, reporting our follow up through our Audit Findings Report.

07 IT audit strategy

IT audit strategy

In accordance with ISA (UK) 315, we are required to obtain an understanding of the IT environment related to all key business processes, identify all risks from the use of IT related to those business process controls judged relevant to our audit and assess the relevant IT general controls (ITGCs) in place to mitigate them. Our audit will include completing an assessment of the design and implementation of ITGCs related to security management; technology acquisition, development and maintenance; and technology infrastructure.

The following IT applications are in scope for IT controls assessment based on the planned financial statement audit approach, we will perform the indicated level of assessment:

IT application	Audit area	Planned level IT audit assessment
Civica Financials	Financial reporting	ITGC design assessment – IT audit colleagues completed a detailed review of the IT system in 2022/23 and will complete a follow up of prior years work and findings in 2024/25
Capita one	Revenue and Benefits system	ITGC design assessment – IT audit colleagues completed a detailed review of the IT system in 2022/23 and will complete a follow up of prior years work and findings in 2024/25
Core HR	Payroll	ITGC design assessment – IT audit colleagues completed a detailed review of the IT system in 2022/23 and will complete a follow up of prior years work and findings in 2024/25
Active Directory	Domain Controller	ITGC design assessment – IT audit colleagues completed a detailed review of the IT system in 2022/23 and will complete a follow up of prior years work and findings in 2024/25

09 Value for Money Arrangements

Value for Money Arrangements

Approach to Value for Money work for the period ended 31 March 2025

The National Audit Office issued its latest Value for Money guidance to auditors in November 2024. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:



Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.



Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Risks of significant VFM weaknesses

As part of our initial planning work, we considered whether there were any risks of significant weakness in the body's arrangements for securing economy, efficiency and effectiveness in its use of resources that we needed to perform further procedures on. The risks we have identified are detailed on the table overleaf along with the further procedures we will perform. We will continue to review the body's arrangements and report any further risks of significant weaknesses we identify to those charged with governance. We may need to make recommendations following the completion of our work. The potential different types of recommendations we could make are set out in the second table below.

Potential types of recommendations

A range of different recommendations could be made following the completion of work on risks of significant weakness, as follows:



Statutory recommendation

Recommendations to the body under Section 24 (Schedule 7) of the Local Audit and Accountability Act 2014. A recommendation under schedule 7 requires the body to discuss and respond publicly to the report.



Key recommendation

The Code of Audit Practice requires that where auditors identify significant weaknesses in arrangements to secure value for money they should make recommendations setting out the actions that should be taken by the body. We have defined these recommendations as 'key recommendations'.



Improvement recommendation

These recommendations, if implemented should improve the arrangements in place at the body, but are not made as a result of identifying significant weaknesses in the body's arrangements.

Risks of significant weakness in VFM arrangements (continued)

Initial Risk assessment of the Council’s VFM arrangements

The Code of Audit Practice 2024 (the Code) sets out that the auditor’s work is likely to fall into three broad areas: planning; additional risk-based procedures and evaluation; and reporting. We undertake initial planning work to inform this Audit Plan and the assumptions used to derive our fee. Consideration of prior year significant weaknesses and known areas of risk is a key part of the risk assessment for 2024/25. We will continue to evaluate risks of significant weakness and if further risks are identified , we will report these to those charged with governance. We set out our reported assessment below:

Criteria	2023/24 Auditor judgement on arrangements	2024/25 risk assessment	2024/25 risk-based procedures
Financial sustainability	<div>R</div> <div>Two significant weaknesses raised in 2023/24 AAR, with key recommendations relating to:<ul style="list-style-type: none">• implementation of transformation programme at sufficient scale and pace to demonstrate that the Council is able to address the significant structural budget deficit; and• ensuring a robust response to financial matters with a more detailed revision to the Council's Medium Term Financial Strategy</div>	<div>Risks of significant weakness in arrangements identified related to the two 2023/24 findings.</div> <div>Two further risks of significant weakness have been identified for 2024/25 which are:<ul style="list-style-type: none">• the increasing Dedicated Schools Grant deficit; and• arrangements to manage cost and demand in Adults and Children's Social Care.</div>	<div>Due to the risks of significant weakness identified we will undertake additional risk-based procedures to determine:</div> <div><ul style="list-style-type: none">• the progress made implementing the transformation programme and the adequacy of arrangements in place to identify and deliver savings;• the adequacy of arrangements in place to mitigate cost and demand in social care;• the robustness of the Medium-Term Financial Plan; and• the progress made in mitigating the annual DSG deficit.</div> <div>We will also follow up the recommendations that we made in 2023/24.</div>

Risks of significant weakness in VFM arrangements

(continued)

Criteria	2023/24 Auditor judgement on arrangements	2024/25 risk assessment	2024/25 risk-based procedures
Governance	A No significant weakness reported in 2023/24 AAR.	No risks of significant weakness identified	As no risk of significant weakness has been identified, no additional risk-based procedures are specified at this stage. We will undertake sufficient work to document our understanding of your arrangements as required by the Code.
Improving economy, efficiency and effectiveness	R One significant weaknesses raised in 2023/24 AAR, with a key recommendation relating to ensuring appropriate arrangements are in place to address the actions raised in the Joint Area SEND inspection and resultant Improvement Notice, and that improvements identified in the “Achieving Excellence Strategy” are fully costed.	Risk of significant weakness identified	Due to the risk of significant weakness identified we will undertake additional risk-based procedures to determine the robustness of arrangements put in place to address the actions raised in the Joint Local Area SEND inspection and how the costs of the “Achieving Excellence Strategy” are reflected in financial plans. We will also follow up the recommendations that we made in 2023/24.

- G

No significant weaknesses in arrangements identified or improvement recommendation made.
- A

No significant weaknesses in arrangements identified, but improvement recommendations made.
- R

Significant weaknesses in arrangements identified and key recommendations made.

We will continue our review of your arrangements until we sign the opinion on your financial statements before we issue our auditor's annual report. Should any further risks of significant weakness be identified, we will report this to those charged with governance as soon as practically possible. We report our value for money work in our Auditor's Annual Report. Any significant weaknesses identified once we have completed our work will be reflected in your Auditor's Report and included within our audit opinion.

10 Logistics

Logistics



Our team and communications

Grant Thornton core team



Barrie Morris

Engagement Lead

- Provides oversight of the delivery of the audit including regular engagement with Governance Committees and senior officers
- Key contact for senior management and Audit and Governance Committee
- Overall quality assurance



David Johnson

Audit Manager

- Provides oversight of the delivery of the audit including regular engagement with Governance Committees and senior officers
- Audit planning
- Resource management
- Performance management reporting



Aman Gandhi

In-charge

- Key audit contact responsible for the day to day
- Management and delivery of audit work
- Audit fieldwork

Pool of four specialists and other technical specialists (eg IT audit, valuation experts etc)

Our team and communications (continued)

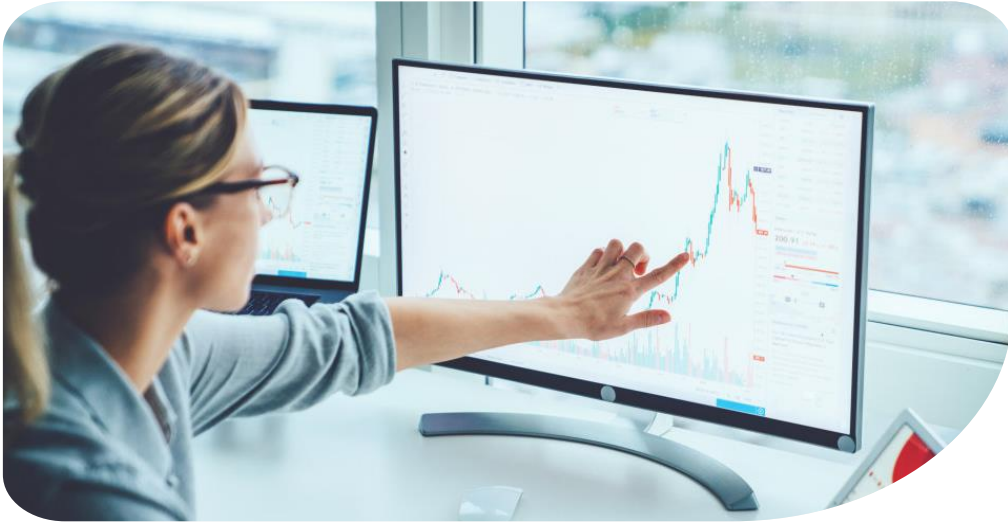
	Service delivery	Audit reporting	Audit progress	Technical support
Formal communications	<ul style="list-style-type: none">• Annual client service review	<ul style="list-style-type: none">• The Audit Plan• Audit Progress and Sector Update Reports• The Audit Findings• Auditor’s Annual Report	<ul style="list-style-type: none">• Audit planning meetings• Audit clearance meetings• Communication of query/issues log	<ul style="list-style-type: none">• Technical updates
Informal communications	<ul style="list-style-type: none">• Open channel for discussion		<ul style="list-style-type: none">• Communication of audit issues as they arise	<ul style="list-style-type: none">• Notification of up-coming issues

As part of our overall service delivery we may utilise colleagues who are based overseas, primarily in India and the Philippines. Those colleagues work on a fully integrated basis with our team members based in the UK and receive the same training and professional development programmes as our UK based team. They work as part of the engagement team, reporting directly to the Audit Senior and Manager and will interact with you in the same way as our UK based team albeit on a remote basis. Our overseas team members use a remote working platform which is based in the UK. The remote working platform (or Virtual Desktop Interface) does not allow the user to move files from the remote platform to their local desktop meaning all audit related data is retained within the UK.

11 Fees and related matters

Our fee estimate

Our estimate of the audit fees is set out in the next slide, along with the fees billed in the prior year



Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2024\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

PSAA

Local Government Audit fees are set by PSAA as part of their national procurement exercise. In 2023 PSAA awarded a contract of audit for Plymouth City Council to begin with effect from 2023/24. The scale fee set out in the PSAA contract for the 2024/25 audit is £409,064.

This contract sets out four contractual stage payments for this fee, with payment based on delivery of specified audit milestones:

- Production of the final auditor's annual report for the previous Audit Year (exception for new clients in 2023/24 only)
- Production of the draft audit planning report to Audited Body
- 50% of planned hours of an audit have been completed
- 75% of planned hours of an audit have been completed

Any variation to the scale fee will be determined by PSAA in accordance with their procedures as set out here [Fee Variations Overview – PSAA](#)

Updated Auditing Standards

The FRC has issued updated Auditing Standards in respect of Quality Management (ISQM 1 and ISQM 2). It has also issued an updated Standard on quality management for an audit of financial statements (ISA 220). We confirm we will comply with these standards.

Our fee estimate (continued)

Our estimate of the audit fees, along with the fees billed in the prior year:

Company	Audit Fee for 2023/24 (£)	Proposed fee for 2024/25 (£)
Council Audit	375,258	409,064
ISA 315 (estimate)	15,690	Included in scale fee
Auditor’s expert (estimate)	6,519	7,500
IFRS 16 (estimate)	-	10,000
Total (Exc. VAT)	397,467	426,564

Previous year

In 2023/24 the scale fee set by PSAA was £375,258. The actual fee charged for the audit was £397,467.

As the opinion on the 2023/24 audit was disclaimed due to the imposition of a backstop date, we may need to undertake further audit work in respect of opening balances. We will discuss the practical implications of this with you should this circumstance arise.

Our fee estimate:

We have set out below our specific assumptions made in arriving at our estimated audit fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit;
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements;
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements; and
- maintain adequate business processes and IT controls, supported by an appropriate IT infrastructure and control environment.

Our fee estimate also assumes that you will engage suitably competent experts to assist management in the following areas:

- valuer for valuation of land and building and investment properties;
- actuary for valuation pension fund liability; and
- expert for valuation of financial instruments (where appropriate).

12 Independence considerations

Independence considerations

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant matters that may bear upon the integrity, objectivity and independence of the firm or covered persons (including its partners, senior managers, managers and network firms). In this context, there are no matters that we are required to report.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council.

Independence considerations (continued)

As part of our assessment of our independence at planning we note the following matters:

Matter	Conclusions
Relationships with Grant Thornton	We are not aware of any relationships between Grant Thornton and the Council that may reasonably be thought to bear on our integrity, independence and objectivity.
Relationships and Investments held by individuals	We have not identified any potential issues in respect of personal relationships with the Council or investments in the Council held by individuals.
Employment of Grant Thornton staff	We are not aware of any former Grant Thornton partners or staff being employed, or holding discussions in respect of employment, by the Council as a director or in a senior management role covering financial, accounting or control related areas.
Business relationships	We have not identified any business relationships between Grant Thornton and the Council.
Contingent fees in relation to non-audit services	No contingent fee arrangements are in place for non-audit services provided.
Gifts and hospitality	We have not identified any gifts or hospitality provided to, or received from, a member of the Council’s board, senior management or staff (that would exceed the threshold set in the Ethical Standard).

We confirm that there are no significant facts or matters that impact on our independence at planning as auditors that we are required or wish to draw to your attention and consider that an objective reasonable and informed third party would take the same view. The firm and each covered person and network firms have complied with the Financial Reporting Council’s Ethical Standard and confirm that we are independent and are able to express an objective opinion on the financial statements.

Fees and non-audit services

The following tables set out the non-audit services charged from the beginning of the financial year to 1 April 2025, as well as the threats to our independence and safeguards have been applied to mitigate these threats.

The following non-audit services are consistent with the council’s policy on the allotment of non-audit work to your auditor.

None of the following services were provided on a contingent fee basis.

For the purposes of our audit we have made enquiries of all Grant Thornton teams within the Grant Thornton International Limited network member firms providing services to Plymouth City Council. The table summarises all non-audit services which were identified. We have adequate safeguards in place to mitigate the perceived self-interest threat from these fees, please refer to the following table.

Fees and non-audit services (continued)

Assurance Service Fees

Service	Fees £	Threats Identified	Safeguards applied
Housing Benefit Certification	48,440 (2022/23)	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the combined fee for this work is £119,720 in comparison to the total proposed fee for the audit of £426,564 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.
	71,280 (2023/24)	Self review (because GT provides audit services)	
		Management Threat	
Teacher's Pension return	22,000 (2022/23) 25,000 (2023/24)	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the combined fee for this work is £47,000 in comparison to the total proposed fee for the audit of £426,564 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors all mitigate the perceived self-interest threat to an acceptable level. To mitigate against the self review threat , the timing of certification work is done after the audit has completed, materiality of the amounts involved to our opinion and unlikelihood of material errors arising and the Council has informed management who will decide whether to amend returns for our findings and agree the accuracy of our reports on grants.

This covers all services provided by us and our network to the council, its directors and senior management and its affiliates, and other services provided to other known connected parties that may reasonably be thought to bear on our integrity, objectivity or independence.

13 Communication of audit matters with those charged with governance

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings
Respective responsibilities of auditor and management/those charged with governance	●	
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	●	
Confirmation of independence and objectivity	●	●
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	●	●
Significant matters in relation to going concern	●	●

Our communication plan	Audit Plan	Audit Findings
Views about the qualitative aspects of the Council accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		●
Significant findings from the audit		●
Significant matters and issue arising during the audit and written representations that have been sought		●
Significant difficulties encountered during the audit		●
Significant deficiencies in internal control identified during the audit		●
Significant matters arising in connection with related parties		●
Identification or suspicion of fraud involving management and/or which results in material misstatement of the financial statements		●
Non-compliance with laws and regulations		●
Unadjusted misstatements and material disclosure omissions		●

Communication of audit matters with those charged with governance (continued)

ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.

This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.

We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.

Respective responsibilities

As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.

The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.

14 Delivering audit quality

Delivering audit quality (continued)

Our quality strategy

We deliver the highest standards of audit quality by focusing our investment on:



Creating the right environment

Our audit practice is built around the markets it faces. Your audit team are focused on the Public Sector audit market and work with clients like you day in, day out. Their specialism brings experience, efficiency and quality.



Building our talent, technology and infrastructure

We've invested in digital tools and methodologies that bring insight and efficiency and invested in senior talent that works directly with clients to deploy bespoke digital audit solutions.



Working with premium clients

We work with great public sector clients that, like you, value audit, value the challenge a robust audit provides, and demonstrate the strongest levels of corporate governance. We're aligned with our clients on what right looks like.

Our objective is to be the best audit firm in the UK for the quality of our work and our client service, because we believe the two are intrinsically linked.

How our strategy differentiates our service

Our investment in a specialist team, and leading tools and methodologies to deliver their work, has set us apart from our competitors in the quality of what we do.

The FRC highlighted the following as areas of particularly good practice in its recent inspections of our work:

- use of specialists, including at planning phases, to enhance our fraud risk assessment
- effective deployment of data analytical tools, particularly in the audit of journals

The right people at the right time

We are clear that a focus on quality, effectiveness and efficiency is the foundation of great client service. By doing the right audit work, at the right time, with the right people, we maximise the value of your time and ours, while maintaining our second-to-none quality record.

Bringing you the right people means that we bring our specialists to the table early, resolving the key judgements before they impact the timeline of your financial reporting. The audit partner always retains the final call on the critical decisions; we use our experts when forming our opinions, but we don't hide behind them.

Delivering audit quality

Digital differentiation

We’re a digital-first audit practice, and our investment in data analytics solutions has given our clients better assurance by focusing our work on transactions that carry the most risk. With digital specialists working directly with your teams, we make the most of the data that powers your business when forming our audit strategy.

Oversight and control

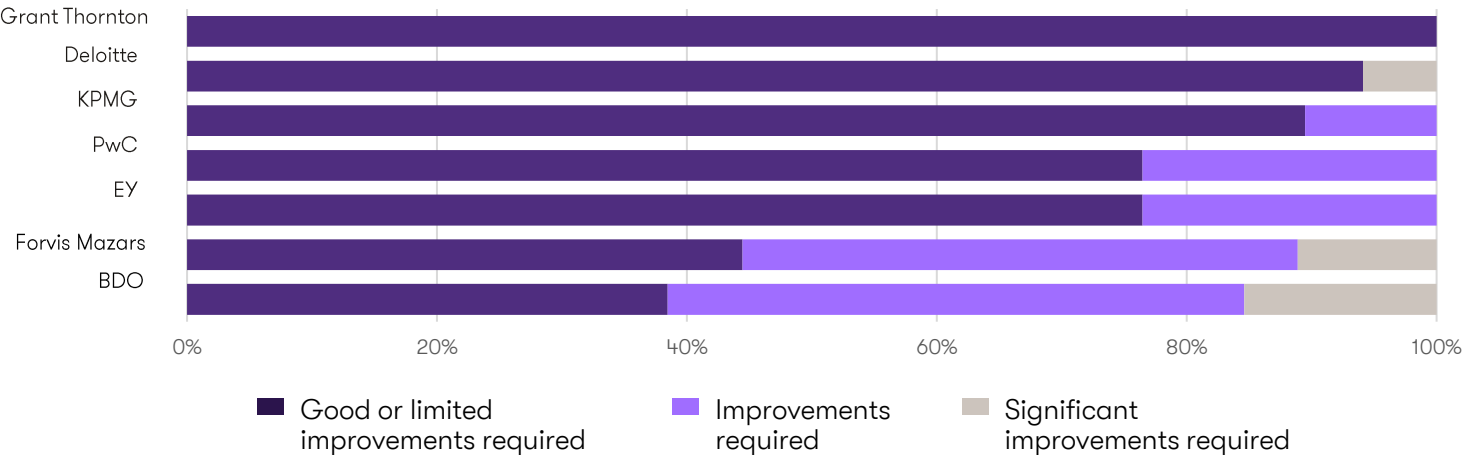
Wherever your audit work is happening, we make sure that its quality meets your exacting requirements, and we emphasise communication to identify and resolve potential challenges early, wherever and however they arise. By getting matters on the table before they become “issues”, we give our clients the time and space to deal with them effectively.

Quality underpins everything at Grant Thornton, as our FRC inspection results in the chart below attest to. We’re growing our practice sustainably, and that means focusing where we know we can excel without compromising our strong track record or our ability to deliver great audits. It’s why we will only commit to auditing clients where we’re certain we have the time and resource, but, most importantly, capabilities and specialist expertise to deliver. You’re in safe hands with the team; they bring the right blend of experience, energy and enthusiasm to work with you and are fully supported by myself and the rest of our firm.

Wendy Russell
Partner, UK Head of Audit



FRC’s Audit Quality Inspection and Supervision Inspection
(% of files awarded in each grading, in the most recent report for each firm)



15 Appendices

Escalation Policy



The Backstop

The Department for Levelling Up, Housing and Communities have introduced an audit backstop date on a rolling basis to encourage timelier completion of local government audits.

As your statutory auditor, we understand the importance of appropriately resourcing audits with qualified staff to ensure high quality standards that meet regulatory expectations and national deadlines. It is the Authority's responsibility to produce true and fair accounts in accordance with the CIPFA Code by the statutory deadline and respond to audit information requests and queries in a timely manner.

Escalation Process

To help ensure that accounts audits can be completed on time in the future, we have introduced an escalation policy. This policy outlines the steps we will take to address any delays in draft accounts or responding to queries and information requests. If there are any delays, the following steps should be followed:

Step 1 - Initial Communication with Finance Director (within one working day of statutory deadline for draft accounts or agreed deadline for working papers)

- We will have a conversation with the Finance Director(s) to identify reasons for the delay and review the Authority's plans to address it. We will set clear expectations for improvement.

Step 2 - Further Reminder (within two weeks of deadline)

- If the initial conversation does not lead to improvement, we will send a reminder explaining outstanding queries and information requests, the deadline for responding, and the consequences of not responding by the deadline.

Step 3 - Escalation to Chief Executive (within one month of deadline)

- If the delay persists, we will escalate the issue to the Chief Executive, including a detailed summary of the situation, steps taken to address the delay, and agreed deadline for responding.

Step 4 - Escalation to the Audit and Governance Committee (at next available Audit and Governance Committee meeting or in writing to Audit and Governance Committee Chair within 6 weeks of deadline)

- If senior management is unable to resolve the delay, we will escalate the issue to the audit and governance committee, including a detailed summary of the situation, steps taken to address the delay, and recommendations for next steps.

Step 5 - Consider use of wider powers (within two months of deadline)

- If the delay persists despite all efforts, we will consider using wider powers, e.g. issuing a statutory recommendation. This decision will be made only after all other options have been exhausted. We will consult with an internal risk panel to ensure appropriateness.

Aim

By following these steps, we aim to ensure that delays in responding to queries and information requests are addressed in a timely and effective manner, and that we are able to provide timely assurance to key stakeholders including the public on the Authority's financial statements.

IFRS reporters New or revised accounting standards that are in effect

First time adoption of IFRS 16

Lease liability in a sale and leaseback

- IFRS 16 was implemented by LG bodies from 1 April 2024, with early adoption possible from 1 April 2022. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS17. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.
- This year will be the first year IFRS 16 is adopted fully within Local Government.

IAS 1 amendments

Non-current liabilities with covenants

- These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

IFRS reporters Future financial reporting changes

IFRS reporters future financial reporting changes

These changes will apply to local government once adopted by the Code of practice on local authority accounting (the Code).

Amendments to IAS 21 – Lack of exchangeability

IAS 21 has been amended by the IASB to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are expected to be adopted by the Code from **1 April 2025**.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

These amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, adds guidance on the SPPI criteria, and includes updated disclosures for certain instruments. The amendments are expected to be adopted by the Code **in future years**.

IFRS 18 Presentation and Disclosure in the Financial Statements

IFRS 18 will replace IAS 1 Presentation of Financial Statements. All entities reporting under IFRS Accounting Standards will be impacted.

The new standard will impact the structure and presentation of the statement of profit or loss as well as introduce specific disclosure requirements. Some of the key changes are:

- Introducing new defined categories for the presentation of income and expenses in the income statement
- Introducing specified totals and subtotals, for example the mandatory inclusion of 'Operating profit or loss' subtotal.
- Disclosure of management defined performance measures
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IFRS 18 is expected to be adopted by the CIPFA Code **in future years**.



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Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Internal Audit End of Year Report 2024/25
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Louise Clapton, Audit Manager
Contact Email:	Louise.clapton@plymouth.gov.uk
Your Reference:	AUD/LC
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report summarises the work undertaken by Devon Assurance Partnership during 2024/25, reviews the performance and effectiveness of the Internal Audit service, and provides an audit opinion on the adequacy of the Authority's internal control environment. Our work delivers objective and relevant assurance and contributes to the effectiveness and efficiency of the governance, risk management and internal control processes.

A key element of the Council's governance arrangements is the Annual Governance Statement (AGS), signed by the Leader, Chief Executive and Service Director for Finance (S.151 Officer). The assurance opinion derived from the work of the Internal Audit Service is used to help inform the Annual Governance Statement (AGS).

Regulation 6 of the Accounts and Audit (England) Regulations 2015 requires that 'a relevant authority must, each financial year conduct a review of the effectiveness of the system of internal control required by regulation 3, and prepare (and approve) an Annual Governance Statement'.

Recommendations and Reasons

1. The Audit and Governance Committee note that based on work performed during 2024/25 and previous years' audit, the Head of Internal Audit's opinion is of "Reasonable Assurance" on the adequacy and effectiveness of the Authority's internal control framework.

Alternative options considered and rejected

1. None, as failure to maintain an adequate and effective system of internal audit would contravene the Accounts and Audit Regulations 2015.

Relevance to the Corporate Plan and/or the Plymouth Plan

The internal audit service assists the Council in delivering robust standards of public accountability and probity in the use of public funds and has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations.

Implications for the Medium Term Financial Plan and Resource Implications:

Delivery of the audit plan assists the council in the provision of quality public services which also demonstrate value for money. It has also helped ensure an effective control environment is maintained in these financially challenging times.

Financial Risks

None.

Legal Implications

(Provided by Liz Bryant)

None arising directly from this report

Carbon Footprint (Environmental) Implications:

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.*

No impacts directly arising from this report. The work of the internal audit service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

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	001a PCC IA End of Year Report 2024-25							
B	001b PCC Overall Assurance Map 2024-25							
C	001c PCC IA Management Action Tracking Update 2024-25 Q4 Pt 1							
D	001d PCC IA Management Action Tracking Update 2024-25 Q4 Pt 2			X				

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

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Sign off:

Fin	ITG.2 5.2.02 9	Leg	Is/000 0360 9/32/ LB/11 /07/2 5	Mon Off	N/A	HR	N/A	Asset s	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Ian Trisk-Grove, Service Director for Finance											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 08/07/2025											
Cabinet Member approval: Cllr Mark Lowry approved via email.											
Date approved: 11/07/2025											

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Internal Audit

Annual Internal Audit Report 2024-25

Plymouth City Council Audit Committee

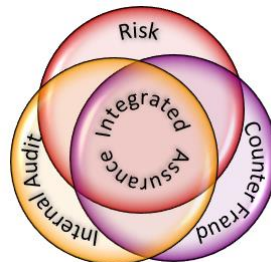
July 2025

Official

Louise Clapton – Assurance Manager

Tony Rose – Head of DAP

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Introduction

The Audit Committee, under its Terms of Reference contained in Plymouth City Council's Constitution is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2024-25 was presented and approved by the Audit Committee in March 2024.

The following report and appendices set out the background to audit service provision; any updates to the agreed plan; a review of work undertaken in 2024-25 and provides our opinion on the overall adequacy and effectiveness of the Authority's Internal Control Environment.

The Global Internal Audit Standards (GIAS), see appendix 2, require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This progress report provides a summary of work completed to date that will help inform the annual assurance opinion.

Expectations of the Audit Committee from this progress report

Audit Committee members are requested to consider:

- the assurance statement within this report;
- the basis of our opinion and the completion of audit work against the plan;
- changes to the plan and the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Senior Leadership Team, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 4).

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Overall Opinion Statement

Based on work performed to date during 2024-25, our experience from the current year progress and previous years audit, the Head of Internal Audit's Opinion on the adequacy and effectiveness of the Authority's internal control framework is one of "Reasonable Assurance".

Our audit planning process is both risk based and agile, as such our resources, and consequently our annual report will inevitably focus upon higher risk areas.

Internal Audit evaluates whether key and supporting controls are functioning effectively and provides an opinion on control adequacy within each audit report. Final reports include an action plan assigning responsibility and target dates for addressing identified issues. Responsibility for implementing these actions lies with management.

To ensure risks are mitigated and improvements are made, Internal Audit monitors the progress of action plan implementation. While these actions will enhance internal controls over time, the overall assurance opinion for 2024/25 reflects a specific point in time and remains unchanged.

Directors have received individual audit opinions to support the preparation of their annual governance assurance statements. Any significant control weaknesses identified would have been considered in the Council's Annual Governance Statement, which accompanies the 2024/25 Statement of Accounts.

This statement of opinion is underpinned by:

Internal Control Framework

The Council's control environment, including its policies, procedures, and operational systems, has supported the effective achievement of objectives, decision-making, resource efficiency, compliance, and asset protection. Internal Audit reviewed the core financial and administrative systems as part of its assurance work.

Overall, the internal control framework operated effectively during the year. While some instances of non-compliance or partial compliance were identified, none were considered to have had a material impact on the Council's operations or governance.

Risk Management

Key elements of the Council's Risk Management framework are in place, including a defined Risk Management Strategy, clear organisational roles, risk register system. Strategic oversight is provided by CMT, with operational support from the Head of Governance, Performance, and Risk. Risk reporting mechanisms and templates are embedded in decision-making processes, and quarterly monitoring reports are submitted to the Audit and Governance Committee.

While the framework is broadly effective, areas for improvement have been identified. These include low completion rates of risk management training among senior managers, inconsistent data quality in the risk register, and limited integration of audit findings into broader risk and performance management. Strengthening these areas will enhance the Council's overall risk maturity and resilience.

Governance Arrangements

Governance arrangements have been considered in all our audits but with opportunities to improve consistency or alignment to business need. We will continue to review the improvements to governance and control arrangements in 2025/26.

Performance Management

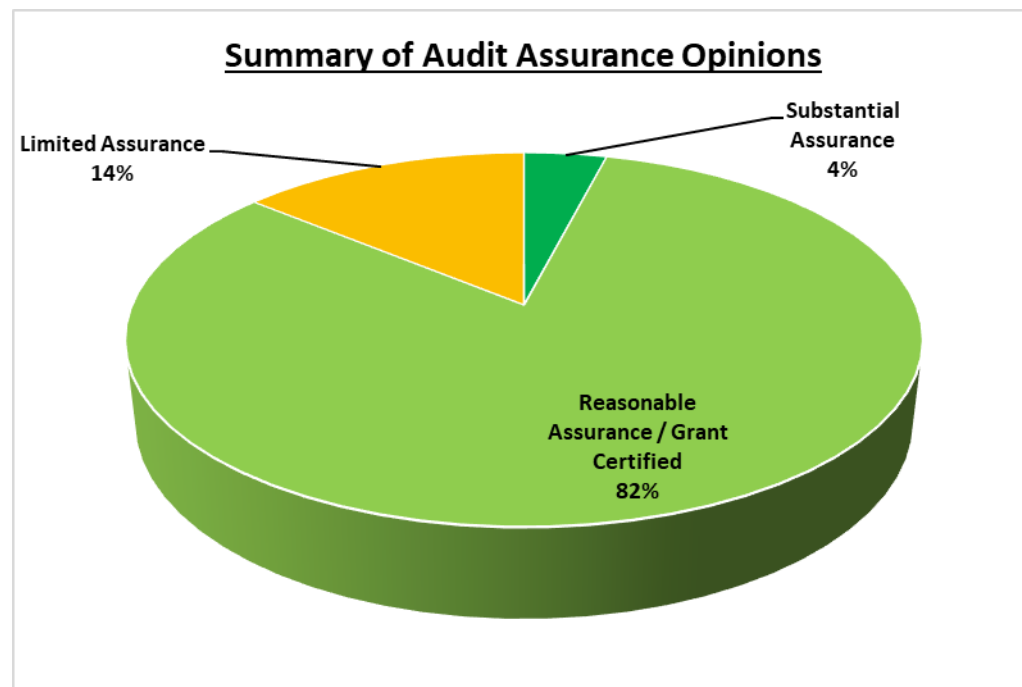
Regular reporting to management, the leadership team and the Council continues to ensure effective performance management.

The budget monitoring and scrutiny arrangements in operation have enabled pressure points to be identified and prompt remedial action to be taken.

Substantial Assurance	A sound system of governance, risk management and control exist across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved
Reasonable Assurance	There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives.	No Assurance	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of strategic and operational objectives.

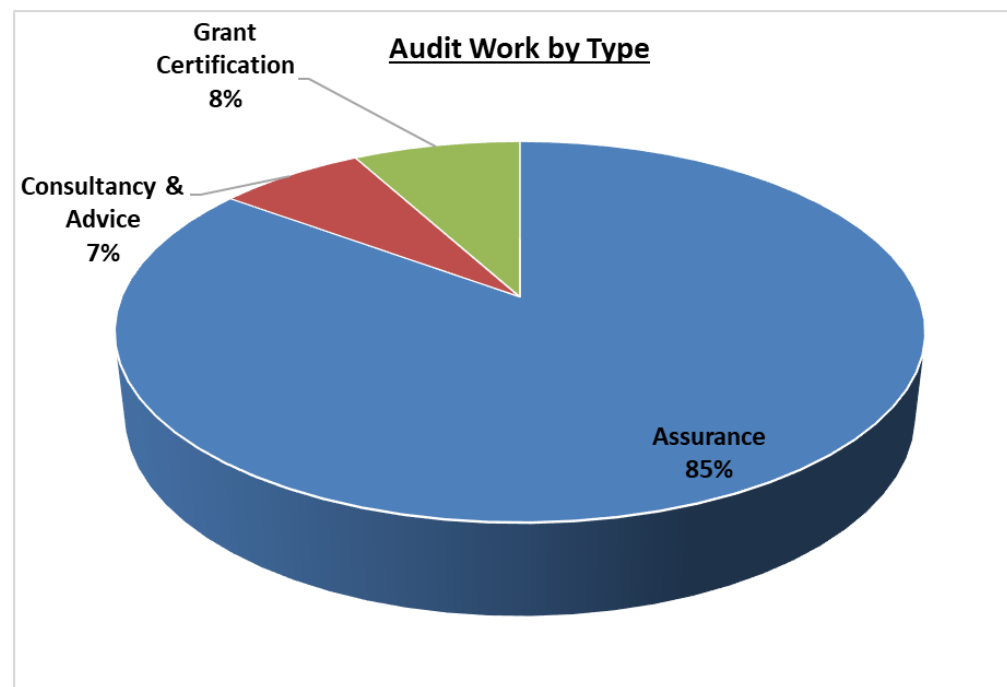
Summary Assurance Opinions

Chart 1



Each assurance audit provides an Audit Assurance Opinion and this is used to inform our annual overall assurance opinion provided on page two. Chart 1, above, indicates the spread of assurance opinions from across our Internal Audit Assurance reports issued in the past year. Of our assurance opinions issued 86% were Reasonable or Substantial with 14% Limited. We did not issue a No Assurance opinion during 2024/25. Chart 3 on page four indicates the spread of assurance opinions across Council Service areas, full details of audit work undertaken can be found in Appendix 1 on page 10.

Chart 2



Assurance audit accounted for 85% of the work completed in year. Whilst assurance audits enable us to provide an independent and objective opinion on the effectiveness of Plymouth City Council's risk management, control and governance processes DAP also carry out grant certification work and provide advice to support the ongoing development and improvement of Council operations and management of its risks. Chart 2, indicates the split of Internal Audit by work type undertaken during the 2024/25 financial year.

Summary Assurance Opinions

Chart 3.

Service Area Overview of Audit Coverage					
Adults, Health and Communities	Chief Executive	Children's Services	ODPH	Growth	Resources
Plymouth Active Leisure Financial Reconciliations	Risk Management	On Course South West	Public Health Grant	Grant Funding Certification: SWLEP Charles Cross SWLEP Northern Corridor Traffic Signals SWLEP Eastern Corridor Strategic Cycle Network SWLEP Plymouth Railway Station SWLEP Plymouth Business Parks SWLEP Oceansgate Phase 1 DFT LCTB Integrated Transport DFT Highways Maintenance Needs Element DFT Highways Maintenance Incentive Element DFT Highways Maintenance Additional Element DFT Pothole Fund DFT Traffic Signal Obsolescence High Streets Heritage Action Zone Programme BEIS Home Upgrade Grant Phase 2 BEIS Social Housing Decarbonisation Fund 2.1	Creditors Treasury Management Business Rates Council Tax Housing Benefits Main Accounting System Payroll Capital Programme Management of Grant Funding Procurement Self Service DBS and Independent Safeguarding Companies Governance Fully Catered Financial Management Additional Holiday Back Pay
The Plymouth Alliance					
ASC Client Contribution Income					
Disabled Facilities Grant					
Independence at Home					
ASC Provider Viability	LGA Improvement and Assurance Framework	Supporting Families Payment By Results - Quarterly Claims			
ASC Debt Mangement					
CSC to ASC Transitions					
Eclipse Project Board - Phase 3				Garage Financial Management	Debtors Fuel Cards IR35 (Follow Up)
Emergency Accommodation - Intelligent Automation				South West Devon Waste Partnership	Cyber Assessment Framework Payrol System iTrent Implementation
ASC Income - Joint Funded Care Packages	Purchasing Cards			Freeport	Income Collection CIPFA Financial Management Code

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Key: **Substantial Assurance** **Reasonable Assurance** **Limited Assurance** **No Assurance** **Advisory** **In Progress**

Assurance Mapping

The Institute of Internal Auditors provides a summary of the benefits of Assurance Mapping:

- An assurance map brings an organisations risk appetite to life. At the same time as highlighting assurance gaps, it also shows where there is duplication or too much assurance. It is a simple way of aligning assurance resource, risk and internal control.
- It improves awareness of the control environment by looking across the organisation rather than at individual reports which can lead to siloed thinking.
- It drives positive behaviors by enabling robust discussions about risk, educating on the value of assurance and aiding collaboration between functions.
- Collectively, the assurance community of an organisation often has a more powerful voice when it works together; an assurance map is a practical platform benefiting all parties.

Once developed, the Assurance Framework information will support the creation of future Audit Plans. The 2024-25 Assurance Map accompanies this report.

Audit Coverage by Strategic Risk and Corporate Plan Objectives

Internal Audit coverage should be aligned to corporate priorities and risk. The two charts below indicate our assessment of Internal Audit coverage against Plymouth City Councils Strategic Risks and Corporate Plan objectives.

Chart 4

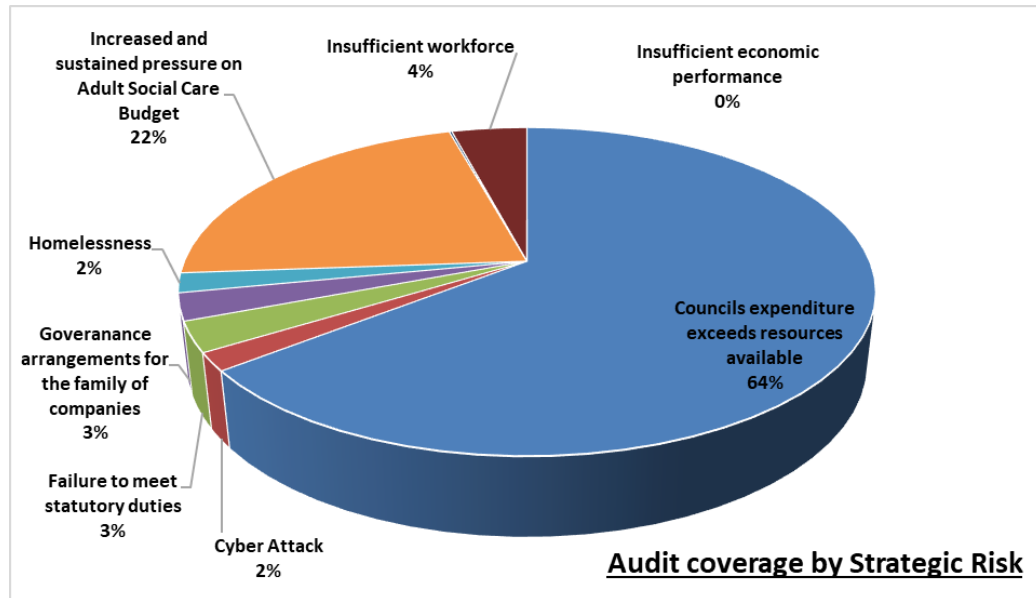
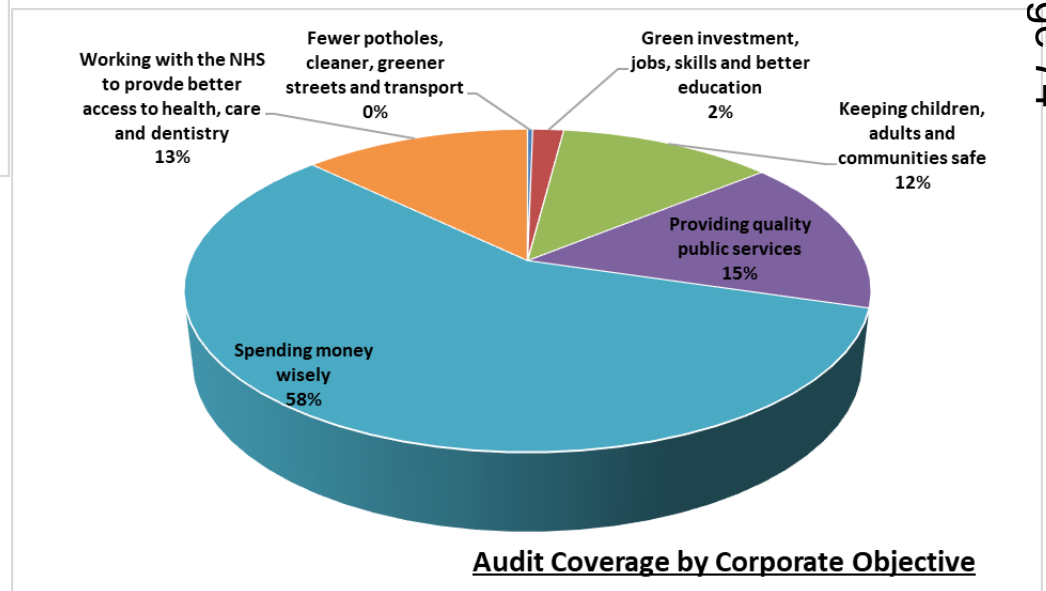


Chart 5



Audit Performance

DAP delivered 90% of audits to draft /final report, against the 2024/25 revised plan, as depicted in chart 6. Six audits are still in progress, of which three are ongoing pieces of work including the development of an Improvement and Assurance model. To ensure that our Internal Audit programme of work is agile and meets the ongoing audit needs requirements of the Council, amendments to the plan including cancellation or deferral of audits are agreed with Corporate Management and reported to Committee through our in-year DAP progress reports. Charts 7 to 9 highlight the audit coverage from original to revised plan.

Chart 6

Audit Status

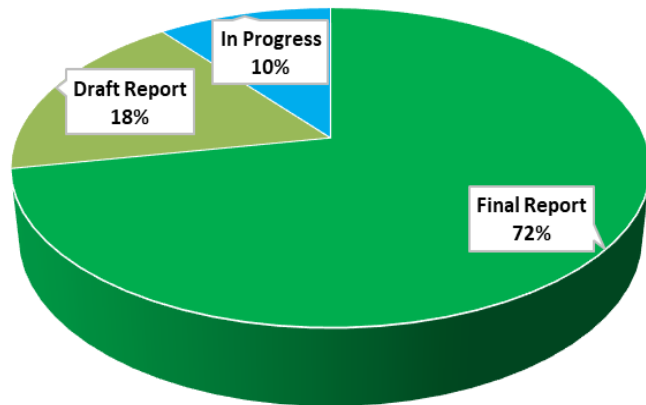


Chart 7

Original Plan of Audit Coverage (March 2024)

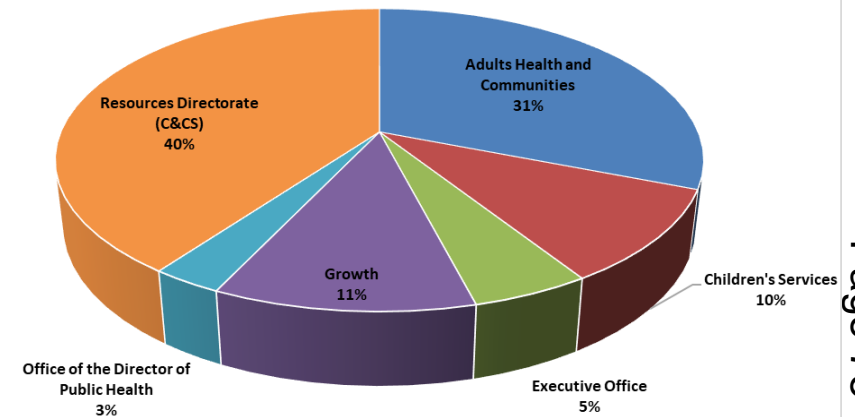


Chart 8

Planned Audit Coverage (Revised Plan)

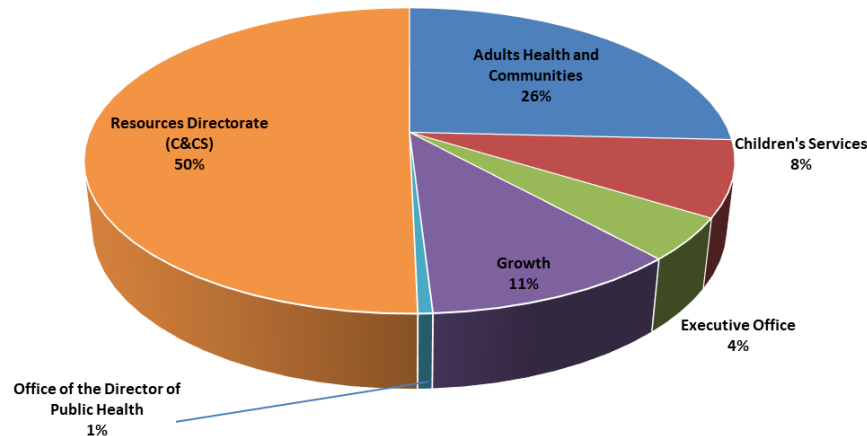
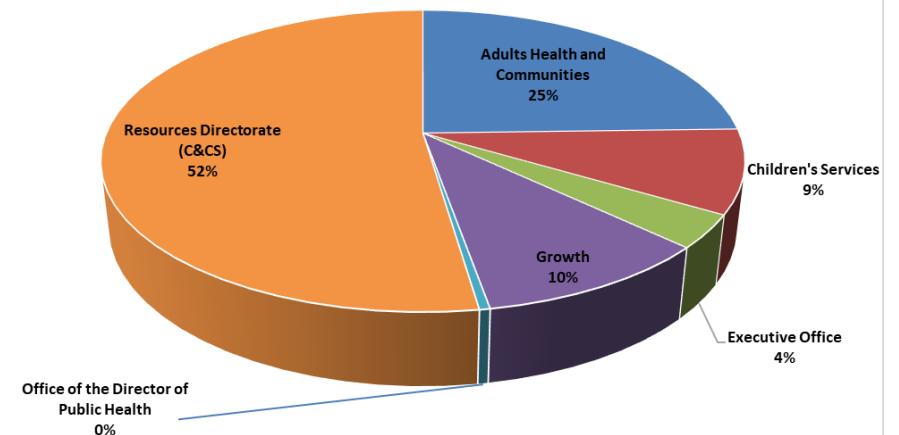


Chart 9

Actual Audit Coverage (Revised Plan)



Significant Reviews Received by PCC in 2024/25

During 2024/25, the Council received two significant independent reviews: the Armada Way Independent Learning Review and the CIPFA External Assurance Review commissioned as part of the Council's application for Exceptional Financial Support. These reviews provided a comprehensive evaluation of the Council's governance, decision-making processes, financial resilience, and capital programme management.

Both reports identified areas requiring improvement, particularly in capital governance, transparency, medium-term financial planning, and oversight of Council-owned companies. Importantly, neither review identified systemic financial failure, but they highlighted critical lessons from past decision-making and emphasised the need for stronger risk management, clearer roles for statutory officers, and improved reporting protocols.

The Council responded constructively and swiftly to both reviews, accepting the recommendations and integrating them into revised governance frameworks and action plans. Notably, a consolidated improvement programme has been established, with oversight by the Audit and Governance Committee. This includes reforms to capital project controls, enhanced MTFS alignment, and the development of new structures for overseeing the Council's Family of Companies. The commitment to transparency, accountability, and organisational learning has been evident throughout the Council's response and will contribute positively to future financial sustainability and governance assurance.

Cyber

During the year, due to limitations in completing planned internal audit work, assurance over cyber security has been primarily derived from attendance at the Cyber Board and the development of an assurance map. This map, aligned with the NCSC's 10 Steps to Cyber Security and the Cyber Assessment Framework (CAF), reflects a broad and structured view of the organisation's cyber risk posture. Overall, the assurance position is assessed as Amber, indicating that while key controls are in place and operating in many areas, there remain some gaps in the approach to providing assurance with areas requiring further development or independent validation.

The assurance map highlights strengths in areas such as staff awareness, response and recovery planning, and system resilience, which have been subject to external validation, via the CAF assessment. However, areas such as proactive security event discovery and supply chain security show limited independent assurance, suggesting a need for enhanced oversight or audit coverage in future plans. The reliance on management reporting of control weaknesses and planned action at Cyber Board along with external assurance, Health Check and CAF assessment, has provided a degree of confidence, but the absence of full internal audit coverage this year necessitates a cautious interpretation of the overall assurance level. Continued engagement with the Cyber Board and targeted audit activity in the coming year will be essential to strengthen assurance and address residual risks.

During 2024/25 Plymouth City Council completed and submitted its first self-assessment for Sections A (Managing Security Risk) and D (Minimising the Impact of Cyber Security Incidents) of the Cyber Assessment Framework (CAF) for independent assurance. This is a critical step in strengthening the Council's cyber resilience, as it enables a structured evaluation of current cyber security practices and identifies areas for improvement. Independent assurance provided an objective validation of the Council's assessment, ensuring that risks are accurately understood and that appropriate controls are in place. An improvement and implementation plan has been agreed based on the findings, and progress will be actively monitored through the Cyber Board. This process will give Council members confidence that cyber risks are being managed effectively, and that the organisation is committed to continuous improvement in protecting its services and data.

Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can. We believe internal audit activity can add value to the organisation and its stakeholders by:

- providing objective and relevant assurance,
- contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

Notable benefits are highlighted below.

LGA Improvement and Assurance Framework

We are actively supporting the council in developing a robust and effective assessment model that aligns with the principles and expectations set out in the Improvement and Assurance Framework for Local Government (LGA, 2024). Our approach is grounded in the framework's emphasis on self-awareness, continuous improvement, and a whole-council commitment to good governance. This includes working collaboratively with officers and members to embed a culture of assurance, triangulate evidence from multiple sources, and ensure that both qualitative and quantitative insights inform the council's understanding of its performance and governance.

The work is ongoing and iterative, with a focus on building internal capacity to self-assess against the framework's key components, such as leadership, risk management, financial oversight, and community engagement. We are supporting the council to develop a self-assessment process that is not only reflective and evidence-based but also forward-looking, enabling early identification of risks and opportunities. This will help the council demonstrate to residents, partners, and regulators that it is proactively managing its responsibilities and committed to delivering best value.

Management Action Tracking

We have continued to monitor and report on the implementation of agreed management actions; Plymouth City Council has made notable progress in addressing management actions arising from internal audits with a 'Limited Assurance' rating. As 31st March 2025, the number of audits with outstanding management action was 10 compared to 15 at the end 31st March 2024, seven audits have fully implemented all management actions and have been removed during 2024/25, reflecting a positive downward trend.

Out of 108 total management actions agreed across these audits, 60 (56%) had been implemented by the 31st March 2025, while 48 (55%) remained outstanding. Of those outstanding, 10 actions (21%) were overdue by more than 90 days past their target implementation dates, six (60%) of which were on hold awaiting system implementation change. While this indicates ongoing challenges in fully closing out all actions, the overall trajectory shows improved compliance and commitment to strengthening internal controls.

Data Analytics

To further strengthen and support our audit work we have sought to make greater use of data analytics, working with PCC we have identified specific whole data sets and developed data analysis tools including Power Bi Dashboards this enables greater assurance to be obtained through our audit work. Data analysis of complete data sets have been developed and undertaken for the Payroll, Procurement Self Service, Creditors, and Debtor audits.

Audit Advice

DAP provided real time advice throughout 2024/25 to support transformation change and / or mitigate risk, including:

- Proposed changes to the Whistleblowing Policy.
- Revision of Financial Regulations and Contract Standing Orders
- Attendance at Eclipse Project Board, as the Eclipse Finance module is implemented.
- Proposed changes to Plymouth Energy Community and PCC Strategic Partnership Agreement.
- Capital Programme Board Terms of Reference.
- Provision of information to CIPFA Review.
- Provision of ad hoc real time advice throughout 2024/25 to support grant funding requirements, management and assurance.

Schools

The original plan had three special schools for an internal audit review during the year. All of these school audits were successfully undertaken during the 2024/25 financial year. No primary schools were scheduled to be reviewed as they had all received an audit in the 2022/23 financial year, with the exception of one which is pending academisation.

In addition, DAP has provided advice and guidance to schools on the annual School Financial Value Standard (SFVS) return. The SFVS is now an established tool for maintained schools as a self-assessment of their local financial management. The maintained schools are required to annually submit their self-assessment to their local authority by 31st March. All but one of the maintained schools in Plymouth returned their completed SFVS returns within the required timescales. Mill Ford Special School did not return a completed SFVS self-assessment to DAP even though they were chased several times for their return.

Fraud Prevention and Detection

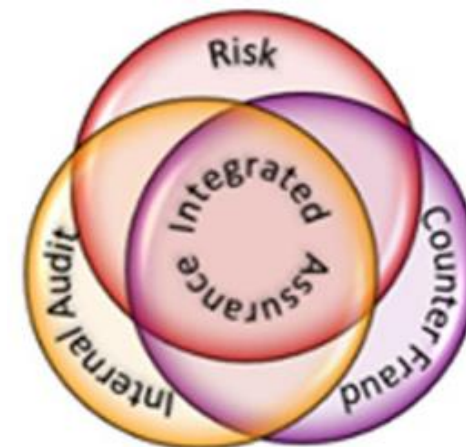
Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Cabinet Office now run the national data matching exercise, the National Fraud Initiative (NFI), every two years. Co-ordination of this exercise is now undertaken by DAP's Counter Fraud Team details of this and the Counter Fraud work conducted in 2024/25 is included in their annual report.

Integrated Assurance

Collaboration between the Audit Team and the Counter Fraud Team continues to evolve and strengthen with auditors becoming more aware of fraud risks and fraud investigators having a greater understanding of systems and controls.

This joined up approach help us to continue to provide the highest level of assurance possible and, for the Council to minimise fraud loss to the lowest level possible.

The Counter Fraud Team Manager has prepared a separate report for this Committee where more information can be found.



Summary of Internal Audit Work 2024/25

Appendix 1

The table below details the audit work undertaken within the 2024/25 financial year.

Audit Area	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
					H	M	L	O
ASC Service Provider Viability 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Limited	<p>The action taken by the Council with regard the closure of a Care Home in respect of requests for advance payments and the subsequent closure of the home should be acknowledged. Many of the residents were very elderly and The Council has a duty of care to them to ensure the closure was dealt with as sensitively as possible, and to find homes for all of them before the home closed for good. All residents were found alternative accommodation prior to closure.</p> <p>The chronology which was kept of the developing situation was comprehensive and all decisions were taken collectively by managers. However, the lack of documented processes and the ad-hoc monitoring of ASC providers provides only 'Limited Assurance' that identification and management of the risk of the potential failure of adult social care providers is mitigated.</p> <p>With residential care home contracts due to be recommissioned next year, there is an opportunity for commissioners to strengthen contracts and contract management arrangements to enable the ongoing viability of providers to be monitored and early intervention taken.</p>	4	3	1	0	0
ASC Debt Management 2024/25 <i>Previously reported to January 2025 Audit and Governance Committee.</i>	Final	Limited	<p>The Income Recovery Team is responsible for recovering debts, including Adult Social Care (ASC) debt, with current efforts focused on high-value and in-year debts. Recovering ASC debt is particularly complex due to factors such as the involvement of other departments, the unsecured nature of the debt, and complications arising when service users lack mental capacity or pass away. The absence of a legal framework for informal financial representatives further complicates recovery, especially when these individuals are uncooperative. Limited team resources hinder regular follow-ups, allowing delays and disputes to stall the process. Additionally, the Legal Team lacks capacity to</p>	11	5	5	1	0

			<p>handle all referred cases, and the upcoming loss of a team member will further strain resources.</p> <p>To address some of these challenges, a new system, Better Care Finance, has been approved. It will enable service users to complete online self-assessments and receive immediate information about charges, potentially reducing disputes over lack of notification. However, an audit has given only "Limited Assurance" on the effectiveness of ASC debt recovery, citing outdated policies, weak write-off procedures, discontinued debt meetings, poor monitoring of high-risk debts, irregular payments from Devon ICB, understated bad debt provisions, and inaccurate debtor accounts. These issues highlight the need for systemic improvements to enhance debt recovery efficiency and accountability.</p>					
CSC to ASC Social Care Transitions 2024/25	Final	Limited	<p>The audit aimed to assess the Council's internal controls for managing the transition of young people from Children's to Adult Services under the Care Act 2014 and the Children and Families Act 2014. The audit concluded with "Limited Assurance" due to several key weaknesses, including the absence of an approved transition strategy or protocol, inconsistent referral processes, poor data quality in the Eclipse case management system, and limited financial monitoring. Additionally, there is a lack of accessible information on the Council's website and dashboards, which hampers transparency and oversight.</p> <p>Despite these shortcomings, the audit found that young people in the sample received continuous support, with Care Act assessments and Adult Social Care (ASC) support plans completed before their 18th birthdays. A Transitions Tracking Group and spreadsheet are in place to support planning, and a broader Transitions Project is underway to address the identified issues. These efforts, along with management actions, are expected to strengthen the overall control framework moving forward.</p>	11	3	3	2	3
PCC Fuel Cards 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Draft	Limited	Internal Audit identified significant control weaknesses in Plymouth City Council's management of fuel card expenditure, which is currently not subject to routine review or verification to ensure legitimate use.	15	12	3	0	0

			The absence of robust corporate oversight exposes the Council to risks of financial loss, fraud, and reputational damage due to potential misuse of fuel cards. Additionally, without a clear business rationale for fuel usage, the Council may be undermining its environmental commitments. Managing fuel cards also imposes an administrative burden that, without proper systems, is inefficient. A strategic review is recommended to assess future fuel needs, evaluate the value for money of fuel cards, and explore more sustainable alternatives, such as electric fleet or hire vehicles, in alignment with the Council's net zero plans.					
Debtors System 2024/25	Draft	Limited	<p>The Council uses the Civica Financials Debtors System to manage billing and debt recovery, allowing for automation from invoice generation to collection. While in-year collection of sundry debt improved in 2024/25, reaching 96.3% and surpassing the 95% target, overall outstanding and aged debt has increased. Positive steps have been taken, such as engaging external collection agencies, clarifying invoice expectations, prioritising high-value debts, and finalising the write-off procedure.</p> <p>Despite these improvements, several weaknesses remain in the internal control framework. Key issues include the lack of proactive communication with departments about outstanding debts, non-compliance with suspension policies, inadequate record-keeping, and poor monitoring of payment plans. Additionally, the Income and Credit Management Policy is outdated and requires revision to support more effective debt management.</p>	8	1	6	0	1
IR35 (Follow Up) 2024/25	Draft	Limited	The Off-Payroll Working Rules (IR35), updated in April 2021, require local authorities to determine the employment status of off-payroll workers and ensure appropriate tax deductions are made. While the Council has adopted measures such as using the HMRC CEST tool and implementing structured recruitment processes to mitigate non-compliance risks, a recent follow-up audit found only limited progress on actions agreed in the March 2022 Internal Audit report. Of seven recommendations, only two have been fully implemented, with three high-risk items still outstanding. Key issues include fragmented record-keeping across departments, lack of a centralised documentation	5	3	2	0	0

			<p>system, and insufficient verification of supplier assessments and payments.</p> <p>Although Human Resources has developed updated policies and made them accessible, and a redesigned procurement self-service procedure now includes guidance for employment status checks, training has not yet been rolled out to relevant staff. Additionally, there is no formal process to confirm that suppliers are assessed and paid in line with HMRC requirements. These gaps raise concerns about the Council's ability to ensure full compliance with IR35 regulations and avoid potential penalties.</p>					
Garage Financial Management 2024-25	Draft	Limited	<p>Plymouth City Council's Garage Service plays a key role in maintaining the Council's fleet and also provides MOTs and servicing to local businesses, the public, and council staff, generating around £126k in commercial income in 2024/25. A recent internal audit identified areas for development in governance, risk management, and internal controls, offering limited assurance. While the service has strong potential, the audit highlighted opportunities to modernise policies, improve billing consistency, enhance staff training on the Tranman system, and establish clearer financial and operational frameworks. Strengthening risk management, formalising commercial plans, and improving data quality and audit trails will help the service operate more efficiently and competitively, supporting its long-term commercial goals</p>	12	12	0	0	0
Plymouth Active Leisure (PAL) Financial Reconciliations 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Reasonable	<p>Financial reconciliation procedures for Plymouth Active Leisure provide Reasonable Assurance that income and payments are accurately and completely recorded in the Civica General Ledger, which underpins the production of Financial Statements. This assurance is supported by clearly defined roles and responsibilities between PCC Accountants and Plymouth Active Leisure, comprehensive and timely reconciliation processes, retention of supporting documentation, and prompt investigation and resolution of discrepancies.</p> <p>However, the audit identified two key issues requiring resolution. The Gladstone Control Account has not fully reconciled, though Corporate Service Accountants are actively working to address this. Additionally, a significant balance on the suspense account is attributed to a known</p>	3	1	1	1	0

			system error in the Gladstone software, where member or sales ID numbers are incorrectly recorded as session values. This issue is being addressed in collaboration with the software supplier to ensure accurate financial reporting going forward.					
Fully Catered <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Reasonable	<p>Reasonable assurance has been provided that Fully Catered LTD's financial accounts for 2022/23 and 2023/24 are accurate and complete. This conclusion is supported by the company's consistent maintenance of appropriate financial and expenditure records, including VAT documentation, throughout the year. Income has been properly recorded, fully received, and promptly banked, while year-end and periodic bank reconciliations have been carried out in a timely manner.</p> <p>Additionally, the company has maintained accurate and up-to-date fixed asset registers and inventories, supporting the valuation of assets. Accruals and prepayments have also been correctly identified and accounted for at year-end, further reinforcing the reliability and completeness of the financial statements.</p>	5	0	3	1	1
On Course South West 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Reasonable	<p>On Course South West has established governance, risk, and financial management arrangements that provide reasonable assurance of its ability to meet objectives and remain viable and effective in the medium to long term. This assurance is supported by clear governance structures, strategic alignment with Plymouth City Council's priorities, and robust risk management practices. The service adheres to funding requirements for adult education, ensures proper procurement and contract management for subcontracted delivery, and maintains financial controls in line with regulations and grant conditions.</p> <p>While the revised governance arrangements are still developing, they are expected to offer substantial assurance once fully embedded. To strengthen oversight and strategic alignment further, the service should enhance performance reporting with key performance indicators (KPIs) tied to the broader skills and growth agenda and ensure consistent oversight at both Directorate Management Team (DMT) and elected member levels.</p>	4	0	3	0	1
Capital Programme 2024/25	Final	Reasonable	The Capital Programme at Plymouth City Council is supported by adequate governance arrangements, with	5	1	2	1	1

<p><i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i></p>			<p>oversight provided through established structures such as the Capital Officer Programme Group (CPOG), Capital Programme Board (CPB), and key roles including the Section 151 Officer and Portfolio Holder for Finance. The Financial Regulations, Scheme of Delegation, and the draft Capital Handbook form a sufficient control framework, and stakeholder involvement throughout the programme lifecycle is considered appropriate. Monitoring and reporting processes are extensive, contributing to a reasonable level of assurance regarding the programme's governance.</p> <p>However, there are areas for improvement to strengthen the control framework further. These include the absence of a dedicated risk register for the Capital Programme, the need for revisions to the draft Capital Handbook, delays in performance reporting to Full Council in 2024/25, and the lack of an Asset Management Plan, which could support long-term planning through a "Capital Pipeline." Enhancing risk management, reporting standards, and project visibility will be essential for maintaining effective oversight and strategic alignment.</p>					
<p>Plymouth Local Authority Companies - Governance Review 24-25 (Destination Plymouth, Plymouth City Centre Company and Plymouth Waterfront).</p> <p><i>Two reports were issued, one to the companies and one to PCC, see below. There may be some duplication of recommendations.</i></p> <p><i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i></p>	Final	Reasonable	<p>We have found there to be adequate governance and financial controls in place regarding Destination Plymouth, Plymouth City Centre Company and Plymouth Waterfront Partnership on which this audit focussed.</p> <p>There are areas where the control framework can be improved.</p> <ul style="list-style-type: none"> • Reporting company performance/activity to appropriate committees to provide wider more transparent oversight. • Strengthening risk management arrangements. • Implementing routine bank account reconciliations and strengthening bank account access arrangements. • Implementing comprehensive documented governance and finance policies and procedures. • Implementing segregation of duties within finance/payments system. <p>The Family of Companies Governance Framework paper to cabinet of the 9th September 2024, if agreed and put in place, should provide a greater level of oversight and</p>	15	1	5	5	4

			scrutiny from Members. These proposed changes, and actions to address our observations would result in an improved, more robust, governance and internal control framework.					
Plymouth Local Authority Companies - Governance Review 24-25 (PCC) <i>Two reports were issued, one to the companies and one to PCC, see below. There may be some duplication of recommendations.</i>			<p>This audit has confirmed that there are adequate governance and financial controls in place across the three companies reviewed. However, several areas for improvement have been identified, many of which are more directly relevant to Plymouth City Council (PCC) than to the companies themselves. These include enhancing transparency through more consistent performance reporting to committees, ensuring signed Service Level Agreements (SLAs) are readily available, and strengthening the inclusion of company-related risks on the Corporate Risk Register. Additionally, there is a need for more structured reviews of baseline agreements with BID companies, improved bank reconciliation and access controls, and a review of segregation of duties within finance and payment systems.</p> <p>Encouragingly, the 'Family of Companies' governance changes outlined in the Scrutiny Management Board's recommendations to Cabinet (dated 9 September 2024) are expected to significantly enhance member oversight and scrutiny. If implemented alongside actions to address the audit's observations, these changes would contribute to a more robust and transparent governance and financial control framework for PCC and its associated companies.</p>	13	2	8	2	1
Management of Grant Funding 2024/25	Final	Reasonable	<p>Plymouth City Council relies heavily on a wide range of revenue and capital grants to fund essential services and projects, with over £120 million in revenue grants and £114 million in capital grants expected for 2024/25. While the Council has adequate controls in place for managing these funds, the audit highlights that actual income received so far falls significantly short of expected amounts, particularly in capital grants. This underscores the importance of effective grant management to avoid financial shortfalls that could impact service delivery.</p> <p>Despite the overall adequacy of current processes, several areas for improvement were identified. These include the absence of corporate-wide guidance for officers managing revenue grants, a lack of a central forum to review grant</p>	12	0	5	4	3

			applications, and no corporate risk recorded for failure to secure external funding. Additionally, there are limited standard operating procedures for finance staff and minimal reference to grant-related risks in key financial planning documents. Addressing these gaps would strengthen the Council's ability to manage grant funding effectively and reduce associated risks.					
ASC Client Contribution Income 2024-25 (New Addition)	Final	Reasonable	<p>Plymouth City Council sought assurance that all Adult Social Care (ASC) client contributions are accurately calculated and charged in line with statutory requirements. The Care Act 2014 and associated regulations mandate that local authorities implement a fair and transparent charging policy, ensuring individuals are not charged more than they can afford and that the system supports wellbeing, independence, and equality. The Council's current Charging Policy, last updated in 2019, is under review to incorporate tools like Better Care Finance, which will allow clients to self-assess their contributions. An internal audit provided reasonable assurance that the Annual Financial Review (AFR) process is robust, with consistent parameters, accurate benefit updates, and effective controls in place.</p> <p>However, the audit did identify several areas of concern that could impact the Council's financial sustainability. These include an overstated income budget, increasing ASC debt, and non-payment by clients assessed as able to pay full charges. Delays in charging clients awaiting Deputyship and difficulties recovering contributions after a client's death further complicate income collection. Additionally, the growing gap between care costs and client income, often due to stagnant benefits and early financial planning by clients, reduces the Council's ability to recover full costs. These issues highlight the need for updated policies, improved financial forecasting, and stronger debt management strategies to ensure the long-term viability of ASC services.</p>	8	2	2	3	1
Independence at Home 2024/25 (New Addition)	Final	Reasonable	The Independence at Home (IAH) Service in Plymouth operates citywide from 7:00am to 11:00pm every day, providing short-term reablement support to help individuals regain independence or assess their long-term care needs. Devon Assurance Partnership (DAP) were asked to review the calculation of shortfall hours, contractual working	Verification audit				

			arrangements within IAH include “shortfall shifts”, additional shifts required when staff haven’t met their contracted hours. Auditors verified the accuracy of a sample shortfall calculations.					
Business Rates System 2024/25	Final	Reasonable	<p>The internal control framework for Plymouth City Council's Business Rates system continues to provide Reasonable Assurance, with several key processes operating effectively. Business Rates bills are issued on time, refund procedures are satisfactory, and performance monitoring remains strong, with a collection rate of 86.04% at the end of December 2024, exceeding the year-to-date target. Automated processes for reminders and enforcement, regular performance discussions with enforcement agencies, and robust cyber security measures further support the system’s reliability.</p> <p>However, the audit identified areas for improvement. Valuation amendment schedules have not been balanced since March 2024 due to staffing pressures and competing priorities. Additionally, there is a lack of structured corporate training for staff using the Business Rates system, leading to inconsistent knowledge and confidence. The absence of a formal user access management policy also presents a risk to system security and data integrity. Addressing these issues will help strengthen the overall control environment and support continued effective service delivery.</p>	5	1	3	1	0
Council Tax System 2024/25	Final	Reasonable	<p>The internal control framework for Plymouth City Council's Council Tax system continues to provide Reasonable Assurance, with several strengths evident in its operation. These include timely issuance of Council Tax bills, accessible information on discounts and exemptions, satisfactory refund procedures, and proactive efforts to reduce accounts in credit. Automated processes for reminders and enforcement actions, regular performance monitoring, and sound cyber security practices further support the system’s effectiveness.</p> <p>However, the audit identified areas requiring improvement. Valuation schedules have not been balanced since January 2024 due to legislative changes, and while the number of accounts in credit has slightly decreased, it remains high at £2.8 million. Arrears have significantly increased compared</p>	10	0	8	2	0

			to the previous year, and the collection rate is slightly below target. Additionally, gaps in corporate training and the absence of a user access management policy, along with the presence of generic training accounts, highlight the need for strengthened governance and staff support within the system.					
Housing Benefits System 2024/25	Final	Reasonable	<p>There is a generally sound control framework in place for the administration of Housing Benefit and Council Tax Support, including the annual subsidy claim. Notable progress has been made since the 2023/24 audit, particularly in debt prevention and recovery, with a new team structure and proactive processes now in place. Timely updates from DWP data-sharing systems and improved processing times for new claims and changes of circumstances also reflect positively on the service's performance.</p> <p>However, some areas still require attention. Quality Assurance checks are not yet routinely conducted, which may leave assessment errors undetected. Additionally, potential imbalances between Council Tax Support and liability are not being addressed promptly, and reconciliations between Housing Benefit and the main accounting system are not performed regularly. Addressing these issues would further strengthen the control environment and ensure continued improvement.</p>	12	0	3	6	3
Main Accounting System 2024/25	Final	Reasonable	<p>The internal control framework for the Main Accounting System (MAS) remains effective, with sound processes in place for maintaining the General Ledger and ensuring accurate budgetary and transactional data. Key strengths include robust budget setting and monitoring, secure system access, proper journal authorisation, regular review of suspense and control accounts, and timely reconciliation of financial data from feeder systems. Additionally, the system demonstrates strong cyber security controls, including restricted access, annual user reviews, and secure login protocols.</p> <p>However, some areas still require attention. Of the five management actions identified in the 2023/24 audit, three remain outstanding, leaving known control weaknesses unresolved. Further, there are concerns lack of mandatory training before access is granted, and user access</p>	9	0	5	4	0

			management. Strengthening these areas will enhance the overall resilience and integrity of the MAS.					
Payroll System 2024/25	Final	Reasonable	<p>The internal control framework for Plymouth City Council's (PCC) payroll system continues to provide reasonable assurance that employees are paid accurately, on time, and in line with their contractual terms. Although detailed testing was not conducted due to implementation of the new iTrent payroll system, walkthroughs confirmed that key processes remain in place. Employee-initiated amendments through the self-service module, with managerial approval, are supported by Delt Payroll Services' robust control processes, ensuring payroll accuracy and timely financial reconciliation.</p> <p>Statutory submissions to HMRC via the Real Time Information system continue to be completed accurately and on schedule, with appropriate reconciliation to financial records. However, some recommendations from previous audits remain only partially implemented. These outstanding actions will need to be fully integrated into the ongoing iTrent implementation project to ensure a seamless transition and continued assurance over payroll operations.</p>	6	0	6	0	0
Additional Holiday Pay - Back Pay (Corporate) January 2025 (New Addition)	Final	Reasonable	<p>Following a detailed review of Plymouth City Council's records, we are satisfied that the list of payments for additional holiday pay between January and December 2024 is reasonable. This conclusion is based on examination of the Council's approach, which aligns with relevant case law regarding regular voluntary overtime and variable pay. All calculations were verified, confirming the correct application of the 8.33% uplift approved by CMT, and a full audit trail has been maintained to support transparency and accountability.</p> <p>A random sample of payments was tested to ensure only eligible variable pay elements were included, and that they met the Council's definition of "regular" work. Leavers were appropriately excluded, with records retained for any future claims. Additionally, a sample of excluded payments was reviewed to confirm their ineligibility. While the opinion is based on sample testing and relies on data from the CoreHR system, the evidence supports that the payments</p>	Verification audit				

			were calculated and processed in a fair and consistent manner.					
Additional Holiday Pay - Back Pay (Schools) January 2025 (New Addition)	Final	Reasonable	<p>Following a detailed review of Plymouth City Council's records, we are satisfied that the list of payments for additional holiday pay between January and December 2024 is reasonable. This conclusion is based on examination of the Council's approach, which aligns with relevant case law regarding regular voluntary overtime and variable pay. All calculations were verified, confirming the correct application of the 8.33% uplift approved by CMT, and a full audit trail has been maintained to support transparency and accountability.</p> <p>A random sample of payments was tested to ensure only eligible variable pay elements were included, and that they met the Council's definition of "regular" work. Leavers were appropriately excluded, with records retained for any future claims. Additionally, a sample of excluded payments was reviewed to confirm their ineligibility. While the opinion is based on sample testing and relies on data from the CoreHR system, the evidence supports that the payments were calculated and processed in a fair and consistent manner.</p>	Verification audit				
Creditors System 2024/25	Final	Substantial	<p>Plymouth City Council's internal control framework for creditor payments continues to operate effectively, providing substantial assurance that payments are accurate, complete, timely, and compliant with Financial Regulations and Standing Orders. The Civica creditors system supports a wide range of service areas through integrated procurement and payment processes, with strong user access controls and consistent application of verification, reconciliation, and exception reporting to maintain the integrity of financial data.</p> <p>The Creditors Team maintains a strong internal control environment through ongoing monitoring and proactive improvement efforts. Payment performance remains excellent, with 99.2% of invoices paid within 30 days (against a 99% target), and SME payments within 15 days reaching 95.5% for centrally processed payments and 94.6% across the wider authority—well above the 80% target as of 28 February 2025.</p>	0	0	0	0	0

Treasury Management System 2024/15	Final	Substantial	<p>Plymouth City Council's Treasury Management (TM) system remains effective, underpinned by strong governance and operational processes. Despite the challenges of a volatile financial year marked by fluctuating interest rates, the Council has maintained sound financial management through adherence to the CIPFA Prudential Code and Treasury Management Code of Practice. These, along with the Council's Treasury Management Strategy and supporting practices, provide a comprehensive policy framework. TM officers demonstrate a clear understanding of the Council's objectives, ensuring activities align with approved strategies, while Finance Management actively monitors the financial landscape to inform the Capital Financing Strategy and Medium-Term Financial Plan (MTFP).</p> <p>Performance is transparently reported bi-annually to the Audit and Governance Committee, with mid-year and annual reviews supporting strategic planning. However, the Council's increasing reliance on borrowing to fund its ambitious Capital Programme introduces significant financial risks. These include heightened exposure to interest rate volatility and debt repayment pressures, which could strain resources and impact long-term sustainability. Ongoing vigilance and proactive risk management are essential to safeguard the Council's financial resilience and operational effectiveness.</p>	2	0	1	1	0
The Plymouth Alliance 2024/25	Draft	Reasonable	<p>The Plymouth Alliance (TPA) is a partnership of seven core organisations and five subcontractors working with Plymouth City Council to support people facing multiple disadvantages, such as homelessness, substance misuse, and complex needs. Established in 2019 under the Complex Needs Alliance Contract, TPA delivers coordinated accommodation, support, and treatment services across the city. The Alliance shares responsibility for outcomes, aiming to create systemic change by improving access to services, reducing rough sleeping and drug-related harm, and aligning with the city's priorities for safety, health, and community wellbeing.</p> <p>This audit has provided Reasonable Assurance over the Alliance's internal controls, highlighting effective governance, stakeholder engagement, and financial</p>	13	0	7	4	2

			<p>management. Strong communication channels and structured sub-groups enable collaborative working across key thematic areas, supported by dedicated central resources and oversight from the Council's Senior Commissioning Officer. The Alliance Leadership Team (ALT) serves as the main decision-making body, and while governance is generally sound, improvements are needed in formal risk management, particularly the absence of a standing risk agenda item and the need to update the Partnership Risk Register.</p> <p>Despite increased grant funding and improved financial oversight, there are operational risks that require attention. Only one of the five sub-contractors has signed their 2024/25 agreements, potentially weakening enforceability. Furthermore, the absence of a formal Contract Management Strategy limits clarity and consistency in managing sub-contractor relationships. Addressing these gaps will strengthen the Alliance's resilience and ensure continued effective delivery of services across its diverse partnership.</p>					
Declarations of Interest 2024/25 (Follow Up)	Draft	Reasonable	<p>A follow-up audit of Plymouth City Council's approach to Declarations of Interest has found that reasonable assurance can now be provided, reflecting significant progress since the Limited Assurance opinion issued in October 2021. Key improvements include the creation of a dedicated Staffroom page with clear guidance, annual corporate communications, and an accessible declaration form via Firmstep that integrates with CoreHR. These measures have enhanced awareness and consistency across the Council, with declarations now automatically routed to managers for review and action.</p> <p>Further enhancements are planned with the migration to the iTrent payroll system in June 2025, which is expected to offer improved functionality for recording and reporting Declarations of Interest. This will support better integration with workforce reporting and oversight by senior leadership. However, some gaps remain, including the absence of a policy requiring nil declarations, and the need for clearer processes around interim senior officers and data completeness checks during the system transition. These</p>	3	0	3	0	0

			areas will be considered in the 2025/26 Internal Audit Plan to ensure continued improvement.					
Childrens Independent Placements 2024/25	Draft	Reasonable	<p>The Brokerage Team within Children, Young People and Families (CYPF) oversees independent placements, though its operations remain largely unchanged since transitioning from Strategic Commissioning. There is now an opportunity to expand and refine the team's remit under new leadership, aligning placements more closely with children's needs while ensuring value for money. Strong financial controls are in place, with authorised payments and regular budget monitoring supported by collaboration between Brokerage, CYPF managers, and Finance.</p> <p>However, the audit identified several operational risks. These include delays in placement authorisation and payment processes, underutilisation of the Eclipse system for financial documentation, and inconsistent use of finance forms, particularly for uplifts and placement endings. Additional concerns include inadequate due diligence during provider name changes, risking duplicate payments, and a lack of formal policy around payment increases. Addressing these issues through clearer policies, improved system use, and streamlined processes will be essential to reduce financial risk, improve data accuracy, and ensure effective placement management.</p>	9	1	8	0	0
Risk Management 2024/25	Draft	Reasonable	<p>Plymouth City Council has an adequate risk management control framework in place; however, several areas require improvement to enhance the effectiveness of strategic and operational risk oversight. Key issues include vacant risk management roles, limited training, an incomplete Organisational Risk Register, and a lack of a peer forum to review operational risks across departments. The current Risk Management Strategy (2023-25) could also be clearer, and there is limited integration of other assurance activities into the corporate risk framework. Recent changes in senior management, including the secondment of the Head of Governance, Performance and Risk, have delayed risk reporting and strategy updates, further weakening oversight.</p> <p>To strengthen risk management, it is recommended that senior officers take on risk lead roles within their service areas, supported by a cross-directorate risk forum to</p>	13	0	6	5	2

			promote consistency. However, without a designated corporate lead, implementing these improvements may be challenging. Feedback from a staff survey, though limited in response, also indicates a need for better integration of risk management into business processes. Enhancing the framework in these areas will help the Council safeguard its operations, meet statutory obligations, and deliver services more effectively in a complex and evolving public sector environment.					
Procurement Self Service System 2024/25	Draft	Reasonable	<p>Effective from August 2024, Plymouth City Council introduced a self-service procurement process for purchases below £15,000 (from 1 August) and up to £25,000 (from 26 August), allowing authorised and trained officers to independently procure low-value goods and services. This change aims to streamline procurement, improve efficiency, and maintain compliance with Financial Regulations and Contract Standing Orders. The process is governed by user access profiles, contingent on managerial approval and completion of mandatory training, with comprehensive guidance available on Staff Room.</p> <p>While the new process enhances operational flexibility, the audit identified areas for improvement, particularly around the consistent storage of procurement documentation and ensuring user access aligns with training records. Addressing these issues will strengthen internal controls and support full compliance with procurement procedures.</p>	3	1	2	0	0
DBS and Independent Safeguarding (Follow Up) 2024/25	Draft	Reasonable	<p>A follow-up audit of Plymouth City Council's Disclosure and Barring Service (DBS) processes has shown progress since the original 2021 audit, which had provided a "Limited Assurance" opinion. Of the 16 recommendations made, seven have been fully implemented and nine are partially complete, with further improvements expected as part of the transition to the new iTrent payroll system in June 2025. This system is anticipated to enhance data quality and reporting capabilities related to DBS checks. As a result, assurance levels have improved to "Reasonable" in two risk areas.</p> <p>However, governance remains a concern, with key policies and procedures still pending review and update. Work is ongoing to revise the Recruitment Selection Policy, due to go live in July 2025, and to ensure all job roles have an</p>	9	3	6	0	0

			agreed DBS check level. A full audit of DBS processes is scheduled for 2025/26 following the iTrent implementation, and it is expected that the current efforts will lead to further improvements in assurance and compliance.					
Supporting Families PBR Claim Quarter 1 (April - June 2024) <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Certified	In accordance with MHCLG programme guidance three monthly payment by results claims have been checked and verified prior to submission and we certified the first quarterly claim by the 26th June 2024 deadline. The Council target for 2024/25 is to achieve successful outcomes for 609 families, PBR's were claimed for 80 (13%) families, resulting in £64,000 of funding to the Council.	N/A Mandatory Grant Certification				
Supporting Families PBR Claim Quarter 2 (July - September 2024) <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Certified	In accordance with MHCLG programme guidance two monthly payment by results claims have been checked and verified prior to submission and we certified the second quarterly claim by the 25th September 2024 deadline. The Council target for 2024/25 is to achieve successful outcomes for 609 families, PBR's were claimed for 92, resulting in an overall claim to date of 172 families (28% against target) families, resulting in £137,600 of funding to the Council.	N/A Mandatory Grant Certification				
Supporting Families PBR Claim Quarter 3 (October - December 2024)	Final	Certified	In accordance with MHCLG programme guidance three monthly payment by results claims have been checked and verified prior to submission and we certified the second quarterly claim by the 8 th January 2025 deadline. The Council target for 2024/25 is to achieve successful outcomes for 609 families, PBR's were claimed for 77, resulting in an overall claim to date of 249 families (41% against target) families, resulting in totalling funding in year of £199,200.	N/A Mandatory Grant Certification				
Supporting Families PBR Claim Quarter 4 January 2025	Final	Certified	In accordance with MHCLG programme guidance one monthly payment by results claim was checked and verified. Due to government changes in funding of Supporting Families announced, no further audit work was undertaken in the final quarter of 2024/25.	N/A Mandatory Grant Certification				
Disabled Facilities Grant 2023-24 - 31/6672 and 31/6833 <i>Previously reported to Committee</i>	Final	Certified	In accordance with the Department for Levelling Up, Housing and Communities Disabled Facilities Capital Grant Determination (2023-24) No [31/6092] and Disabled Facilities Capital Grant Additional Funding Determination 2023/24 [31/6833] conditions we undertook the annual audit of the statement of grants usage. Grant funding of £3.059m was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification				

SWLEP Growth Deal, Charles Cross <i>Previously reported to Committee</i>	Final	Certified	In accordance with South West LEP Growth Deal grant conditions we undertook the annual audit of the statement of grant usage. Growth Deal funding of £2.1m was awarded to this project.	N/A Mandatory Grant Certification
SWLEP Growth Deal Northern Corridor Traffic Signals <i>Previously reported to Committee</i>	Final	Certified	In accordance with Growth Deal grant conditions, we undertook the annual audit of the statement of grant usage. Growth Deal funding of £2.1m was awarded to this project, the project is now complete, and this was the final audit.	N/A Mandatory Grant Certification
SWLEP Growth Deal Eastern Corridor Strategic Cycle Network <i>Previously reported to Committee</i>	Final	Certified	In accordance with Growth Deal grant conditions, we undertook the annual audit of the statement of grant usage. Growth Deal funding of £3.4m was awarded to this project.	N/A Mandatory Grant Certification
SWLEP Growth Deal Plymouth Railway Station <i>Previously reported to Committee</i>	Final	Certified	In accordance with Growth Deal grant conditions, we undertook the annual audit of the statement of grant usage. Growth Deal funding of £4.7m was awarded to this project.	N/A Mandatory Grant Certification
SWLEP Get Building Fund Plymouth Business Parks <i>Previously reported to Committee</i>	Final	Certified	In accordance with Get Building funding grant conditions we undertook the annual audit of the statement of grant usage. Get Building funding of £1.9m was awarded to this project.	N/A Mandatory Grant Certification
SWLEP Growth Deal Oceansgate Phase 1 <i>Previously reported to Committee</i>	Final	Certified	In accordance with Growth Deal grant conditions, we undertook the annual audit of the statement of grant usage. Growth Deal funding of £1.5m was awarded to this project.	N/A Mandatory Grant Certification
DFT LCTB Integrated Transport 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Integrated Transport Block 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £1.959m was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
DFT Highways Maintenance Needs Element 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Highways Maintenance Needs Element 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £1.290m was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
DFT Highways Maintenance Incentive Element 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Highways Maintenance Incentive Element 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £323k was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
DFT Highways Maintenance Additional Element 2024-25	Final	Certified	In accordance with DFT Highways Maintenance Additional Element 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £366k was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
DFT Pothole Fund 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Pothole Action Fund 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £1.290m was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification

DFT Traffic Signal Obsolescence 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Traffic Signal Obsolescence Fund 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £75k was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
High Streets Heritage Action Zone Programme 2024/25	Final	Certified	In accordance with Historic England High Streets Heritage Action Zone Programme Fund grant conditions we undertook an audit of the statement of grant usage. Grant funding of £2.1m was awarded to Plymouth City Council.	N/A Mandatory Grant Certification
BEIS Social Housing Decarbonisation Fund 2.1 2024-25	Final	Certified	In accordance with BEIS Social Housing Decarbonisation Fund 2.1 grant conditions we undertook the annual audit of the statement of grant usage.	N/A Mandatory Grant Certification
Public Health Grant 2023 to 2024: No 31/6550	Final	Certified	In accordance with DH&SC Public Health 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £16.460m was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
Income Collection	In Progress	-	This audit will assess the adequacy of income collection arrangements in ensuring that all income due is received accurately, completely, and on time and to provide assurance that the internal control framework mitigates the risk of failing to maximise income collection, increasing the pressure on budgets, the uncertainty over financial sustainability and impacting the Council's ability to deliver its services.	In Progress at year end.
ASC Income - Joint Funded Care Packages	In Progress	-	<p>A joint-funded care package between Plymouth City Council and the local Integrated Care Board (ICB) is designed to support individuals with complex health needs who do not qualify for full NHS Continuing Healthcare funding. This arrangement involves shared responsibility for arranging, managing, and financing care services. While this collaborative approach aims to ensure appropriate support and cost-sharing, it also presents risks, particularly if demand exceeds the Council's allocated budget. Potential consequences include inefficiencies, financial strain, delays in service provision, and disputes over funding responsibilities.</p> <p>This audit will evaluate the effectiveness, efficiency, and compliance of these joint funding arrangements. Key areas of focus include the clarity of governance structures, the presence of formal agreements (such as Section 75), the robustness of financial controls, and the existence of dispute resolution mechanisms. The audit will also assess whether funding contributions are calculated transparently,</p>	In Progress at year end.

			budget monitoring is conducted regularly, and reconciliation processes are in place to prevent cost-shifting between the ICB and the Council. Strengthening these areas is essential to ensure sustainable, equitable, and high-quality care delivery.	
CIPFA Financial Management Code	In Progress	-	<p>A change to planned budget management audit at the request of the Service Director for Finance and S151 Office.</p> <p>As part of its 2024/25 Internal Audit Plan, DAP is supporting the Council in completing a structured self-assessment against the CIPFA Financial Management Code (FM Code). This work has included cross-referencing the FM Code principles with the findings from the Armada Way Independent Learning Review and the CIPFA External Assurance Review.</p>	In Progress at year end.
Purchasing Cards	In Progress	-	<p>To provide assurance on effectiveness of the control framework to manage fuel cards used by the council and mitigate the following risk areas:</p> <ul style="list-style-type: none"> Central oversight and direction on the use of fuel cards is not sufficient resulting in additional costs or failure to achieve savings. Procedures to use fuel cards are not comprehensive or clearly defined or are not followed increasing risk related to misuse or incorrect use. Line Management checks and counter Fraud reviews are not undertaken increasing risk related to fraud and error. 	In Progress at year end.
BEIS Home Upgrade Grant Phase 2 2023/24	In Progress	-	In accordance with BEIS Home Upgrade Phase grant conditions we are undertaking an audit of the statement of grant usage. Grant funding of £1.2m was awarded to Plymouth City Council	In Progress at year end.
LGA Improvement and Assurance Framework (New Addition)	Ongoing	Advisory	NEW addition, at the request of the Chief Executive and Section 151 this work will consider, input and support Plymouth City Council in its self-assessment against the LGA's Improvement and Assurance Framework.	Currently In Progress
Cyber Assessment Framework	Ongoing	Advisory	To provide assurance on the effectiveness of arrangements to mitigate the risk of a successful Cyber-attack, including the Councils cyber security and resilience arrangements not being aligned with industry good practice to minimise the impacts of adverse cyber events.	Currently In Progress

Emergency Accommodation Payments	Complete	Advisory	Audit work focused on evaluating the internal control framework established during the development of Plymouth City Council's transformation project for managing emergency B&B accommodation payments and the recovery of client contributions. Although the project was discontinued before reaching business-as-usual status, audit considered the effectiveness of controls as they evolved.	N/A Advisory
Constitutional Review 2024/25 - Financial Regulations & Standing Orders	Ongoing	Advisory	Advise on the revision of Financial Regulations and Contract Standing Orders.	N/A Advisory
Eclipse Project Board - Phase 3	Ongoing	Advisory	To attend Eclipse Project Board, to provide advice and assurance as appropriate as the Eclipse Finance module is implemented.	N/A Advisory
PCC South West Devon Waste Partnership	Complete	Advisory	DAP continue its participation with the Partnership, attending Project Executive meetings.	N/A Advisory
Grants Advice, Planning, Monitoring	Ongoing	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support grant funding, management and assurance.	N/A Advisory
Payroll System (iTrent) Implementation	Complete	Advisory	Attendance at appropriate project board meetings/working groups, to provide advice and assurance as appropriate as the iTrent Payroll System is implemented.	N/A Advisory
Place Advice 2024/25	Ongoing	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support mitigate risk and /or transformational change, this has included: <ul style="list-style-type: none"> Proposed changes to PEC / PCC Strategic Partnership Agreement. Capital Programme Board Terms of Reference. 	N/A Advisory
Resources Advice 2024/25	Ongoing	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support risk mitigation and /or transformational change, this has included: <ul style="list-style-type: none"> Provision of information to CIPFA Review 	N/A Advisory
Performance Management 24/25	Replaced	N/A	In consultation with the Head of Governance, Performance and Risk it was agreed to remove this audit from the plan. This has been replaced with the PCC Companies Governance audit for which a higher audit need assessment was identified with the Head of Finance.	N/A Removed from plan
Business Support Provision 2024/25	Replaced	N/A	In consultation with the Strategic Director for Adults, Health and Communities it was agreed to remove this audit from the plan. This has been replaced with the Independence	N/A Removed from plan

			at Home audit for which a higher audit need assessment was identified.	
Homelessness	Deferred	N/A	The inclusion of ASC Client Contribution Income at the request of the Strategic Director for Adults, Health and Communities has deferred this work. We will continue to work with management to ensure this work is completed in accordance with risk and audit need requirements. Scheduled for quarter 2 2025/26	N/A Deferred
SEND 2024/25 Follow Ups	Deferred	N/A	Scheduled for quarter 2 2025/26.	N/A Deferred
Tree Management Policy and Procedures 2024/25	Deferred	N/A	Scheduled for quarter 4 2025/26.	N/A Deferred
ICT User Access and Asset Management 2024/25	Deferred	N/A	Scheduled for quarter 2 and 3 2025/26	N/A Deferred

Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

PSIAS Conformance - Devon Assurance Partnership conforms to the requirements of the PSIAS for its internal audit activity for the period related to this report and assurance opinion. The purpose, authority and responsibility of the Internal Audit activity is defined in our Internal Audit Charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our Internal Audit Charter was approved by senior management and the Audit Committee in 2024. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

Quality Assessment - the Head of Devon Assurance Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement are supported by a development programme.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An external assessment must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was last conducted at the end of 2024 by an ex-assistant Director of SWAP, a public sector limited company providing internal audit services.

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP **generally conforms*** with the Standards and the Code of Ethics”*. The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated, and a status report reported to the DAP Management Board.

The new **Global Internal Audit Standards (GIAS)** take effect for the UK public Sector as of 1st April 2025. There are three key aspects:

- [The GIAS](#);
- [The CIPFA Code on the Governance of Internal Audit](#); and
- [The CIPFA Application Note for the GIAS in the Public Sector](#).

These documents combine to set out the framework for Internal Audit that must be followed as per Section 5 of the Accounts and Audit Regulations 2015. During 2025/26 DAP will be undertaking a GAP Analysis of existing processes in relation to the above for each DAP Partner. The outcomes will result in action plans that will be worked through with the Partners to ensure compliance, this is likely to require actions from both DAP and Partners to ensure compliance with the revised governance arrangements and other applicable activities. Further information will be provided in due course.

Customer Service Excellence

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during our last review. This accreditation is a UK-wide quality mark which recognises organisations the prioritise customer service and are committed to continuous improvement.

Appendix 3 – Audit Authority



Appendix 4 - Annual Governance Framework Assurance

The conclusions of this report provide the Internal Audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement provides assurance that.

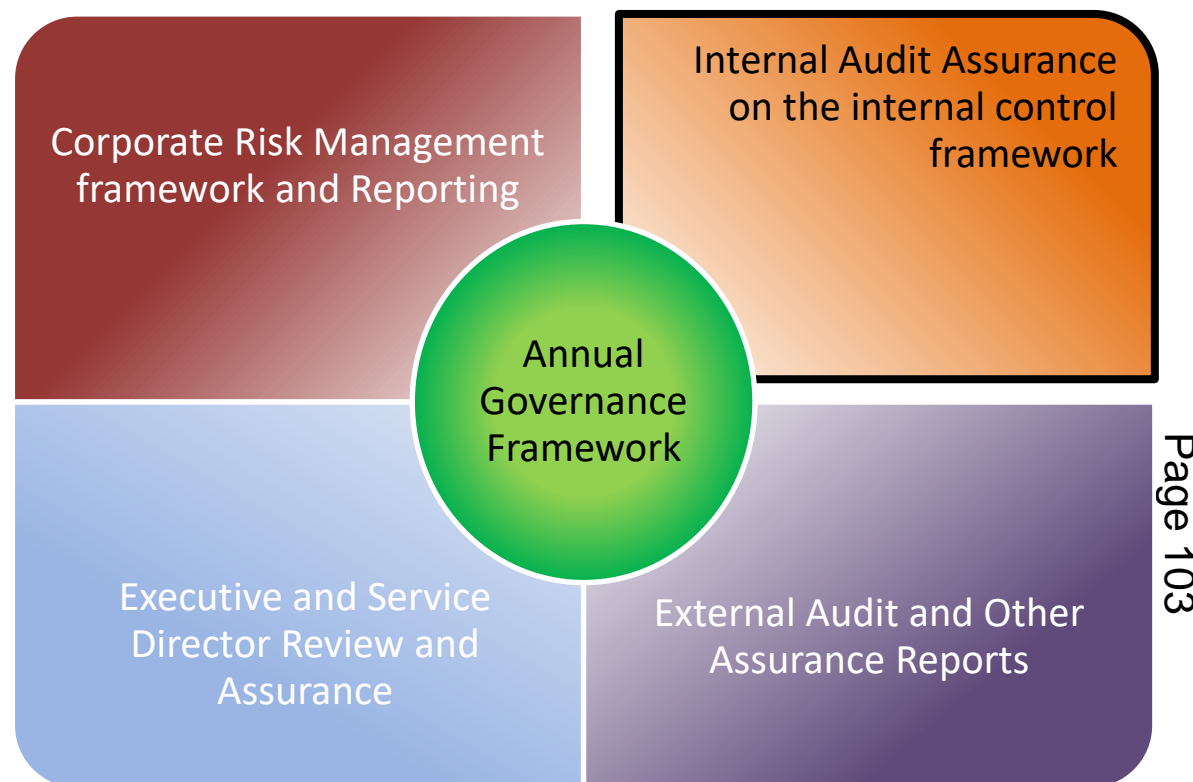
- the Authority's policies have been complied with in practice.
- high quality services are delivered efficiently and effectively.
- ethical standards are met.
- laws and regulations are complied with.
- processes are adhered to.
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:

- be prepared by senior management and signed by the Chief Executive and Chair of the Audit Committee.
- highlight significant events or developments in the year.
- acknowledge the responsibility on management to ensure good governance.
- indicate the level of assurance that systems and processes can provide.
- provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective. This will include comment upon:
 - The Authority.
 - Audit Committee.
 - Risk Management.
 - Internal Audit.
 - Other reviews / assurance.

Provide confirmation that the Authority complies with CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance.

The **LGA** has introduced an improvement and assurance framework, accompanied by [a self-assessment](#) tool. This framework is intended to assist local authorities in evaluating the adequacy of their measures to ensure both service performance and corporate governance. It is specifically designed for use by corporate statutory officers, in collaboration with members and other key officers. The tool should be utilised to inform the council's annual review of the effectiveness of its internal control system, aid in preparation for external evaluations such as Corporate Peer Challenges or inspections and support corporate statutory officers in their roles to promote good governance within the authority. The [framework](#) and a dedicated guide for [Councillors](#) are available on the LGA's website.



The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Group, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 5 - Basis for Opinion

The Chief Internal Auditor is required to provide the Council with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Council.

In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a statement on the effectiveness of the system of internal control in meeting the Council's objectives;
- a comparison of internal audit activity during the year with that planned;
- a summary of the results of audit activity and;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements.

The extent to which our work has been affected by changes to the audit plan are shown in Appendix 1.

The overall audit assurance will have to be considered in light of this position.

In assessing the level of assurance to be given the following have been taken into account:

all audits completed during 2024-25, including those audits carried forward from 2023-24;

any follow up action taken in respect of audits from previous periods;

any significant recommendations not accepted by management and the consequent risks;

the quality of internal audit's performance;

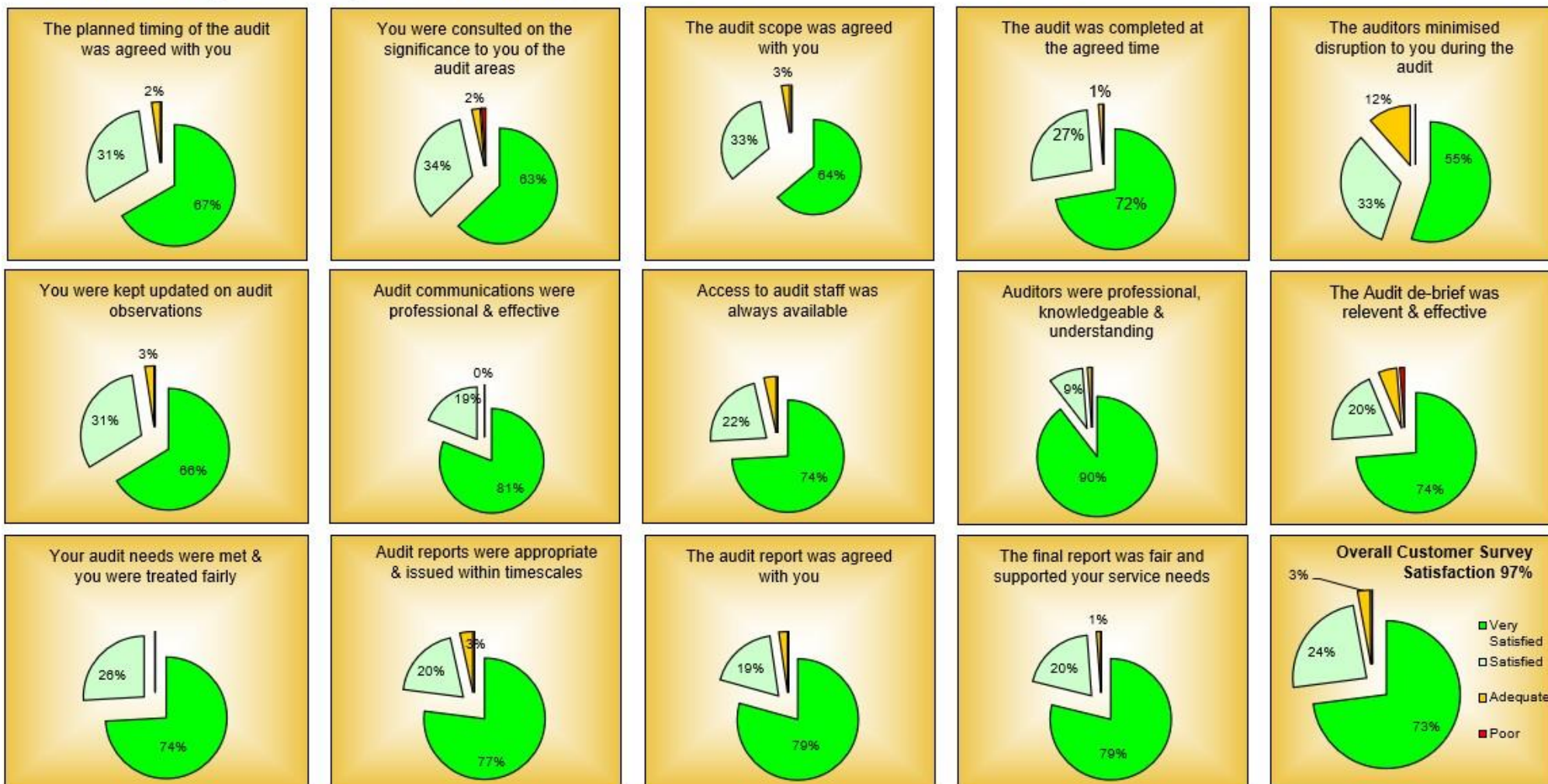
the proportion of the Council's audit need that has been covered to date;

the extent to which resource constraints may limit this ability to meet the full audit needs of the Council;

any limitations that may have been placed on the scope of internal audit.

Appendix 6 - Customer Service Excellence

Customer Survey Results April 2024 - March 2025



Appendix 7 – Confidentiality under the National Protective Marking Scheme

This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the organisation, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies. This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Marketing

Official

Definitions

The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.

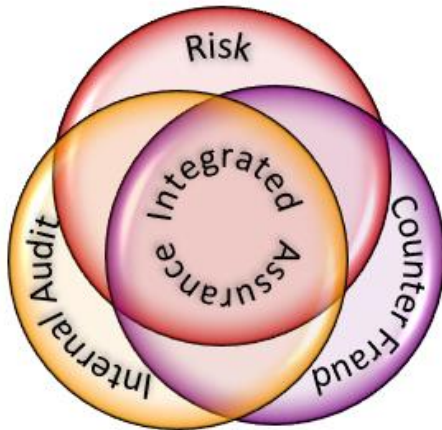
Official: Sensitive

A limited subset of OFFICIAL information could have more damaging consequences if it were lost, stolen or published in the media. This subset of information should still be managed within the 'OFFICIAL' classification tier but may attract additional measures to reinforce the 'need to know'. In such cases where there is a clear and justifiable requirement to reinforce the 'need to know', assets should be conspicuously marked: 'OFFICIAL-SENSITIVE'. All documents marked OFFICIAL: SENSITIVE must be handled appropriately and with extra care, to ensure the information is not accessed by unauthorised people.

Definitions of Audit Assurance Opinion Levels		Definition of Observation Priority	
Assurance	Definition		
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important observations made to improve internal control arrangements and manage identified risks.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Opportunity	An observation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These observations do not feed into the assurance control environment.

Our Vision

To be the leading provider of assurances services to public and not-for-profit organisations in the South West and beyond.



Operational delivery

- **Assurance Audit** Plans based on the best and most up to date risk information.
- Agile **Internal Audit** Plan
- Links to **risk management** reporting
- **Counter Fraud** Team co-ordinate / undertake irregularities work coming through the **audit** plan.
- Potential irregularities triaged to **fraud or audit** for review.
- **Proactive fraud** work e.g. NFI, developing a delivery plan at client level
- **Investigation** work to be completed jointly (where appropriate) to progress possible fraud review and strengthen internal control frameworks
- **Audit** scoping to include **Counter Fraud** input.
- Three-way liaison confirming risk and control.
- **Integrated reporting** to be delivered where possible.

Our Goals

	Meet Client Needs	<ul style="list-style-type: none"> • Counter Fraud Strategy • Integrated Audit, Risk and Counter Fraud Activity • Easy access to additional services • Respond jointly to client concerns
	IA, RM & CF Working Together	<ul style="list-style-type: none"> • Joint working practices • Staff understanding of audit, risk and fraud interrelationships • Assurance Officers
	Efficiency	<ul style="list-style-type: none"> • Joint reviews on client functions and operations • Best skills from each team used at the right time • Tell us once • Joint outcomes
	Infrastructure	<ul style="list-style-type: none"> • Integrated resource management • Joint Performance Reporting • Joint infrastructure

Devon Assurance Partnership	Confidentiality and Disclosure Clause
<p>The Devon Assurance Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams, West Devon councils and Devon and Somerset Fire and Rescue. We aim to be recognised as a high-quality assurance service provider in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk .</p>	<p>This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.</p> <p>This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.</p>

This report concludes here

		Corporate Governance / Audit Committee												Senior Management																Regulators				External audit			
		Business Operation - 1st line						Financial, Corporate and Governance - 2nd line						Independent Assurance - 3rd line						Regulators				External audit													
		Identifying risks and improvement actions. Implementing controls. Reporting on progress. Management assurance						Assurance oversight, management and financial policies, setting direction, risk management, ensuring compliance.						Independent challenge & audit. Reporting on assurance. Audit of assurance providers. Entity level assurance. It is important to know when this assurance was produced.						Legal, Government other inspection and compliance review				Notes from Regulators and or External Auditors reviews		Auditors Comments											
		Internal Control Measures			Management controls																																
		Core systems controls inc. IT system parameters	Input processing and output controls	Fraud and error prevention	Authorisation, supervision and sign off	Performance & financial management reports	3rd party resilience?	Business continuity incl. Disaster recovery plans/capability	Strategies and business plans inc. benchmarking	Financial / Monitoring, reconciliation, reporting, statutory returns	Functional & Service compliance reviews	Quality control checks (H&S, info governance)	Security inc IT systems & physical	Governance structures and processes (inc financial & other policy)	Corporate risk management/assurance	Spine - Policy	External Assurance Certification (ISO 27001)	External compliance testing e.g. security, resilience, quality	3rd party assurance letters	Consultant reviews - CAF Project	Strategic partners assurance reports inc. Peer review	PSN Health Check	Internal audit assignments	Inspection - Ofsted, CDC, ICO, HSE	HMRC Tax and Revenue	DLUHC											
		RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1	RAG	Y1				
Directorate		Audit Area/Key Risks / Sub risks																																			
Adults Health and Communities	Deprivation of Liberty Safeguarding (DoLS) 2023-24	G	G	G	G	A				A													A														
Adults Health and Communities	PAL Financial Reconciliations 2024-25	G	G	G	G	A																	G														
Adults Health and Communities	ASC Provider Viability 2024-25		G		G	G	A		A	A					R								A														
Adults Health and Communities	ASC Debt Management 2024-25	G	G	A	A	A				A		G	G	A									A														
Adults Health and Communities	ASC Independence at Home 2024-25	G	G	G	G	G																	G														
Adults Health and Communities	ASC Client Contribution Income 2024-25	G	G	G	A	G			G	A		G	G	A									G														
Adults Health and Communities	The Plymouth Alliance		G		G	G	A	G	G	G	G	G	G	G	A								G														
Adults Health and Communities	Children to Adult Social Care Transitions 2024-25	A	A	A	A	A		A	A	A					A								A														
Adults Health and Communities	Disabled Facilities Grant	G	G	G	G	G	G			G	G												G														
Childrens Services	Supporting Families PBR Financial Framework 2024-25	G	G	G	G	G			G	G													G														
Childrens Services	On Course South West 2024-25	G	G	G	G	G			G	G					G								G														
Childrens Services	Childrens Independent Placements	G	G	A	A	G	A		G	G					G								G														
Executive Office	Risk Management 2024-25	G	A	A	n/a		n/a	A	G	n/a	A	A	G	A	G								G														
Executive Office	Fuel Cards 2024-25	R	R	R	R	R		R	R	R					R								A														
Growth	Garage Commercial Financial Management 2024-25	A	A	R	R	A		R	R	A					R								A														
Growth	SWLEP Growth Deal Grants 2024-25	G	G	G	G	G				G													G														
Growth	SWLEP Get Building Fund Grants 2024-25	G	G	G	G	G				G													G														
Growth	DFT Local Transport Capital Block	G	G	G	G	G																	G														
Growth	BEIS Home Upgrade Grant	G	G	G	G	G			G	G													G														
Growth	BEIS Social Housing Decarbonisation Fun Grant	G	G	G	G	G				G													G														
Growth	High Streets Heiritage Action Zone Grant	G	G	G	G	G			G	G													G														
ODPH	Public Health Grant 2024-25	G	G	G	G	G			G	G													G														
Resources	Main Accounting System 2023-24	G	G	G	G	G				G													G														
Resources	Treasury Management System 2023-24	G	G	G	G	G			G	G	G		G	G	A								G														
Resources	Fully Catered Financial Management 2024-25	G	G	G	G	G				G		G											G														
Resources	Procurement Self Service 2024-25	G	A	G	G	A			G			A											G														
Resources	Business Rates	G	G	G	G	G				G													G														
Resources	Council Tax	G	G	G	G	G				G													G														
Resources	Creditors	G	G	G	G	G				G													G														
Resources	Debtors (Draft)	G	A	A	A	A		A	A	A			G	A									A														
Resources	Housing Benefits	G	A	A	G	G		G	A	A			G	G									G														
Resources	Payroll	G	G	A	G	G				G			G	G									G														

Key
Red
Green
No assurance applicable n/a

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Management Action Tracking Q4 Report 2024-25

Plymouth City Council Audit & Governance Committee

July 2025

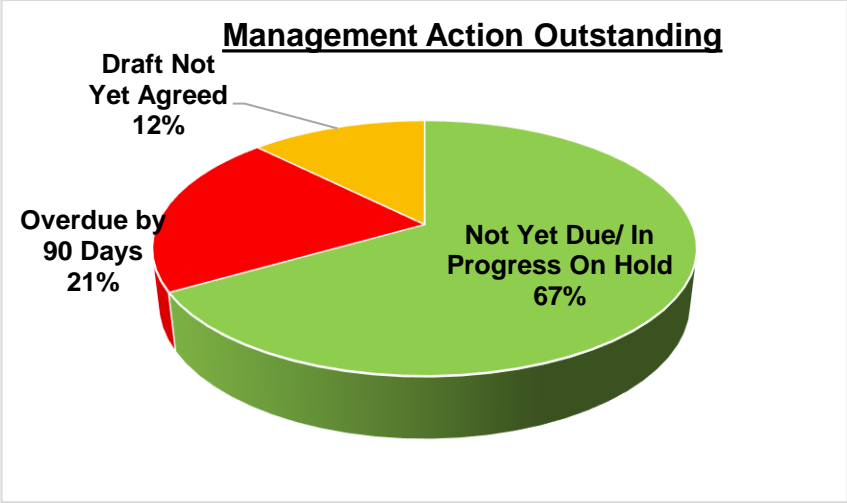
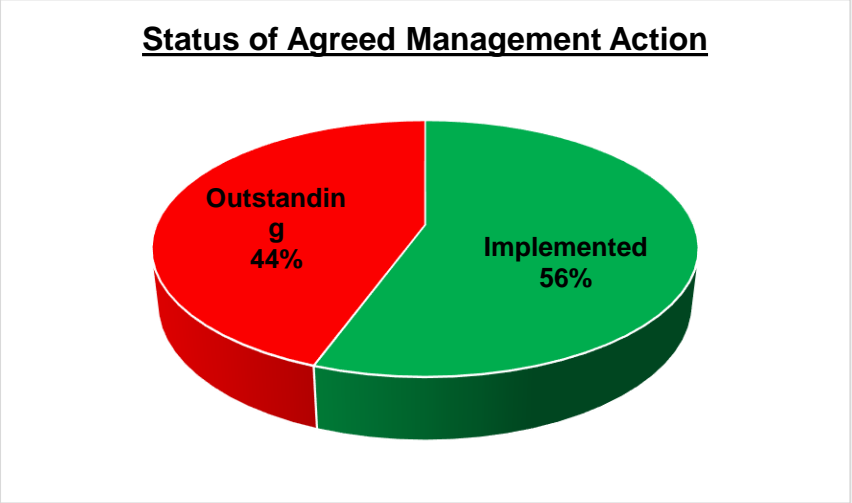
Official

Louise Clapton – Assurance Manager

Tony Rose – Head of DAP

Plymouth City Council Audit Recommendation – Management Action Progress to 31/03/2025

In accordance with Public Sector Internal Auditing Standards, PSIAS, the chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. As of 31st March 2025 there were ten agreed ‘Limited Assurance’ audits that had management action outstanding. Good progress continues to be made with one audit having implemented all agreed management action in Q4 and two receiving a Reasonable Assurance opinion through a follow up audit, highlighted green in the table below. Of 108 management actions agreed 60 (56%) have been implemented and 48 (44%) remain outstanding, of which 10 (21%) are now overdue.



The table below sets out all those Limited Assurance audits, the number of high and medium priority recommendations made, and details of how many of those recommendations have management action outstanding, those that are in progress, on hold, and those that have been outstanding for more than 90 days of the agreed target implementation date agreed at the time the audit report was finalised.

Directorate	Audit Area (Date report issued)	Assurance Opinion	Number of Recommendations		Management Action Outstanding		Management Action In Progress – on hold due to significant control change or audit due.		Management Action overdue by 90 days+	
			High	Medium	High	Medium	High	Medium	High	Medium
Adults Health and Communities	ASC Debt Management	Limited Assurance	5	5	1	1	-	-	-	-
Adults Health and Communities	ASC Service Provider Viability	Limited Assurance	3	1	3	1	-	-	-	-
Adults Health and Communities	Client Financials Services (CFS)	Limited Assurance	5	7	3	3	-	1	3	2

Directorate	Audit Area (Date report issued)	Assurance Opinion	Number of Recommendations		Management Action Outstanding		Management Action In Progress – on hold due to significant control change or audit due.		Management Action overdue by 90 days+	
			High	Medium	High	Medium	High	Medium	High	Medium
Children's Services	CYPF Additional Spend	Limited Assurance	2	5	1	2	1	2	-	-
Children's Services	SEND Governance 2023/24	Limited Assurance	4	2	-	1	-	-	-	1
Children's Services	SEND Commissioning and Contracting 2023/24	Limited Assurance	9	4	1	-	-	-	1	-
Children's Services	SEND Monitoring and Evaluation 2023/24	Limited Assurance	2	6	All outstanding Management Actions implemented					
Resources	Restricted, see part ii report.	Limited Assurance	2	8	2	1	-	-	2	1
Resources	Hand Arm Vibration Syndrome 2022/23	Limited Assurance	3	7	-	2	-	2	-	-
Resources	Debtors 2024/25	Limited Assurance	1	6	1	6	-	-	-	-
Resources	IR35 Off Payroll Working Follow Up 2024/25	Limited Assurance	3	4	3	2	-	-	-	-
Resources	Fuel Cards	Limited Assurance	11	3	11	3	-	-	-	-
Resources	Declarations of Interest	Limited Assurance	Follow Up conducted during 2024/25 resulted in a Reasonable Assurance audit opinion.							
Resources	Disclosure and Barring Service (DBS)	Limited Assurance	Follow Up conducted during 2024/25 resulted in a Reasonable Assurance audit opinion.							
Total			108		48		6		10	

Plymouth City Council Audit Recommendation – Status of overdue management action.

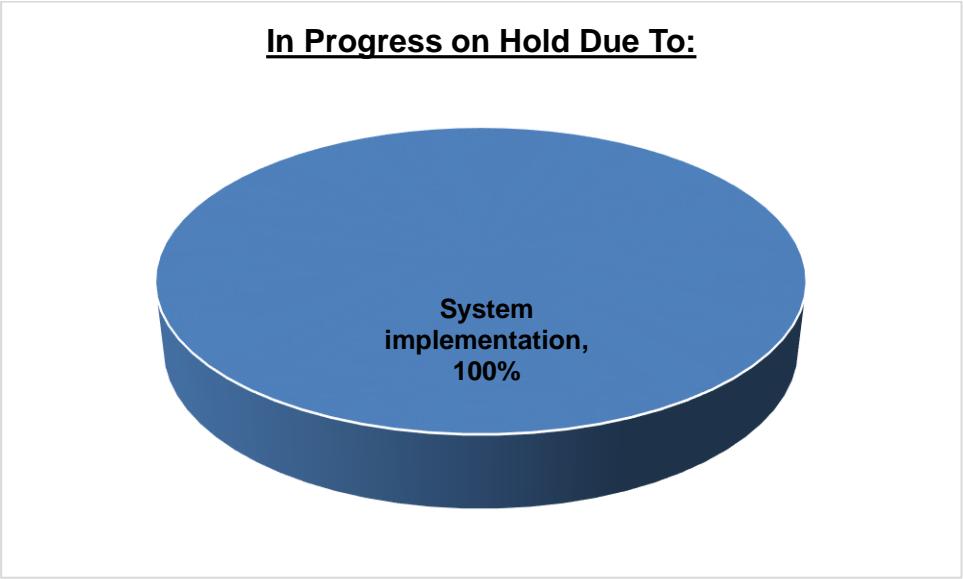
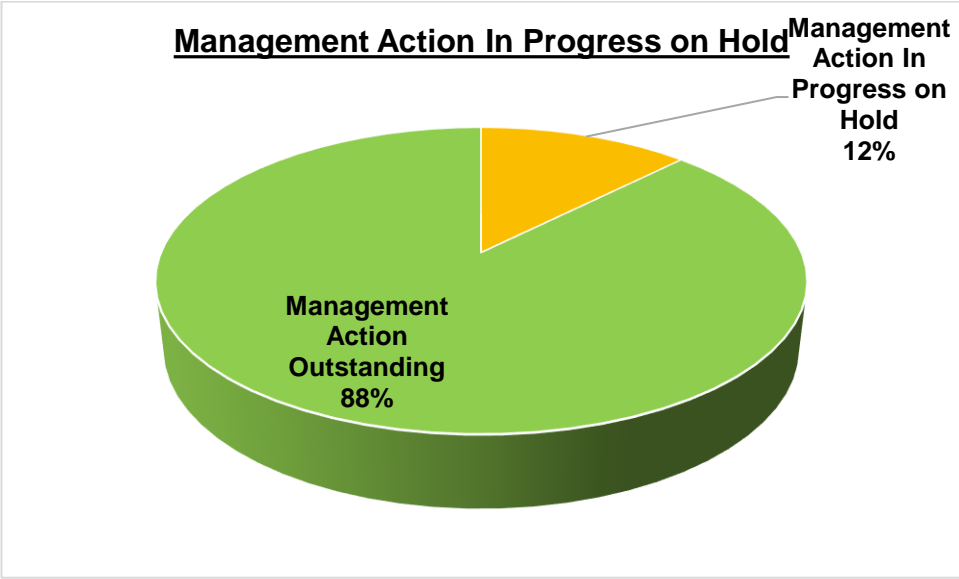
This table provides an indication of the current progress of management action taken to implement overdue audit recommendations and relevant audit updates to note.

Directorate	Audit Area	Assurance Opinion	Status of Progress for Management Action overdue by 90 days+				Internal Audit Update / Comment
			High		Medium		
			Management Action Not Yet Taken	Partially Implemented	Management Action Not Yet Taken	Partially Implemented	
Adults, Health and Communities	Client Financial Services	Limited Assurance	-	3	1	1	<p>The team has acknowledged the need for consistent debt recovery monitoring, taken steps to address resource challenges through recruitment, and reinforced responsibilities among staff, but ongoing staffing constraints continue to impact full implementation.</p> <p>Progress has been made in reducing backlogs and improving processing times, with new tools and staffing contributing to improvements, but ongoing resource constraints and recruitment challenges continue to limit full implementation of the proposed strategies.</p> <p>While the Income Recovery Team continues to prioritise high-value debts and has taken steps to improve recovery efforts, persistent and worsening resource constraints—both within the team and in Legal—are significantly limiting the timely and comprehensive management of outstanding debt. The requirement to separate out bills has been incorporated into the planned development of the Eclipse Financial System and is scheduled to be addressed as part of a future implementation phase during 2024/25, in line with the managed rollout plan. Training on deprivation of assets and related financial matters is being reassessed and expanded in scope, with delivery planned to commence by August 2025 as part of a coordinated effort between Legal Services, CFST, and ASC.</p> <p>A task sheet system has been introduced to support consistent debt follow-up and process review, but limited staffing continues to challenge the team's ability to balance follow-up on existing cases with action on new debts.</p>
Children's Services	SEND Governance	Limited Assurance	-	-	-	1	<p>New landing page to be launched with all updated information of the new processes and new team. This</p>

Directorate	Audit Area	Assurance Opinion	Status of Progress for Management Action overdue by 90 days+				Internal Audit Update / Comment
			High		Medium		
			Management Action Not Yet Taken	Partially Implemented	Management Action Not Yet Taken	Partially Implemented	
							will be completed by the end of April 2025 with full updates for every page . Changes are now being finalised.
Children's Services	SEND Commissioning and Contracting	Limited Assurance	-	1	-	-	There is now a provisional plan to move the individual contracting and tracking of payments to the newly formed Brokerage team which sits in CYPF. The team has had to be recruited to so the date of transfer is not yet confirmed. The SEND commissioning officer will work with the Brokerage team manager to finalise the plan.
Resources	Restricted see part ii report	Limited Assurance	-	2	-	1	Restricted see part ii report
			-	6	1	3	
Total management actions outstanding 90 days +			10				

Plymouth City Council Audit Recommendation – Status of management action in progress, on hold.

Of the 48 management actions outstanding 6 (17%) are currently in progress on hold the charts below summarise the reason for this position.



Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Counter Fraud Service Annual Report 2024/25
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Tony Rose, Head of Devon Assurance Partnership
Contact Email:	tony.d.rose@devon.gov.uk
Your Reference:	AR/CFST/24-25
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report summarises the work carried out during the financial year 2024/25 by the Counter Fraud Services Team at Devon Audit Partnership to support the Council and counter fraudulent threats to the Council's budget and reputation, as well as providing reassurance to the residents of Plymouth that the public purse is being protected appropriately.

Recommendations and Reasons

1. The Audit and Governance Committee is recommended to note the Annual Report.

Alternative options considered and rejected

1. Effective counter fraud processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason, alternative options are not applicable.

Relevance to the Corporate Plan and/or the Plymouth Plan

Maintaining sound systems of internal control and protecting the public purse ensures that those who legitimately need the support and services of the Council get them and this therefore supports the achievement of corporate and service objectives.

Implications for the Medium Term Financial Plan and Resource Implications:

None arising specifically from this report.

Financial Risks

None

Legal Implications

(Provided by LB)

Date agreed: 08/07/2025

Cabinet Member approval: Councillor Mark Lowry approved via email

Date approved: 11/07/2025

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Audit Committee

Counter Fraud
Annual Report
2024/2025

Plymouth City Council



Tony Rose
Head of Devon Assurance Partnership

Ken Johnson
Senior Assurance Manager



1. Executive Summary

- 1.1 The following is the [Devon Assurance Partnership](#) (DAP) [Counter Fraud Services Team](#) Annual Report and update for July 2025. It outlines the counter fraud work undertaken in support of Plymouth City Council and its continued efforts to ensure that appropriate Governance processes are in place. This includes acknowledging the threats posed by fraud, preventing and pursuing those who would look to commit fraud and providing assurance that the Council and the public are being protected from fraud.
- 1.2 In the fiscal year 2024-25 the Counter Fraud Team have –
- ✓ Received and processed 203 allegations of fraud and related offences against the Council
 - ✓ Supported the Council's commitment to the National Fraud Initiative by checking matches and supporting the relevant departments accordingly. The exercise was completed again in January 2025 and matches are currently being checked. Results for this exercise will be provided at a future briefing.
 - ✓ Undertaken rolling monthly data analysis exercises to identify potential fraud and error in multiple Council systems.
 - ✓ Provided support and technical advice to management and staff around internal and external threats.
 - ✓ Issued 24 Warning Letters for incorrect use of Council Services
- 1.3 It is pleasing to be able to report that much good work has again been carried out across the Council and that fraud awareness and counter fraud activity is ongoing, we will continue to encourage this work throughout 2025-26.

2. Introduction

- 2.1 The Counter Fraud Services within Devon Assurance Partnership (DAP) continue to support and facilitate the development of the Council's Counter Fraud processes and capability to improve its resilience to fraud and related offences.
- 2.2 After many years of dedicated service, Ken Johnson, Senior Assurance Manager for Counter Fraud has retired. The successful activity within this report can be directly attributed to his committed and leadership in the fight against fraud.
- 2.3 The ongoing work will assist all Council staff, management, and members in identifying fraud and the risks associated with it. The aim is to provide the highest level of assurance utilising a joined-up service in association with our colleagues involved in Audit, Risk Management, and the Council itself to minimise fraud loss to the lowest level possible.
- 2.4 Reporting Counter Fraud activity is part of good Governance, and regular updates on the Council's Counter Fraud activity improves accountability; this report aims to meet this requirement and the requirements for such reports in accordance with the Councils own Anti-Fraud, Bribery and Corruption Policy and the accompanying Strategy and Response Plan.
- 2.5 It is always worth reiterating that fraud is a crime and should not be tolerated. Any fraud against Plymouth City Council is a fraud against the public purse. We will continue to acknowledge the threat from fraud, build processes and policies that will prevent fraud and pursue those who would commit fraud to ensure that the public retain confidence in the Council. Collaboration across the public sector will continue and strengthen under the current working arrangements through DAP and its partners.

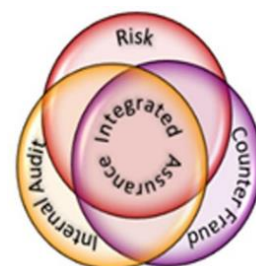
3. Fraud Response / Resilience Assessment.

- 3.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) reports that Local Authorities have achieved success by taking a structured response to fraud and that they now need to respond to an ever-increasing fraud threat and further develop and enhance their counter fraud response by ensuring that it is comprehensive and effective and focused on the key changes that will make the most difference.

- 3.2 A Local Authority is self-regulating in respect of counter fraud. It should aim to show that it undertakes realistic self-assessment and has identified and understands the major risks. It should acknowledge the problems and put in place plans which can demonstrate that it is acting with visible outcomes. It should aim to create a transparent process and report the results to the corporate management team and those charged with governance.
- 3.3 DAP will continue to encourage best practice in line with CIPFA and other related guidance and enables the Council to share knowledge and understanding of the threats faced across the region and nationally by actively engaging with the West of England Fraud Group.
- 3.4 The 2024/25 assessment remains unchanged and at the same high standard. The link with various audits continues to prove effective and complies with the integrated approach that DAP is championing. (See Appendix 1)

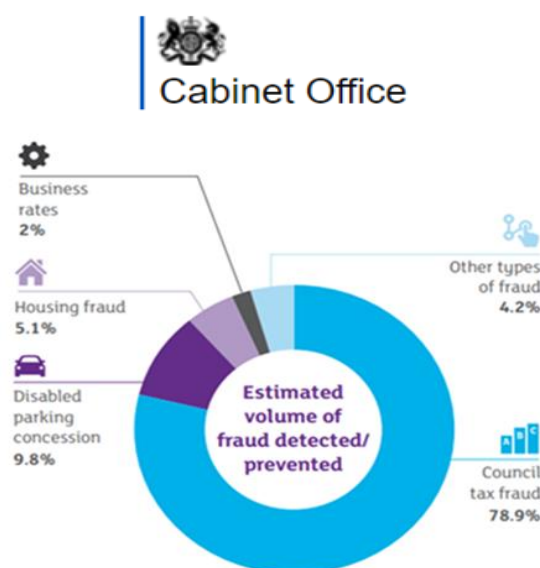
4. Integration of Counter Fraud, Risk Management, and Internal Audit.

- 4.1 The integration between these assurance arms continues to evolve and strengthen. Regular meetings between the relevant managers and staff ensure that cross collaboration is growing and improving so that Assurance Officers are aware of fraud and risk issues (See Appendix 1).
- 4.2 Assurance meetings between DAP and Council Officers help to ensure that direction, clarity and flexibility take place and continue to improve.
- 4.3 We are committed to further increasing awareness and supporting the most vulnerable in society who are more at risk of falling victim to fraudsters. DAP is working with its colleagues in the region. More information on fraud affecting the most vulnerable can be obtained via the [Action Fraud website](#).
- 4.4 We network with the broader group of Devon Councils to improve overall fraud resilience. We are also obtaining a mutual support and knowledge exchange with our counterparts in Cornwall County Council. The West of England Fraud Group involves Councils across the region looking at Fraud, Risk and Audit issues which affect us all.
- 4.5 Resilience and overall assurance are improved by the sharing awareness and knowledge, joining with others increases confidence in decision making and the Team will continue to look for new partners and agencies to further this end.



5. National Fraud Initiative

- 5.1 The [National Fraud Initiative](#) (NFI) is an exercise run and reported on by the [Cabinet Office](#) that matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.
- 5.2 DAP acts as the main point of contact between the Cabinet Office and the Council in matters relating to the National Fraud Initiative, this being a mandatory Biannual exercise in fraud prevention and detection.
- 5.3 The prior exercises since 2020 resulted in changes in entitlement which have in turn resulted in an (estimated) total of **£2,694,723** in potential savings across the Council. The 2024/25 matches have been run and are now in the process of being checked. An update on this will follow in a future report.
- 5.4 Departments that complete the returned matches show that they are actively involved reducing fraud risk to improve assurance as well as making sure that wherever possible their data management is compliant with the Data Protection Act 2018.



6. Investigations and other ongoing work

- 6.1 We continue to support service areas that require data analysis and monitoring of transactions to act as early warning of impending cyber-attacks.
- 6.2 Regular reports and updates from varying sources such as the [National Anti-Fraud Network](#) (NAFN) and the [National Cyber Security Centre](#) (NCSC) are circulated across the Council by the Counter Fraud Services team to ensure knowledge and awareness are kept at levels suitable for the protection of the public purse and the public themselves.

7. Policy and Strategy updates

- 7.1 There has been no significant change in legislative or procedural requirements at this point in time in respect of the Anti-Fraud Policy, Strategy and Response Plan, however legislative change and or guidance from HM Government is imminent in respect of new [failure to prevent fraud offence](#) meant to hold organisations to account if they profit from fraud committed by their employees. This will improve fraud prevention and protect victims.

“An organisation may be criminally liable where an employee, agent, subsidiary, or other “associated person”, commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. In certain circumstances, the offence will also apply where the fraud offence is committed with the intention of benefitting a client of the organisation. It does not need to be demonstrated that directors or senior managers ordered or knew about the fraud.”

- 7.2 Council policies will be updated at the appropriate time as a result of this legislation and the Councils compliance will also be reviewed.

8. Recordable savings and Results

- 8.1 In the current financial year 2024/25 the CFST have identified £179,378.41 in cashable savings and £1,062,880.02 in non-cashable savings making a total of £1,242,258.43 savings (calculated using national indicators supplied by the Cabinet Office) across the Council and it is anticipated that further comparable savings will continue to be realised in 24/25. (NFI savings are not included). There was also a further £25,169.93 Housing Benefit overpayments found which can be collected by Central Government
- 8.2 In the ten years that the Council has been recording ‘Cashable and Non-Cashable’ savings related to fraud it has achieved just over £12 million in savings across all areas of business. This is a significant sum and continues to justify the Council’s robust approach to countering fraud and re-assures the general public that Plymouth City Council is serious about protecting the public purse its assets and its citizens.
- 8.3 Fraud is by its very nature a hidden offence and therefore it must be assumed that the savings made and shown here are potentially the ‘tip of the iceberg’ and that further savings are obtainable. The higher the awareness and the more assets that are available to address this issue, the higher the potential savings figures will be in the future
- 8.4 Data Matching is used to identify fraud and error with savings shown in 8.1, in total there were 1127 matches checked, which help with the assurance of systems, and that the correct money or services are going to the correct people
- 8.5 Warning Letters have been issued to 24 individuals in relation to Parking Permits, Homeless Applications and Concessionary Travel Passes.

9. Conclusion

- 9.1 As has been stated before, there is much excellent work being done by the Council, its staff and those within DAP in order to minimise the impact from fraudulent activity, this is to be commended and encouraged.
- 9.2 Over the coming twelve months further intelligent data driven initiatives, to save money and deal with potential fraud and error will be put forwards with a view to making the Council a groundbreaking Council in the Counter Fraud arena.
- 9.3 The Council continues to show that it is committed to improving its assurance position in respect of its fight against fraud and it has never been more important to minimise losses to fraud to protect Council Services and those they serve.
- 9.4 At a time when financial pressure has never been greater it is imperative that no stone is left unturned in the pursuit of those who would fraudulently draw services, assets, and money from the Council to the detriment of those in genuine need of support. We know that fraud disproportionately effects the most vulnerable in our society and we will continue to robustly support the Council in its efforts to protect its citizens from the impact and effects of fraud.

The Devon Assurance Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality assurance service provider. We work with our partners by providing a professional assurance services that will assist them in meeting their challenges, managing their risks, and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

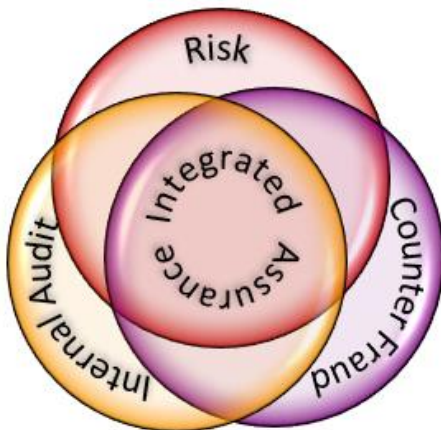
The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at Tony.d.Rose@devon.gov.uk

Confidentiality and Disclosure Clause - This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Our Vision

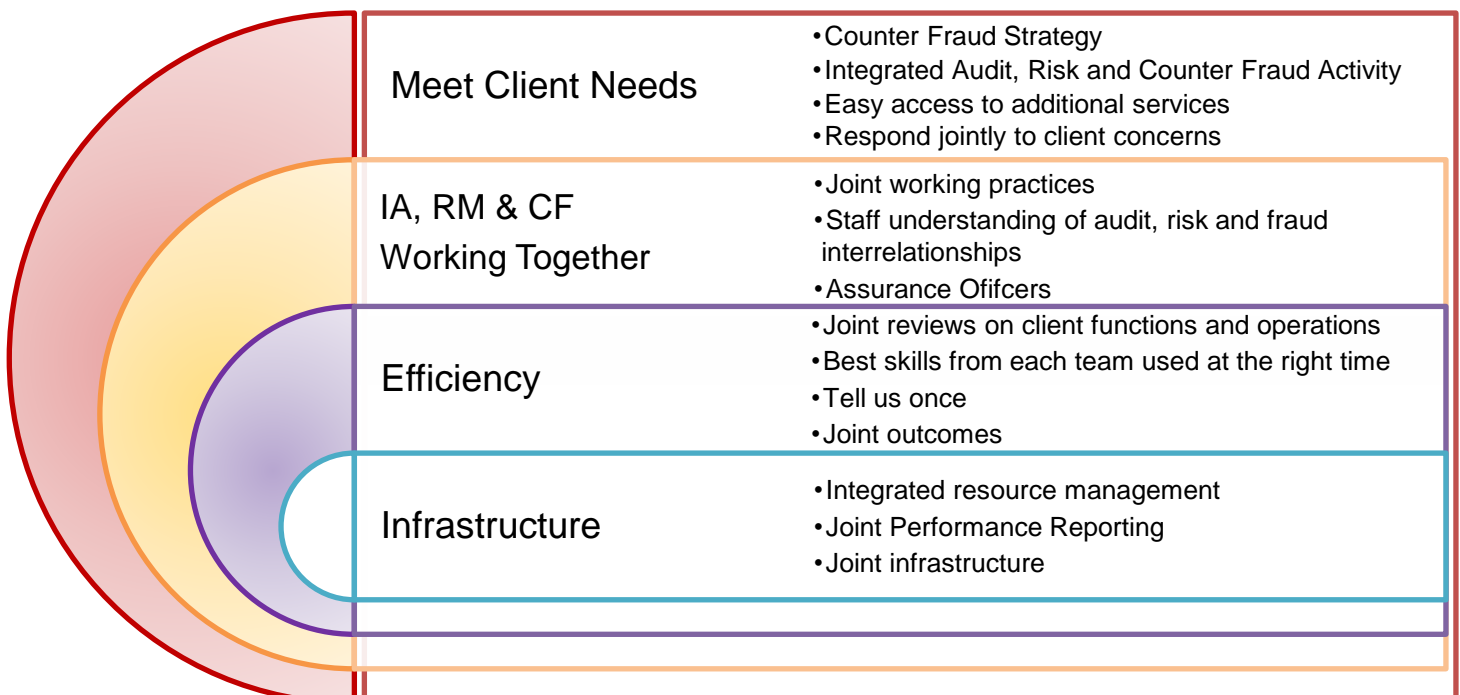
To be the leading provider of assurances services covering internal audit, counter fraud and risk management to public and not-for-profit organisations in the South West and beyond.



Operational delivery

- **Assurance Audit** Plans based on the best and most up to date risk information.
- Agile **Internal Audit** Plan
- Live **risk management** reporting and support across the Council.
- Deliver a best-in-class **risk management framework**.
- **Counter Fraud** Team co-ordinate / undertake irregularities work coming through the **audit** plan.
- Potential irregularities triaged to **fraud or audit** for review. Use of data analytics.
- **Proactive fraud** work e.g. NFI, developing a delivery plan at client level.
- **Investigation** work to be completed jointly (where appropriate) to progress possible fraud review and strengthen internal control frameworks.
- **Audit** scoping to include **Counter Fraud** input.
- Three-way liaison confirming risk and control.
- **Integrated reporting** to be delivered where possible.

Our Goals



Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Draft (unaudited) Statement of Accounts 2024/25
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Carolyn Haynes
Contact Email:	carolyn.haynes@plymouth.gov.uk
Your Reference:	SoA 2024-25/Audit July 2025
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This is a report summarising the key aspects of the Statement of Accounts 2024/25. The Statement of Accounts appended to this report are draft, and have not yet been subject to external audit, at this stage. The public inspection period began on 1 July and will end on 11 August 2025.

The published draft (unaudited) Statement of Accounts can be found in Appendix A.

These draft Statements of Accounts complement the financial outturn position and reports the Council's financial position in line with International Financial Reporting Standards, adopted by CIPFA for the purposes of Local Government via the Code of Practice on Local Authority Accounting.

Recommendations and Reasons

The Committee are asked to:

1. note the report,
2. note the draft (unaudited) Statement of Accounts 2024/25, which were published by 30 June 2025 in accordance with the requirements of the Accounts and Audit Regulations 2015 (as amended);
3. note the Statement of Accounts for 2024/25 (attached as Appendix A) will be subject to external audit and will be presented to the Committee for approval at their meeting planned for 20 January 2026, in advance of the backstop date of 27 February 2026.

Alternative options considered and rejected

1. None – it is a statutory requirement to produce and publish the draft (unaudited) Statement of Accounts.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Council's expenditure forms the basis on which the Corporate Plan can be delivered.

Implications for the Medium Term Financial Plan and Resource Implications:

The Statement of Accounts 2024/25 will have implications on the Medium-Term Financial Plan. The level of Working Balance and reserves will affect the level of funding available in future years and variations in service expenditure will also need to be reviewed to assess the effects.

Financial Risks

The Statement of Accounts includes a high-level summary of the Council’s financial risks.

Legal Implications

(Provided by Liz Bryant) Insert Name / Initials

None arising directly from this report.

Carbon Footprint (Environmental) Implications:

N/A

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.

N/A

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	Draft (unaudited) Statement of Accounts 2024/25							
B	Committee Review of Statement of Accounts							

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:

Date approved: 08/07/2025

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2024/25 DRAFT STATEMENT OF ACCOUNTS



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NARRATIVE REPORT FROM THE SERVICE DIRECTOR FOR FINANCE AND SECTION 151 OFFICER

INTRODUCTION

Welcome to the Narrative Statement for the Statement of Accounts for Plymouth City Council 2024/25.

This document presents the statutory financial statements for Plymouth City Council covering the period 1 April 2024 to 31 March 2025. The statements can be technical and complex, but we have tried to present them as clearly as we can and have structured this narrative statement to help enable readers to understand the Council, its operating environment, and to assist in the understanding and interpretation of the Statement of Accounts.

The Narrative Statement provides an overview of the authority's financial position for the year and prospects for the following year. The 2024/25 financial year has again been financially challenging for the council, with many impacting factors beyond the Council's control; including inflationary pressures, the ongoing cost of living crisis and a significant rise in the National Living Wage. In spite of the budget pressures, it is worth noting that the outturn reflects a balanced position, without the need to draw down from the Working Balance. There has been particular attention to all staff on the importance of managing our budget, and this closing position is possible by the release of available reserves whilst undertaking in year cost control and income maximisation measures.

The preparation of the Statement of Accounts provides the opportunity to look back at the past financial year and to report on the current financial and non-financial position of the Council.

It is fair to say that the financial year 2024/25 has been unique. The Full Council Budget setting meeting was deferred from its usual last Monday in February to Friday 8 March 2024. This was to allow the receipt of a "minded to" letter from the Minister for Levelling Up, Housing and Communities (now renamed Ministry of Housing, Communities and Local Government – MHCLG) in respect of our request for a Capitalisation Direction.

The Council was working with the Minister and the external auditors Grant Thornton, to resolve an outstanding technical issue relating to the Statement of Accounts for 2019/20.

During the financial year the Council has had full sign off from the auditors and the Audit and Governance Committee and published an unprecedented five sets of accounts. The Statement of Accounts for 2019/20 through to 2022/23 were all published before or by the 'backstop' deadline of the 13 December 2024 and the accounts for 2023/24 were published ahead of the 28 February 2025 deadline. The impact of the Capitalisation Direction will be reflected in the accounting year in which the direction is applied. At the time of writing, we are still awaiting the final sign off from the Minister.

In July 2024, commissioned by MHCLG as a requirement of the Capitalisation Direction request, The Chartered Institute of Public Finance and Accountancy (CIPFA) undertook an external assurance review of the financial position of the Council. In total seven key recommendations were made, all of which have been actioned and completed.

The Council has balanced its budget reporting a breakeven position. The overall net spend matches the net budget of £241.622m. However, this is after the release of £1.137m additional resource adjustments from prior year Council Tax collection plus a drawdown of £3.913m from reserves. In addition, the audit sign-off of the backlog of Statement of Accounts resulted in a reprofiling of the Minimum Revenue Provision charge which resulted in a release of £5.170m from the brought forward reserve. Within this overall balanced position, there are the following headline financial issues to consider:

- Drawdown from the Working Balance of £13.1m has not been required
- Additional savings targets built into Directorate budgets for the year were all met
- The use of corporate resourcing adjustments

- Reprofitting and release from the Minimum Revenue Provision (MRP) reserve.

Plymouth City Council, along with most local authorities across the country, continues to face significant challenges in providing essential services to meet the needs of residents within the level of resources it has at its disposal. This has been added to by the continuing challenging operating environment and increasing and more complex local service demand.

The most challenging area of concern and level of overspending in 2024/25 has again been the cost of externally purchased Children in Care placements. This has been a pressure faced by the Council for several years, but it has worsened in 2024/25 and it is anticipated to continue into 2025/26. It is a challenge that is replicated across most upper tier local authorities throughout the country. Residential Care placements are in short supply, and this has pushed up prices significantly for all local authorities. This is of most concern where a child has complex needs and or challenging behaviour. Adult Social Care has seen continued pressure for emergency accommodation within Community Connections to meet the homelessness demand and the budget for Care Packages has also been under pressure.

Facilities Management continues to present additional cost pressures, with increasing repairs and maintenance costs reflect the size, age and complexity of the corporate estate, which includes buildings and land such as the foreshore. We know that the financial challenges cannot be addressed by short term and tactical measures alone. The Council is therefore investing in a comprehensive Transformation Programme as part of its plans to address the on-going underlying structural budget deficit.

There have also been exceptional, one-off costs incurred within the year. We approved the transfer of more Private Finance Initiative (PFI) schools out of the maintained framework to become part of an academy. However, the overall PFI contracts for all schools covered by the scheme continue to be the responsibility of the Council. For this financial year we have needed to meet additional PFI costs by £0.239m. We have also needed to cover the settlement cost of the Independence at Home dispute, at a cost of £0.465m and the Independent Review of the Armada Way scheme has cost £0.099m. These exceptional costs have been met from the corporate contingency.

The Council, like all other authorities, also has uncertainty of future levels of Government funding. The Government launched a consultation in December 2024 on 'Local Authority Funding Reform: Objects and Principles' to seek views on their approach to determining new funding allocations for local authorities. This initial consultation was responded to at the same time as a second phase of consultation was launched on 20 June 2025, titled 'The Fair Funding Review 2.0'. The current funding model, with allocations that have remained unchanged since 2013/14, has led to disparities in service quality and financial strain, particularly in more deprived areas. The consultation proposes a series of reforms aimed at creating a more equitable, efficient and responsive funding system. The results of the consultation will inform the local government finance settlement from 2026/27. The funding settlement for 2026/27 is to be a multi-year funding settlement with various grant and funding streams consolidated. This should provide more certainty for the Council with regards to future financial planning.

As well as delivering vital day to day services for residents, businesses and visitors, the Council continues to be at the heart of investment in the local area, improving assets to deliver services more efficiently and effectively and creating the right conditions to attract additional private sector investment. Capital spending can generally be defined as that which generates assets that have a life of more than one year. This includes the acquisition or construction of new assets and expenditure that improves, and not merely maintains, the value of existing assets. In 2024/25 the Council invested £109.309m into capital schemes to continue to improve Plymouth as a place to live and a destination to visit.

This capital expenditure delivered a significant programme of investment in a wide range of schemes, including the Woolwell to the George major transport infrastructure project, and ongoing investment in City Centre public realm schemes. Investment in infrastructure to support the Plymouth Sound National Marine Park, together with improvements to the City's parks and open spaces and the new Foulston Park facilities on the former Brickfields site have improved sports and recreation opportunities for residents and visitors. Significant investments in the Derriford District Centre and the Plymouth and

South Devon Freeport sites will generate both employment for the City and income for the Council for many years to come. Over £10m has been invested in improving the City's housing stock through schemes such as the Warm Homes programme and targeted investment in social housing and temporary accommodation to tackle homelessness.

Continued vigorous cost management and focused delivery of planned revenue savings will again be key in the new financial year 2025/26. Each Directorate must ensure that it at least manages within its allocated budget and delivers the agreed savings. All effort must be made to finish below budget, through further cost savings and increased income generation.

The Council will submit the draft Statement of Accounts 2024/25 to the Audit and Governance Committee in July 2025. The accounts and accompanying documents are now subject to an external independent audit by Grant Thornton LLP and will remain as draft accounts until they have been agreed and signed off by them.

These accounts demonstrate that the Council has a secure and sustainable financial standing. The Council has fulfilled its stewardship function for all the public money entrusted to it in a cost effective and appropriate manner.

Finally, I would like to express my thanks for all staff in the Finance team during 2024/25 who have played their part in producing the Statement of Accounts and for their wider efforts in supporting the Council.

Ian Trisk-Grove

Service Director for Finance and Section 151 Officer

30 June 2025

Plymouth

Britain's Ocean City

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

THE PLYMOUTH PLAN 2014 - 2034

WHAT WE WANT TO ACHIEVE...

HEALTHY CITY

People live in happy, healthy, safe and aspiring communities

GROWING CITY

A city which has used its strengths to deliver quality and sustainable growth

INTERNATIONAL CITY

Plymouth is internationally renowned as Britain's Ocean City and is the UK's premier marine city, famous for its waterfront, and being home to the UK's first National Marine Park

REGIONAL CITY

Plymouth will be fulfilling its role as a regional city and a major economic driver for the Heart of the South West

HOW WILL WE KNOW WE'RE SUCCESSFUL?

People have the best start to life and improved health, increased life expectancy, and a better quality of life

More people taking care of themselves

More residents are contributing to and being involved in their community

People are well housed, live in good quality, well looked after neighbourhoods where they feel safe and happy

Good quality, sustainable health and wellbeing services for people who need them, when they need them

The population has grown close to the city's ambition of 300,000

Plymouth continues to be recognised as a leading Green City

Plymouth has a vibrant, productive, inclusive and innovative business sector with a workforce that is paid a living wage

People have the skills to be school ready and work ready

Plymouth continues to strengthen conditions for increased growth, including ensuring effective infrastructure delivery

Plymouth continues to improve its diverse cultural and sporting experience

Plymouth is internationally renowned as a leading UK tourist destination

Plymouth is recognised internationally for expertise in marine science and hi-tech manufacturing

Plymouth's reputation for world class universities and research institutions continues to grow

Plymouth's reputation is strengthened as a welcoming, multicultural city

Plymouth recognised as a key regional economic driver

High quality strategic services and facilities that serve the people of Plymouth and the sub region

Plymouth's strategic defence role is protected and strengthened

WHAT PRINCIPLES WILL GUIDE US?



POWER

People have confidence that they can influence decisions that affect them



OPPORTUNITY

People have more equal opportunities and the ability to be part of the city's future



ROOTS

People feel like they belong in the community where they live



CONNECTIONS

People mix, interact, learn from each other and work together



FLOURISH

Individuals, communities and businesses thrive in an environment that is creative, enterprising, and diverse





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

Plymouth
Britain's Ocean City

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

AIMS, OBJECTIVES AND ACHIEVEMENTS

The Statement of Accounts should be read in conjunction with the Council's Corporate Plan, which was last revised in June 2023. The plan reflects the administration's ambition for the city and the Council, takes account of the progress that the Council has made in recent years and addresses the new challenges that we face. The Council retained and re-endorsed the City Vision: to be one of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone, and revised the Council's mission to better reflect how the Council contributes to the City Vision, with emphasis on fairness, environmental sustainability and co-operation. The Council's adopted values were also revised to fully reflect our expectations of ourselves and each other, and provide a basis on which the Council can be held to account by its citizens.

There are six priority areas for delivery through the Corporate Plan, and the plan highlights the importance of retaining a focus in all Council's activities on Plymouth being a great place to grow up and grow old, and on minimising the impact of the cost of living crisis. The Council's Corporate Plan priorities are:

- 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.

The Council's business planning and performance management frameworks are the mechanism that drives delivery of the above priorities, and resource allocation is geared to ensure that delivery plans against the priorities are sustainable, alongside the Council's wider range of statutory and discretionary services.

PLYMOUTH CITY COUNCIL DEMOCRACY AND GOVERNANCE

Democracy and governance play a huge role in ensuring good governance and strong decision making across the Council. The Council is a complex and large organisation. Policies are directed by the political leadership (Leader and Cabinet) and implemented and delivered by the Corporate Management Team (CMT) with the support of their Directorate Management Teams (DMT).

The Council is made up of 57 Councillors for 20 wards.

Following the election in May 2024, the Council is controlled by the Labour Party. The Council has adopted the 'Strong' Leader and Cabinet model as its political management structure. The Leader of the Council (Councillor Tudor Evans OBE) has responsibility for the appointment of Members of the Cabinet (also known as the Executive), the allocation of Portfolios and the delegation of executive functions. The Cabinet is the main decision-making body of the Council. It is responsible for policies, plans and strategies, which must be implemented within the budgetary and policy framework adopted by Full Council. The Council elects the Leader each year at the Annual General Meeting (usually held in May).

Councillors are supported by CMT, which is headed by the Council's Chief Executive, Tracey Lee. CMT are responsible for the overall management of the Council, for setting and monitoring overall direction and ensuring high performance in the delivery of council services. Including the Chief Executive, CMT is made up of nine members.

The Council also has a number of committees which include Planning, Licensing, Audit and Governance, various Overview and Scrutiny Committees and a number of others to support the democratic process.

The Council operates by way of the Council Constitution. The Constitution is a legal document and includes items such as Council procedure rules, financial regulations, the scheme of delegation and responsibility for functions. The Council is also required to produce an Annual Governance Statement (AGS) each year to meet the requirements of the Accounts and Audit Regulations 2015 and the principles set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: 'Delivering Good Governance in Local Government'.

Plymouth – Britain's Ocean City

Plymouth City Council is a unitary local authority responsible for over 300 local services including transport, social care and education. With a resident population of 264,700 (2021) and a further 100,000 residents in the travel to work area, Plymouth is the largest city on the South coast and the 15th biggest city in the country. Plymouth is also the most significant urban area on the south west peninsula with an economic output of £5.44 billion (2021), supporting 115,000 jobs and is the key urban hub of the Heart of the South West Enterprise Partnership making it a key location for growth. The city has the highest concentration of manufacturing and engineering employment in the whole of the South of England. 20% of the UK's blue-tech marine companies are based here and 14.6% of Plymouth's jobs are in the manufacturing industry, far exceeding the national average of 8.8% (2019).

Plymouth's branding as 'Britain's Ocean City' reflects its historic and modern connections to the sea. It has been the departure point for many historic voyages, not least the Mayflower in 1620 and is now home to Western Europe's largest naval base, a thriving commercial and ferry port, a significant fishing industry and one of the most significant global concentrations of marine research and production.

Regional Influence

The functions of the Heart of the South West Local Enterprise Partnership (HotSW LEP) transferred back to local authorities in Devon and Somerset as part of new Government policy on 1 April 2024. This means that Plymouth City Council, Devon County Council, Somerset Council and Torbay Council are now individually responsible for economic strategy, Government programmes such as the Growth Hub and Careers Hub and ensuring local business has a voice in decisions affecting the future of the economy through Economic Growth Boards in their areas. The four councils will continue to work together to ensure sensible collaboration on sector support and strategic partnerships.

Devolution

The government published the English Devolution White Paper in December 2024 which outlines how it intends to rebuild and reform local government as the foundation for devolution. The White Paper sets out the government's plans to widen and deepen devolution across England. Following on from the White Paper publication, at the Council meeting on the 9 January 2025, Plymouth City Council agreed to advocate for the establishment of a South West Peninsula Mayoral Strategic Authority. Subsequently, the leaders of Plymouth City Council, Devon County Council and Torbay Council agreed to work together to explore the creation of a Mayoral Strategic Authority. A future devolution deal offers a compelling opportunity to secure substantial additional investment for the benefit of local communities. The Council is now working on proposals to increase its boundary line to ensure that the authority is sufficient in scale to more efficiently deliver services, without losing its unique character. The initial proposals were submitted to Government on 5 February 2025. The preferred option is to extend the city's boundaries to include 13 neighbouring parishes, approximately 30,000 additional residents. This modest expansion would create a more cohesive and efficient local government structure for the city, better equipped to meet the needs of the growing population. Further work will take place during 2025/26 to develop and consult on these proposals.

Future Vision

The Council's vision for Plymouth is to become one of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone. The Plymouth Plan sets out far reaching growth

plans to 2034 and promotes a shared direction of travel for the long-term future of the city. It brings together, for the first time in Plymouth (and perhaps in the UK), a number of strategic planning processes into one place. Since its introduction, the Plymouth Plan has been at the heart of policy and plan-making in the city. It sets the direction for the city's economy; it plans for the city's transport and housing needs; it looks at how the city can improve the lives of children and young people and address the issues which lead to child poverty. It also sets out the Council's mission to 'Make Plymouth a fairer city, where everyone does their bit'.

The Plymouth Plan includes plans to increase the city's resident population to 300,000, build an additional 19,000 homes (of which 4,550 are affordable), reduce carbon emissions by 50%, improved broadband for all premises and to create 20,400 jobs. The Council worked closely with local strategic partners West Devon and South Hams councils to create 'The Plymouth and South West Devon Joint Local Plan' to support local thriving towns and villages. The three councils joined up to create this plan (now adopted) which looks at every aspect of how we want our cities, towns and villages to look and feel over the next 20 years. The existing policies in the Plymouth Plan will now be combined with the Plymouth-specific policies in the new Joint Local Plan to create one document.

Plymouth Sound National Marine Park (NMP)

Partners across the city created the UK's first ever National Marine Park in 2019 and secured £9.5 million in 2021 from the National Lottery Heritage Fund Horizon Awards to fully develop the idea.

The 'park in the sea' aims to:

- Support the ongoing enhancement of our world class natural environment and heritage landscape
- Get the entire city and surrounding communities involved with the Sound
- Increase access to our heritage so everyone can enjoy the benefits
- Provide new employment opportunities and career pathways in sustainable future ocean jobs
- Position Plymouth as a UK top day-visitor destination
- Champion health and wellbeing with a new generation of engaged volunteers, communities and champions
- Support the positive transition to net zero carbon by 2030.

An £11.6m National Lottery Heritage Fund grant was awarded in February 2024 to help with the delivery of the marine park, which aims to:

- Engage and inspire
- Provide opportunities for learning and discovery
- Enable connection and positive action to support the long-term care of the Plymouth Sound National Marine Park.

A series of sensitive restoration projects across the citywide waterfront will enable greater accessibility to the park.

Plymouth and South Devon Freeport

The Plymouth and South Devon Freeport was designated by statutory instrument in October 2022 and the government announced full business case approval in December 2022. The Freeport is a dynamic public/private partnership with Plymouth City Council, South Hams District Council and Devon County Council working alongside Princess Yachts, Carlton Power, the Sherford Consortium and a wide range of stakeholders including the Universities of Plymouth and Exeter, Plymouth port operators and skills providers to ensure its success.

The Freeport represents a unique opportunity to level up, address historical challenges and leverage exciting new opportunities to transform the economy of Plymouth and South Devon through:

- Physical regeneration – by delivering infrastructure to unlock key employment sites and innovation assets, supporting business clustering and clean growth opportunities
- Economic regeneration – by delivering inward investment, supply chain opportunities and productivity gains within our identified growth sectors
- Social regeneration – by delivering a pipeline of jobs across the spectrum of employment from entry level to higher skilled/high value with upskilling opportunities.

The Freeport intends to:

- Create a national hub for trading and investment
- Promote regeneration and job creation
- Create a hotbed for innovation.

During 2024/25 the Council was involved in the delivery of a £23m investment programme in partnership with Associated British Ports (ABP), Brittany Ferries and the Freeport to deliver the most significant infrastructure upgrade to the port in recent decades.

Work is also underway on the construction of four purpose built units which will form part of the Freeport's tax site.

Plymouth's New Crematorium – The Park

Plymouth's new crematorium The Park opened in August 2024. The new facility is set in a 17-acre site, providing a tranquil setting for grieving families. This was a significant capital project and offers modern facilities set in a green site where nature can thrive. It has been designed to accommodate different needs and preferences, embracing all faiths and cultures.

The site also benefits from a new café facility separate to the crematorium which is open to serve refreshments for people attending funerals and for the general public.

Devon Business Rates Pool

The Devon Business Rates Pool (DBRP) has been operating since April 2013 and each year the pool has delivered a pool gain to its members. The table shown below demonstrates the benefit to pool members for each financial year from 2013 to the end of March 2025. As can be seen from the table below, Plymouth has benefitted from an additional £17.780m and the Devon economy has benefitted overall by £84.577m both since the pool's inception in 2013.

The DBRP working group has worked together to produce the forecasts, share best practice and develop the detailed workings which are complex. The group has also been supported by LG Futures who developed the initial workings and have provided support to the Pool since its inception.

Devon Business Rate Pooling Gains 2013 to 2024							
Business Rate Retention Scheme	2013-20	2020/21 50%	2021/22 50%	2022/23 50%	2023/24 50%	2024/25 50%	Total
	£	£	£	£	£	£	£
Devon	21,548,828	2,145,986	2,511,070	2,290,137	2,650,472	2,860,248	34,006,741
East Devon	2,565,360	303,873	355,874	324,563	390,976	419,804	4,360,450
Exeter	2,928,668	656,335	768,694	701,061	773,790	849,633	6,678,181
Mid Devon	667,719	160,490	187,934	171,399	207,161	225,965	1,620,668
North Devon	1,572,183	307,028	359,561	327,925	370,861	401,976	3,339,534
South Hams	920,537	297,284	348,174	317,541	368,516	394,937	2,646,989
Teignbridge	1,383,783	304,841	356,989	325,580	387,651	417,656	3,176,500
Torridge	770,735	134,669	157,684	143,811	175,409	186,011	1,568,319
West Devon	628,714	124,053	145,268	132,487	156,429	167,006	1,353,957
Plymouth	7,122,529	1,837,986	2,145,916	1,957,110	2,261,935	2,454,962	17,780,438
Torbay	2,898,906	888,429	1,039,828	948,340	1,096,376	1,173,389	8,045,268
Total	43,007,962	7,160,974	8,376,992	7,639,954	8,839,576	9,551,587	84,577,045

The Council's Approach to Climate Change

In early 2019, Councillors voted unanimously to declare a Climate Emergency, making a pledge to make Plymouth carbon neutral by 2030. The pledge exceeds the climate objectives of the UK and Plymouth have developed a Net Zero Action Plan (NZAP) to work towards the reduction in carbon emissions to ensure the Council is a net zero organisation by 2030.

The NZAP is a three-year delivery plan, setting out the Council's proposals to reduce its greenhouse gas emissions. It responds to the Net Zero Plymouth challenge set out in the Climate Connections Plymouth website and explains how the Council will aim to play its part in delivering the Plymouth Plan's policy aim.

The NZAP replaced the annual Climate Emergency Action Plans and Corporate Carbon Reduction Plans from 2023. It is reviewed each year to ensure it remains in step with new developments in the Council's activities.

The Council's Performance

The Plymouth City Corporate Plan 2023-28 was approved by Full Council in June 2023 and its priorities are delivered through specific programmes and projects which are coordinated and resourced through cross-cutting strategic plans, capital investments and directorate business plans. The key performance indicators (KPIs) and their associated targets are monitored quarterly to inform us on how we are doing in delivering what we have set out to achieve in the Corporate Plan. We have continued to transform how we deliver services to ensure they are more efficient and better focused on customer needs. This includes working in new ways, joining services up with our partners and maximising the opportunities from digital technology.

FINANCIAL PERFORMANCE

Strategy and Resource Allocation – The Council's Budget and Medium-Term Financial Plan 2024/25 to 2028/29

The Council's gross revenue budget for 2024/25 was £589.912m, which after adjusting for income equates to a net budget requirement of £241.622m. This was approved by Full Council on the 8 March 2024. The budget was developed following input and reviews with Directors and other officers and

Members, including Cabinet. The budget was formulated having regard to a number of factors including funding availability; risks and uncertainties; inflation; priorities; demography and service pressures. The savings plans included in the budget take into account Council priorities and are assessed against an agreed set of impact criteria and equality assessments. Budget monitoring and scrutiny arrangements were in place throughout the year, which included arrangements for the identification of early remedial action supported by a clear action plan, reporting and regular monitoring.

A summary of the overall budget position is shown below, which includes the Medium-Term Financial Plan for the next five years (2024/25 to 2028/29). The Medium-Term Financial Plan is integral to the Budget Preparation process and is regularly reported to Members as part of the budget updates through the year.

Medium Term Financial Strategy	2024/25 Budget	2025/26 Budget	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
	£m	£m	£m	£m	£m
Core Resources					
Revenue Service Grant	(12.328)	(12.662)	(13.290)	(13.821)	(14.375)
Council Tax	(139.479)	(149.450)	(156.580)	(163.440)	(171.020)
Business Rates	(84.815)	(86.584)	(85.274)	(85.352)	(86.045)
Reserves	(5.000)	(4.722)	0.000	0.000	0.000
Core Resources Total	(241.622)	(253.418)	(255.144)	(262.613)	(271.440)
Net Expenditure					
Expenditure Brought Forward	0.000	236.622	253.418	266.061	279.240
Add Right-Sizing Costs / Adjustments	0.000	6.566	8.630	8.144	4.371
Add Demand-Led Pressures	0.000	12.392	5.841	7.035	6.000
Other pressures	0.000	13.602	3.860	0.000	0.000
Savings/Income identified	0.000	(15.764)	(5.688)	(2.000)	0.000
Net Expenditure Total	241.622	253.418	266.061	279.240	289.611
Forecast Shortfall	0.000	0.000	10.917	16.627	18.171

The key financial planning considerations used to develop the above forecast included:

- Continuing one-year Revenue Support Grant settlement, with annual inflation uplift
- The cap on council tax increases, reflecting central Government's direction of the confirmed 2.99% for 2025/26, will continue for the five years
- The forecast, reflecting central Government's direction, assumes there will be a further 2% Adult Social Care precept in 2025/26 with 1% modelled for future years. The final decision on core Council Tax and ASC Precept changes will require Full Council approval as part of the annual budgets
- Uncertainty to future funding due to the delay in 100% Business Rates Retention. Assumption is the current system remains, with assumed annual inflation uplift
- Reductions in other Government grant funding without matching reductions and responsibility for related services provision
- Uncertainty about any future Fair Funding Review

- A continuing range of increasing costs in order to meet the demands on the Council and maintain key services, particularly in Adult Social Care, Children's Social Care and Homelessness
- Increased costs of meeting new initiatives

2024/25 Revenue Outturn

The Council has balanced its budget, reporting a breakeven position for 2024/25. The overall net spend matches the net budget of £241.622m. The year was again affected by significant challenges outside the Council's control including inflationary increases, the continuing cost of living crisis and an above inflationary increase to the National Living Wage. The Council also needed to respond to growing cost and demand pressures within services, particularly within Children's Social Care. Whilst these challenges are faced by local authorities across the country, Plymouth has been able to achieve a balanced position in this financial year whilst protecting key services.

Across the Council, management actions to reduce the potential of a business as usual overspend being incurred included a review of all discretionary spend and delayed expenditure wherever possible. This year has seen higher engagement with all staff across the Council on the importance of spending their budgets wisely, deferring expenditure wherever possible and ensuring we achieve the maximum value for money.

Directorates, with the exception of Customer and Corporate Services, Children's Services and Adults, came in on or under budget for their business-as-usual activity.

The net revenue budget of £241.622m was allocated to council services as follows:

Directorate	2024/25 Net Budget Expenditure	Provisional Outturn	Year-End Over/ (Under) Spend	Status
	£m	£m	£m	
Executive Office	7.160	6.768	(0.392)	Under
Customer and Corporate Services	36.250	39.163	2.913	Over
Children's Services	75.456	87.605	12.149	Over
Adults, Health & Communities	108.940	111.161	2.221	Over
Office for the Director of Public Health	2.703	2.703	0.000	Even
Growth	31.785	30.479	(1.306)	Under
Corporate Items & Council Wide	(20.672)	(36.257)	(15.585)	Under
Total	241.622	241.622	0.000	Even

The Children's Directorate reported an adverse outturn position of £12.149m against the £75.456m budget. Within the Directorate, Children, Young People and Families (CYPF) recorded a £10.509m overspend, and the Education, Participation and Skills (EPS) department had an overspend of £1.640m. Within CYPF, there was a £6.160m pressure within placements budgets due to lack of placement sufficiency and increases in both the cost and volume of placements. However, £1.084m in year savings were achieved through employee related savings in Multi Agency Support Hub (MASH) and Front Door. Within EPS, £1.640m overspend reported includes an overspend of £1.159m on short breaks, a £0.252m overspend on the 0-25 SEND team due to the use of agency staff to reduce the backlog of Educational Health Care Plans (EHCPs) and a £0.207m overspend on Home to School Transport due to increased cost and the number of routes.

The Schools Outturn and Balances The centrally held elements of the DSG were over budget by £14.245m, due to significant increases in numbers and cost of placements for children with SEND, which is funded from the High Needs Block within the DSG. This overspend will be carried forward along with

the accumulated deficit on the DSG of £4.253m giving a total overspend to be carried forward of £18.498m. In line with Government guidance, any overspend is carried forward for recovery against future DSG funding. Therefore, the authority cannot fund this pressure from its own General Fund revenue budget (unless permission is given by the Secretary of State to disregard the requirement to fund from the DSG). Year-end budgets have been adjusted to reflect the transfer of the £14.245m overspend into a specific unusable reserve for recovery against future DSG funding. This treatment is in line with Government guidance stating that DSG in-year and cumulative deficits should no longer be held as a negative earmarked reserve and should instead be held in an unusable reserve called the Dedicated Schools Grant Adjustment Account. This accounting treatment has the effect of separating DSG budget deficits from the local authority's General Fund and covers the period to 31st March 2026. The government has announced plans to include working with local authorities to manage their SEND system including DSG deficits, alongside an extension to the DSG Statutory Override until the end of 2027/28.

Corporate Items and Council Wide delivered a favourable variation of £15.585m despite covering additional costs like the pay award which was higher than the budgeted allowance. The favourable position was achieved through £6.011m savings within Treasury Management and insurance and additional resource adjustments from prior year Council Tax collection and £9.083m from reserves no longer required.

Working Balance

The Working Balance as at 31 March 2025 after the adjustments for the transaction of £73.375m is a negative balance of £60.138m (prior to this adjustment the Council's Working Balance was £8.743m). It is expected that the Working balance will return to this level once the Capitalisation Direction is awarded by Government.

Other Financial Performance

In addition to the financial outturn reports within this report there were a range of other significant performance achievements which have contributed to the year-end position. In year collection targets are set for our Council Tax, Business Rates, commercial rents, and sundry debt income including our Trade Waste income. The 2024/25 revenue budget was based on the achievement of the required targets.

We continue to increase our collection rates in core income streams and explore alternative ways of making further improvements. For example, we created a new team within existing resources to focus on recovering debt due to the Council with a specific focus on reducing housing benefit overpayments.

Some key indicators are:

- 96.40% of Council Tax collected in year for 2024/25 towards the total collection target of 97.50% (96.50% in 2023/24). This equates to £161.844m (£153.018m in 2023/24). This was slightly below the percentage collected in 2023/24
- 98.65% of NDR collected in year for 2024/25 towards the total collection target of 99.00% (98.74% in 2023/24). This equates to £88.260m (£82.367m in 2023/24)
- Average borrowing rate of 3.27% was achieved below target of 5.50% in 2024/25 (3.23% in 2023/24)
- Average investment return of 4.84% was achieved against target of 5.00% in 2024/25 (5.33% in 2023/24)

Capital

During 2024/25 new capital governance processes were introduced with projects being endorsed for approval onto the capital programme through the Capital Programme Officer Group (CPOG) and the Capital Programme Board (CPB). In 2024/25 there were seven CPOG meetings that reviewed the mandates, business cases and change requests associated with council projects.

During the year 2024/25 the Council spent £109.309m on capital projects within the city. This is shown by Directorate in the following table. This is within the approved five-year (2024/25-2028/29) Capital Budget of £395.864m reported to Full Council on 24 February 2025.

Directorate	Approved Capital Budget 2024/25	Latest Forecast December 2024	Approval	Re-Profiling	Variation & Virements	2024/25 Capital Spend
	£m	£m	£m	£m	£m	£m
Growth	155.370	90.446	7.265	(15.302)	(0.631)	81.778
Adults, Health & Communities	26.532	16.809	0.000	(1.350)	(0.008)	15.451
Children's Services	0.546	1.716	0.584	(1.126)	(0.029)	1.145
Customer & Corporate Services	5.287	4.548	1.234	(1.059)	(0.023)	4.700
Office for the Director of Public Health	6.167	6.488	0.000	(0.253)	0.000	6.235
Total Capital Programme	193.902	120.007	9.083	(19.090)	(0.691)	109.309

Throughout the year, the capital programme has continued to experience the ongoing challenges through higher inflation and fluctuating borrowing costs. Regular monitoring between project officers and the capital finance team together with the targeted review of projects has strengthened the programme forecasting in 2024/25.

Revised Capital Programme 2024-29

Movement of the five-year capital programme since being reported to Full Council on the 24 February 2025 is due to the following changes:

Description	Total
	£m
Capital Programme 31 December 2024 for 5-year period 2024-29	395.864
New Approvals - January to March 2025	29.883
Variations - January to March 2025	(4.115)
Re-profiling into future years outside 5-year programme	(0.003)
Capital Programme 31 March 2025	421.629

The latest capital programme is summarised as follows, this does not reflect the impact of the re-profiling of the budget for 2024/25 which is shown above:

Directorate	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2021/28 Forecast	2028/29 Forecast	Total
	£m	£m	£m	£m	£m	£m
Growth	81.778	168.755	63.760	23.268	19.378	356.939
Adults, Health & Communities	15.451	19.061	8.792	0.166	0.000	43.470
Children's Services	1.145	3.117	0.000	0.000	0.000	4.262
Customer & Corporate Services	4.700	3.741	1.378	0.280	0.101	10.200
Office for the Director of Public Health	6.235	0.523	0.000	0.000	0.000	6.758
Total	109.309	195.197	73.930	23.714	19.479	421.629

Capital Financing 2024/25

The following table shows the final financing of the 2024/25 capital programme:

Method of Financing	Total	Funding
	£m	%
Capital receipts	2.743	3
Grants (Government, HLF, LEP, Environment Agency)	71.876	65
Contributions, S106 & CIL (neighbourhood elements)	1.121	1
Borrowing:		
Corporately funded	12.825	12
Service borrowing (revenue budget funded)	20.744	19
Capital Programme Financing 2023/24	109.309	100

The Council has been successful in obtaining grants from government agencies and other external sources to help fund £72.997m (67%) of the capital programme in 2024/25.

Cash Flow Management

The Council has a comprehensive cash flow management system to ensure that:

- surplus cash is invested wisely
- it can always meet its liabilities as they fall due.

Cash and short-term investment holdings at 31 March 2025 were £39.603m and are held to meet the Council's capital financing and cash flow requirements while obtaining a return on these investments. The Council also uses short-term borrowing from other local authorities to meet some of the funding of the Council's ambitious capital programme. As at 31 March 2025 the Council held £232.894m short-term borrowing and £477.91m long-term borrowing which is within the Council's approved limits.

Balance Sheet Position

The Council's Balance Sheet position is as follows:

Position	Balance as at 31 March 2023	Balance as at 31 March 2024
	£000	£000
Non-current assets - principally land, buildings and equipment used to deliver council services	1,438,840	1,500,795
Net current assets - current assets less current liabilities	(250,185)	(370,893)
Long-term liabilities and provisions (including pensions) see points 1 and 2	(712,785)	(694,704)
Net Assets	475,870	435,198
Represented by:		
Usable reserves (see point 3)	74,525	54,261
Unusable reserves	401,345	380,937
Total Reserves	475,870	435,198

- Property, Plant and Equipment has increased by £61.341m due to valuation changes, additions and the impact of International Financial Reporting Standard 16 (IFRS 16) which has increased the value by £5.437k.
- The Council's largest balance sheet liability is the £477.911m (£497.676m in 2023/24) of long-term borrowing which supports the capital programme
- The pension liability of £67.543 (£64.372m in 2023/24) remains largely unchanged year on year with a small increase
- The Council has a number of liabilities at the year-end for which it has made provision. The most significant of which are
 - The provision for Chelson Meadow which is a closed landfill site. The provision of £5.870m has been calculated on the future maintenance costs over the next 42 years and is reviewed each year
 - In addition, the Council has set aside a provision for business rate appeals of £3.293m due to the uncertainty over business rates (£4.747m at 31 March 2024). This has reduced due to the settlement of some large outstanding appeals in 2024/25.
- Usable reserves are currently split between those earmarked for capital investment and those allocated to revenue support and service development. Usable reserves also include £2.696m held on behalf of schools
- The Council holds a number of unusable reserves, the majority of which are required to be held for statutory reasons and some which are needed to comply with proper accounting practice. A further breakdown of unusable reserves can be found in the [Notes to the Financial Statements](#) section of the Statement of Accounts.

FINANCIAL MANAGEMENT AND IDENTIFYING RISKS

The Finance Service provides a high-quality financial management service for the Council. In addition to the statutory reporting function for the Statement of Accounts, a key task is financial planning over a five-year medium-term timescale. Alongside budget preparation, the ability to look strategically beyond the current budget period is crucial to supporting the Council's long-term financial sustainability and resilience. The approved budget for 2025/26 builds on the prudent approach and robust financial management exercised in 2024/25 and prior years to preserve and protect the Council's future financial

resilience and sustainability at a time of increasing cost pressures, uncertainty over future funding arrangements and planned reorganisation of the local government framework.

The Council approves a number of key documents before the start of each financial year:

- a five-year Medium Term Financial Plan (MTFP)
- a Treasury Management Strategy which includes our investment and borrowing strategies and includes the Council's 'Prudential indicators'
- Annual Revenue and Capital Budget.

These documents are continually updated and reviewed on a quarterly basis. The MTFP is wide ranging and includes estimates of future income and expenditure. It allows the Finance team to balance the financial implications of the Council's Corporate Plan, service objectives and policies with the constraints in resources.

Risk Management

The Council has a Strategic Risk and Opportunity Register and there are clear and consistent processes for identifying, assessing, managing, controlling, reviewing and reporting risks. These are subject to regular review and update. Some of the strategic risks which have been rated as high risk are shown as follows:

Risk	Link to Corporate Plan	Impact	Mitigation
Financial			
The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan period (2025/26-2029/30).	Spending Money Wisely	Risk to services not delivering within reduced budgets and to delivery of the Plymouth Plan from reduced revenue and funding of the Capital Programme	System of monthly financial reporting to DMT's, CMT, and Cabinet and Quarterly to Full Council, with monthly consideration of directorate level financial issues at each Scrutiny Committee. In addition the Council has introduced a system of detailed monitoring of the delivery of savings targets so that a view is published monthly in Cabinet reports. The Council also holds an annual review of fees and charges and has annual and ongoing programmes of work to identify and understand potential savings opportunities. The governance system of the Council - as unpacked in the Annual Governance Statement comprise a rigorous system of financial control.
The escalating and sustained strain on the Adult Social Care budget, driven by rising care costs, hospital flow challenges, and a growing population with complex needs, poses a risk of failing to meet statutory service obligations.	Providing quality public services; Focusing on prevention and early intervention; Spending money wisely	Council failure to meet statutory duty to the adult population of Plymouth	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 skills 1-2 year mitigations Dom Care zoning approach included in procurement aimed to increase efficiency and reduce waste and intermediate care growth to include front door.

Risk	Link to Corporate Plan	Impact	Mitigation
Operational/Service Delivery			
Inability to maintain sustainable, effective, and statutorily compliant social care services across both adults and children's services due to increasing demand, financial constraints, and complex legislative changes.	Focusing on prevention and early intervention	Council failure to meet statutory duty to the adult population of Plymouth	Development of integrated transformation approach across both service areas, supported by the People Strategy, Focus on early intervention and prevention, Collaborative commissioning with health partners, Care zoning approach in adult services, Regular review by Corporate Management Team.
Cyber			
Risk of critical service failure due to inadequate digital resilience, cyber security and systematic risk management processes. This includes cyber attacks, system failures, data breaches, and information management weaknesses. CAF assessment identified lack of risk ownership, consistent risk appetite statement, and systematic risk management process for cyber security.	Focusing on prevention and early intervention	Impact on Council's ability to provide services and to operate	Implement clearly defined risk ownership model for IT risks Develop consistent Risk Appetite statement specific to IT and Cyber Security Enhance cyber security monitoring and response capabilities Implement Network and Information Security regulations requirements Regular system resilience testing Data management improvements Staff information security training Strong and tested business continuity plans

LOOKING FORWARD

The Budget report presented to Full Council on 24 February 2025 set out the national context for large reductions in local government funding and the Local Government Finance Settlement. The 2025/26 Budget as set out cannot balance without the Capitalisation Direction, known as Exceptional Financial Support, requested from MHCLG. The receipt of an 'In Principle' letter has provided assurance to the Section 151 Officer that the budget can proceed. The Budget Report also contained an updated Medium Term Financial Plan (MTFP) for 2025/26 to 2029/30, this will be reviewed regularly reflecting the Council's financial response to ongoing inflation and demand pressures.

The impact of pressures within Social Care in both adults' and children's services continues to have a significant impact upon the Council's resources. We are also seeing an increase in the demand or cost pressures in both homelessness and bed and breakfast accommodation or in delivering our statutory responsibility to provide home to school transport for our most vulnerable children. Nationally and locally the costs of providing health and wellbeing services are rising as demand increases. Plymouth has an ageing population with more complex needs and higher levels of young children requiring our services.

To balance the budget there will be a continuing need for transformation, efficiencies and other financial initiatives for the foreseeable future.

STATEMENT OF ACCOUNTS 2024/25

The Statement of Accounts sets out the Council's income and expenditure for the year and its financial position as at 31 March 2025. The format and content of the statements is prescribed by the Chartered Institute of Public Finance and Accountancy (CIPFA), Code of Practice on Local Authority Accounting in the United Kingdom 2024/25. This is based on International Financial Reporting Standards (IFRS) adapted for use in a public sector context. Accounting policies are applied in accordance with these standards. The Statement of Accounts comprises:

Statement of Responsibilities for the Statement of Accounts	This sets out the respective responsibilities of the Council and the Chief Finance Officer (Service Director for Finance).
Auditor's Report	This gives the auditor's opinion of the financial statements and of the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.
Core Financial Statements:	
Comprehensive Income and Expenditure Statement (CIES)	This shows the net cost of providing services for the year, including that for Plymouth's maintained schools. The top half of the statement provides an analysis by service area, on the same basis that these services are managed by the Council. The bottom half of the statement deals with in accordance with generally accepted accounting practices. The Expenditure Funding Analysis (note 7) compares the CIES with levels of income and expenditure which are taken into account when setting the annual budget and council tax since certain amounts are disregarded by statute.
Balance Sheet	The Balance Sheet shows a 'snapshot' of the Council's financial position at year end. The top half of the Balance Sheet sets out the Council's assets and liabilities, including provision for known liabilities from past events that can be reliably estimated. The lower half of the Balance Sheet shows the Council's reserves. Usable reserves reflect actual cash amounts and unusable reserves result from accounting adjustments required by statute or accounting standards and cannot be spent.
Movement in Reserves Statement (MIRS)	This shows the movements in reserves during the year, analysed into the different funds held by the Council and classified as either 'usable' reserves which can be used to fund future expenditure or 'unusable' reserves which are maintained to meet specific statutory responsibilities and adjustments (for example valuation reserves showing the change in book value of assets and liabilities).
Cash Flow Statement	This financial statement shows how changes in balance sheet accounts and income affect cash and cash equivalents. It breaks the analysis down to operating activities, investing activities (including capital spend and disposals) and financing activities (such as repayment of borrowing and other long-term activities).
Supplementary Statements and Notes:	
Collection Fund	This account demonstrates how income raised from local taxpayers has been redistributed to the Council and other precepting authorities for the provision of services.
Statement of Accounting Policies	Sets out the accounting policies that have been followed in preparing the accounts and how the Code requirements have been met in practice.
Disclosure Notes	These provide more detail about individual transactions and balances.

ANNUAL GOVERNANCE STATEMENT

The Code also sets out the statutory requirement, under the Accounts and Audit (England) Regulations 2015, for every local authority to conduct a review, at least once a year, of the effectiveness of its system of internal control and to include a statement reporting on the review with the Statement of Accounts. This review takes the form of the Annual Governance Statement (AGS).

The AGS will be reported to and approved by the Audit Committee on the 22 July 2025. This can then be found on the Council's website.

CONCLUSION

The formal audit of the Draft Statement of Accounts will commence as soon as is practicably possible and in line with our statutory duty the accounts will be made available for scrutiny by interested members of the public from 1 July to 11 August 2025.

Following any adjustments, as a result of the audit and/or post balance sheet events, we will present the final Statement of Accounts to the Audit and Governance Committee and following formal sign off, will endeavour to publish them on the Council website soon after.

Local Audit and Accountability Act 2014 and Accounts and Audit (England) Regulations 2015:

- a) Any person interested may inspect and make copies of the accounts to be audited
- b) A local government elector for the area may question the auditor about the accounts and object to any items of unlawful expenditure, loss due to wilful default, failure to bring a sum of income into account, or any other matter of public interest. Persons wishing to question the auditor should do so by prior arrangements by contacting 020 7728 3180
- c) If any elector intends to object they must give the auditor prior written notice of any objection and its grounds and send a copy of the notice to the City Council.

The Council's Service Director for Finance (Section 151 Officer) is required to sign the final accounts by a statutory deadline of 30 June 2025 or to issue a public notice stating why this has not been possible.

Further information is available:

- on the Council's website
- from Corporate Accountancy Team, Ballard House West Hoe Road, Plymouth PL1 3BJ, email corporateaccountancy@plymouth.gov.uk.

Ian Trisk-Grove

Service Director for Finance and Section 151 Officer

Ballard House
West Hoe Road
Plymouth
PL1 3BJ

Dated: 30 June 2025

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Service Director for Finance
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the Statement of Accounts.

The Service Director for Finance (Section 151 Officer) Responsibilities

The Service Director for Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Service Director for Finance has:

- selected suitable accounting policies and then applied them consistently
- made judgments and estimates that were reasonable and prudent
- complied with the Local Authority Code.

The Service Director for Finance has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

In signing these accounts, the Service Director for Finance confirms that these statements give a 'true and fair' view of the financial position of the Council as at 31 March 2025 and of its expenditure and income for the year ended 31 March 2025.

Ian Trisk-Grove

Service Director for Finance and Section 151 Officer

Ballard House
West Hoe Road
Plymouth
PL1 3BJ

Dated: 30 June 2025

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with statutory regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

2023/24 Gross Expenditure	2023/24 Gross Income	2023/24 Net Expenditure		Note	2024/25 Gross Expenditure	2024/25 Gross Income	2024/25 Net Expenditure
£000	£000	£000			£000	£000	£000
167,651	(66,783)	100,868	Adults Health and Communities		177,806	(64,504)	113,302
105,782	(64,634)	41,148	Customer and Corporate Services		113,796	(68,509)	45,287
7,080	(599)	6,481	Executives Office		8,352	(1,753)	6,599
186,782	(104,098)	82,684	Children's Services		219,861	(116,021)	103,840
9,467	(44,934)	(35,467)	Corporate Items & Council Wide		26,262	(63,521)	(37,259)
31,130	(25,775)	5,355	Office for the Director of Public Health		35,522	(28,449)	7,073
86,717	(54,978)	31,739	Growth		140,144	(68,377)	71,767
594,609	(361,801)	232,808	(Surplus)/Deficit on Continuing Operations		721,743	(411,134)	310,609
19,064	(1,367)	17,697	Other Operating Expenditure	11	5,778	(4,826)	952
57,829	(33,266)	24,563	Financing and Investment Income and Expenditure	13	62,859	(45,371)	17,488
0	(295,379)	(295,379)	Taxation and Non-Specific Grant Income	14	0	(237,632)	(237,632)
671,502	(691,813)	(20,311)	(Surplus)/Deficit on Provision of Services		790,380	(698,963)	91,417
		(35,505)	(Surplus)/deficit on Revaluation of Non-Current Assets	22.1			(54,735)
		43,272	Re-measurement of the Net Defined Benefit Liability (Assets)	22.4			4,252
		(56)	Other recognised (gains)/losses				(263)
		7,711	Other Comprehensive Income and Expenditure				(50,746)
		(12,600)	Total Comprehensive Income and Expenditure				40,671

MOVEMENT IN RESERVES STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the year. The Net Increase/(Decrease) line shows the statutory General Fund Balance movements in the year following those adjustments.

Movement in Reserves Statement	Note	General Fund Balance	Earmarked General Fund	Total General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
		£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023		(60,138)	76,414	16,276	17,207	38,687	72,170	391,099	463,269
Movement in Reserves 2023/24									
Total comprehensive income and expenditure		20,311	0	20,311	0	0	20,311	(7,711)	12,600
Adjustments between accounting basis and funding under regulations	10	(16,256)	0	(16,256)	(2,868)	1,168	(17,956)	17,956	0
Net Increase/(Decrease) Before Transfer to Earmarked Reserves		4,055	0	4,055	(2,868)	1,168	2,355	10,245	12,600
Transfer (to)/from reserves	12	(4,055)	4,055	0	0	0	0	0	0
Net Increase/(Decrease) in 2023/24		0	4,055	4,055	(2,868)	1,168	2,355	10,245	12,600
Balance at 31 March 2024		(60,138)	80,469	20,331	14,339	39,855	74,525	401,345	475,870
Movement in Reserves 2024/25									
Total comprehensive income and expenditure		(91,417)	0	(91,417)	0	0	(91,417)	50,746	(40,671)
Adjustments between accounting basis and funding under regulations	10	71,732	0	71,732	1,453	(2,032)	71,155	(71,155)	0
Net Increase/(Decrease) Before Transfer to Earmarked Reserves		(19,685)	0	(19,685)	1,453	(2,032)	(20,262)	(20,409)	(40,671)
Transfer (to)/from reserves	12	19,685	(19,685)	0	0	0	0	0	0
Net Increase/(Decrease) in 2024/25		0	(19,685)	(19,685)	1,453	(2,032)	(20,263)	(20,409)	(40,671)
Balance at 31 March 2025		(60,138)	60,784	646	15,792	37,823	54,261	380,937	435,198

BALANCE SHEET

The Balance Sheet shows the value of the assets and liabilities recognised by the Council as at the Balance Sheet date. The net assets of the Council are matched by the reserves held. Usable reserves 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). Unusable reserves are those that the Council is not able to use to provide services, including reserves that hold unrealised gains and losses (for example the Revaluation Reserve), and reserves that hold timing differences shown in the Movement in Reserve Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024		Note	31 March 2025
£000			£000
1,072,298	Property, Plant and Equipment	15	1,133,639
51,236	Heritage Assets	16	51,236
223,724	Investment Properties	17	219,473
0	Intangible Assets		485
81,333	Long-Term Investments	18.1	84,368
10,249	Long-Term Debtors	19.2	11,594
1,438,840	Non-Current Assets		1,500,795
971	Inventories		980
109,380	Short-Term Debtors	19.1	96,490
26,998	Cash and Cash Equivalents	23.4	39,603
2,803	Assets Held for Sale		2,315
140,152	Currents Assets		139,388
(166,385)	Short-Term Borrowing	18.1	(232,894)
(115,396)	Short-Term Creditors	20.1	(121,618)
(6,626)	Short-Term Provisions	21	(5,060)
(9,830)	Grants Received in Advance - Revenue	29.2	(8,593)
(92,100)	Grants Received in Advance - Capital	29.3	(142,116)
(390,337)	Current Liabilities		(510,281)
(9,376)	Long-Term Creditors	20.2	(8,246)
(9,388)	Long-Term Provisions	21	(8,951)
(497,676)	Long-Term Borrowing	18.1	(477,911)
(64,372)	Long-Term Liabilities Pensions	34.3 & 34.9	(67,543)
(103,561)	Other Long-Term Liabilities	20.3	(92,828)
(28,412)	Grants Received in Advance - Capital	29.3	(39,225)
(712,785)	Long-Term Liabilities		(694,704)
475,870	Net Assets		435,198
74,525	Usable Reserves		54,261
401,345	Unusable Reserves	22	380,937
475,870	Total Reserves		435,198

The unaudited accounts were issued on 30 June 2025.

Ian Trisk-Grove, Service Director for Finance and Section 151 Officer – 30 June 2025

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income, or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (that is borrowing) to the Council.

2023/24		Note	2024/25
£000			£000
20,311	Net Surplus/(Deficit) on the Provision of Service	23.1	(91,417)
(18,426)	Adjustment to the Net Surplus/(Deficit) on the Provision of Service for non-cash movements	23.1	14,090
(81,401)	Adjustments for items included in the Net Surplus/(Deficit) on the Provision of Service that are investing and financing activities	23.1	(22,931)
(79,516)	Net Cash Flows from Operating Activities		(100,258)
(31,812)	Investing activities	23.2	61,777
108,144	Financing activities	23.3	51,086
(3,184)	Net Increase/(Decrease) in Cash and Cash Equivalents		12,605
30,182	Cash and cash equivalents at the beginning of the reporting period	23.4	26,998
26,998	Cash and Cash Equivalents at the End of the Reporting Period		39,603

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I Accounting Policies

I.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year ended 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 (as amended), which require the accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (The Code), supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historic cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

These Accounts have been prepared on a going concern basis and it has been assumed that the functions of the Council will continue in operational existence for the foreseeable future. The Code requires that local authorities prepare their accounts on a going concern basis as they can only be discontinued under statutory prescription and there is no notice from Government to that effect.

I.2 Accruals of Income and Expenditure

Activity is accounted for in the year it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract
- Supplies and services are recorded as expenditure when they are consumed or received. Where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the balance sheet
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when the payments are made
- Interest payable on borrowings and receivable on investments is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by contract
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

I.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 90 days or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the cash flow statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash management.

1.4 Exceptional Items

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the CIES or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

1.5 Benefit Payments

Benefit payments are accounted for as they are incurred with no accrual being made for payments in advance or arrears at the year-end. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.

1.6 Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices, where the change provides more reliable or relevant information about the effect of transactions or other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

1.7 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The Council is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue, called the Minimum Revenue Provision (MRP), towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP contribution in the General Fund balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.8 Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting Council Tax and Non-Domestic Rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting Council Tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of Council Tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central

government share proportionately the risks and rewards that the amount of Council Tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

The Council Tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement (MiRS).

The Balance Sheet includes the Council's share of the end of year balances in respect of Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made (fixed or determinable payments), the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.9 Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave, paid sick leave, flexi and time off in lieu (TOIL) as well as bonuses and non-monetary benefits (for example cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council.

Termination Benefits

Termination benefits (for example redundancy payments) are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service, or where applicable the Corporate Service line in the CIES at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises the cost of restructuring.

Post-Employment Benefits (Pensions)

Employees of the Council are members of two separate pension schemes:

- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)
- The Local Government Pension Scheme, administered by Devon County Council.

Both schemes provide defined benefits to members (retirement lump sums and pensions) earned whilst employees worked for the Council.

Teachers' Pension Scheme

The arrangements for the teachers' scheme mean that liabilities for these benefits cannot ordinarily be identified specifically to the Council. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet. The Children's Services line in the CIES is charged with the employer's contributions payable to Teachers' Pensions in the year.

However, the Council is able to supplement teachers' statutory retirement benefits with locally determined decisions (discretionary payments). The future liability for such decisions is a true cost to

the Council and is assessed annually by the Actuary and included within the total pension liability on the Balance Sheet.

The Local Government Pension Scheme

All Council employees (with the exception of teachers) are eligible to join the Local Government Pension Scheme (LGPS). The Local Government Scheme is accounted for as a defined benefits scheme.

The liabilities of the Devon Pension Scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of future earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 5.8%.

The assets of the Devon Pension Fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price
- unquoted securities – professional estimate
- unitised securities – current bid price
- property – market value.

The change in the net pension liability is analysed into the following components:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked
- Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the provision of Services in the CIES as part of corporate items
- Net interest on the net defined liability/(asset) i.e. net interest expense for the Council – the change during the period on the net defined liability/(asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the CIES Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability/(asset) during the period as a result of contribution and benefit payments
- Re-measurement of the return on plan assets – excluding amounts included in the net interest on the net defined liability/(asset)- charged to the pension reserve as Other Comprehensive Income and Expenditure
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to Pensions Reserve as Other Comprehensive Income and Expenditure
- Contributions paid to the Devon County Pension Fund – cash paid as employer's contributions to the Pension Fund in settlement of liabilities; not accounted for as an expense
- Effect of the asset ceiling – the limitation on the Council's ability to realise pension assets through reductions in future employer's contributions as result of minimum funding requirements.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Council to the Pension Fund or directly to pensioners in the year, not

the amount calculated according to the relevant accounting standards. In the MIRS this means that there are appropriations to and from the Pensions Reserve to remove notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff, including teachers as outlined above, are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.10 Events After the Balance Sheet Date

Events after the Balance Sheet date are those events that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.11 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and are carried at their amortised cost. Annual charges to the financing and investment income and expenditure line in the comprehensive income and expenditure statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Non-derivative financial liabilities are subsequently measured at amortised cost.

For most of the borrowings that the Council has, this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the general fund balance to be spread over future years. The Council has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund balance is managed by a transfer to or from the financial instrument adjustment account in the Movement in Reserves Statement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL).

The Council's business model is to hold investments to collect contractual cash flows. Non-derivative financial assets are therefore classified as amortised cost, except for those whose contractual payments are not solely payment of principal and interest (i.e. where the cash flows do not take the form of a basic debt instrument).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains or losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit and Loss

Financial assets that are measured at FVPL are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

Fair Value Measurement of Financial Assets

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the Council's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date

- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement.

Financial Derivatives

Financial derivatives are measured at FVPL and therefore all gains and losses are taken to the Financing and Investment Income and Expenditure line in the CIES.

1.12 Revenue Recognition

With the adoption of accounting standard IFRS 15, revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients it is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.

Revenue is measured as the amount of the transaction price which is allocated to that performance obligation. Where the Council is acting as an agent of another organisation the amounts collected for that organisation are excluded from revenue.

The analysis carried out to date indicates that there will be no material impact on the revenue recognised in relation to the significant contracts entered into by the Council. A review will take place each year to identify whether any disclosure is necessary.

1.13 Government Grants and Contributions

Whether paid on account, by instalments, or in arrears, government grants and third party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

- the Council will comply with the conditions attached to the payments
- the grants or contributions will be received.

Amounts recognised as due to the Council are not credited to the CIES until the conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as stated, or future economic benefits or service potential must be returned to the transferor (grant provider).

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MiRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.14 Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities

undertaken by the Council in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Council as a joint operator recognises:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its revenue from the sale of its share of the output arising from the joint operation
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

1.15 Interests in Companies and Other Entities

An assessment of the Council's interests has been carried out during the year in accordance with the Code of Practice to determine the group relationships that exist. Inclusion in the group is dependent upon the extent of the Council's control over an entity. The Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Council does have a number of interests in companies and other entities, none of which would be material on consolidation due to the elimination of group transactions. Thus the production of group accounts is not required for these interests.

1.16 Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods.

Investment properties are measured initially at cost and subsequently at fair value, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Properties are not depreciated but are revalued annually according to market conditions at year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the CIES. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the general fund balance in the MIRS and posted to the capital adjustment account and the capital receipts reserve.

1.17 Heritage Assets

The Box is responsible for over 800,000 artefacts and a proportion of the collections have been held on display in the museum, council buildings and other historic sites. These collections span a wide range of fine and decorative art, archaeology, world cultures, social and natural history and local and maritime history. These are held in support of the primary objective of the Council to ensure that these objects are preserved in trust for future generations because of their cultural, environmental or historical associations.

The Council classifies its Heritage Assets into five main categories – historic buildings and monuments, fine art and world cultures collections, gold, silver and jewellery, special books and natural history, decorative art and other miscellany collections which are being formally recognised on the balance Sheet on the basis of their insurance valuation.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on Property, Plant and Equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets, detailed as follows.

Where a historic building is being used significantly for the provision of services (for example Mount Edgcombe House or The Box) this will be recognised as Other Land and Buildings rather than as a Heritage Asset.

The Council's collections are accounted for as follows:

- **Historic Buildings and Monuments**

Historic buildings and monuments classified as Heritage Assets include Smeaton's Tower.

The list is relatively static and acquisitions and donations are rare. Where they do occur acquisitions would be initially recognised at cost and donations would be recognised at insurance value which is based on market values.

As these are deemed to have an indefinite life, the Council does not consider it appropriate to charge depreciation.

- **Fine Art and World Cultures Collection**

The Council has a large and important fine art collection comprising paintings, watercolours, drawings, prints, miniatures and sculptures. Highlights include the outstanding Cottonian Collection and works by local artists such as Sir Joshua Reynolds, and this represents the largest fine arts collection in the south west. The world cultures collection consists of objects collected from foreign countries spanning the globe.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at insurance values, usually based on valuations provided by external valuers and with reference to appropriate commercial markets using the most relevant information from sales at auction.

As these items are deemed to have an indefinite life, the Council does not consider it appropriate to charge depreciation.

- **Gold, Silver and Jewellery Collection**

The collection of gold, silver and jewellery includes local pieces dating from the 18th to 20th century and is representative of the thriving local community. Key pieces in the collection include the Eddystone Lighthouse Salt and the Drake Cup.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at insurance values, usually based on valuations provided by external valuers and with reference to appropriate commercial markets using the most relevant information from sales at auction.

- **Special Books Collection**

The Libraries Service maintains a collection of special books including The Ptolemy Atlas, Naval Collection and Moxon Collection.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at insurance values, usually based on valuations provided by external valuers and with reference to appropriate commercial markets using the most relevant information from sales at auction.

- **Natural History, Decorative Art and other Miscellany Collections**

This collection is made up of a wide range of Archaeological, social and maritime, imagery and natural history collections.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at insurance values, usually based on valuations provided by external valuers and with reference to appropriate commercial markets using the most relevant information from sales at auction.

The Council's policy for the acquisition, preservation and management of museum assets can be found on The Box website.

The carrying amount of Heritage Assets are reviewed on a regular basis to assess whether there has been any evidence of impairment caused by physical deterioration or breakage, or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairments – see note [1.20](#) in this summary of significant accounting policies. If there is any occasion where a Heritage Asset is disposed of, the proceeds of such items are accounted for in accordance with the Council's general provisions for the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the Notes to the Financial Statements (see note [15.4](#)) and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts – see note [1.20](#) in this summary of significant accounting policies.

1.18 Assets Held for Sale

When it becomes probable that the value of an asset will be recovered principally through a sale rather than through its continuing use, and the asset is being actively marketed, it is reclassified as an Asset Held for Sale. The asset is revalued and held at the lower of this amount and fair value less costs to sell. Depreciation is not charged on Assets Held for Sale.

Assets that are no longer used for operational purposes but are not actively being marketed are revalued and reclassified as surplus but still retained within Property, Plant and Equipment and transferred to Assets Held for Sale only when a decision is made to actively market the asset.

1.19 Leases

The Authority as Lessee

From 1 April 2024, the authority has applied IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial Measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, included in-substance fixed payments

- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent Measurement

The right-of-use asset is subsequently measured using the fair value model. The authority considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate for the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recording in the income statement.

Low Value and Short Lease Exemption

As permitted by the Code, the authority excludes leases:

- for low-value items that cost less than £10,000 for land and property and £5,000 for vehicle, plant and equipment. when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise).

Lease Expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Council as the Lessor (Assets Leased Out)

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the (Surplus)/Deficit on Continuing Operations in the CIES. Credits are made on a straight-line basis over the life of the lease.

1.20 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as Property, Plant and Equipment.

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The Council operates a policy of assets capitalisation (including donated assets) with a minimum asset value of £10,000 for land and property and £5,000 for vehicle, plant and equipment. However, there is no minimum level applied for capital spend incurred by individual schools financed from capital grants.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Council does not capitalise borrowing costs incurred whilst assets are under construction.

Assets are then carried in the Balance Sheet using the following measurement basis:

- infrastructure and community assets – depreciated historical cost

- assets under construction – historical cost
- surplus assets – fair value
- the Tamar Toll Bridge - depreciated replacement cost
- all other assets – current value in their existing use.

Where there is no market based evidence of fair value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of fair value.

Assets that Local Authorities intend to hold in perpetuity and have no determinable useful life and may have restrictions in their disposal are classified as community assets, and in this instance are generally valued at a nominal £1.

Assets included in the Balance Sheet at current or fair value are revalued regularly and are reviewed at the year-end to ensure that their carrying amount is not materially different from their fair value.

Impairment

Assets are assessed at each year-end to determine whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets revalued as part of the 5 year rolling programme by the systematic allocation of their remaining depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life such as freehold land and certain Community Assets, and assets that are not yet available for use (i.e. assets under construction). Depreciation is calculated on a straight line basis over the useful life of the asset as determined by the valuer. Depreciation is charged to the CIES based on values as at the start of the year. No depreciation is applied in year of acquisition or construction. The depreciation periods currently used are:

Operational Buildings:

Car parks	5 to 50 years
Schools	5 to 50 years
Other buildings	5 to 60 years
Tamar Bridge	120 years
Infrastructure	20 to 40 years
Vehicles and Plant	5 to 25 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Componentisation

The Council's componentisation policy is as follows:

▪ Materiality Level

Assets with a building value of £2.5m or above are considered for componentisation on an individual asset basis. Consideration is also given to groups of similar assets that individually are below the materiality level for componentisation but may collectively be material.

▪ Significance

Components with a value of 20% or above of the overall asset value are significant components.

In terms of schools, components are defined as separate school blocks or buildings and componentisation applied where the values meet the 20% criteria.

- **Different Asset Life**

The difference in life between the host asset and the component must be over 5 years for componentisation to be recorded.

Disposals and Non-Current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued at year-end before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

If assets no longer meet the criteria to be classified as assets held for sale, they are reclassified back to non-current assets and revalued at year-end. Any subsequent move in value up or down will be treated in the same way as any other asset revaluation.

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and are required to be credited to the Capital Receipts Reserve. Capital receipts can then only be used for:

- new capital investment
- set aside to reduce the Council's underlying need to borrow (the Capital Financing Requirement).

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund balance in the Movement in Reserves Statement.

Highways Infrastructure Assets

Highways infrastructure assets include carriageways, footways and cycle tracks, structures (for example bridges), street lighting, street furniture (for example illuminated traffic signals, bollards), traffic management systems and land which together form a single integrated network.

- **Recognition**

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably.

- **Measurement**

Highways infrastructure assets are generally measured at depreciated historical cost. Plymouth City Council was incorporated as a unitary authority on the 1 April 1998 and the highways infrastructure assets was transferred from Devon County Council and recognised in the Balance Sheet at nil value. This means that the current highways infrastructure asset value only represents capital expenditure that has incurred since that time. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

- **Depreciation**

Depreciation is provided on the parts of the highways infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis. Annual depreciation is the depreciation amount allocated each year.

- **Disposals and Derecognition**

When a component of the highways infrastructure asset is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). The written-off amounts of disposals are not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

1.21 Private Finance Initiative (PFI) and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the Property, Plant and Equipment needed to provide the services passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes, and as ownership of the Property, Plant and Equipment will pass to the Council at the end of the contracts for no additional charge, the Council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The Council's original recognition of PFI assets are based on the cost of construction or purchase cost of the property and is balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as Property, Plant and Equipment owned by the Council.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year
- finance costs – an interest charge on the outstanding Balance Sheet liability
- contingent rent – increases in the amount to be paid for the property arising during the contract
- payment towards finance liability – applied to write down the Balance Sheet liability towards the PFI operator

- lifecycle costs – costs to maintain assets used to operationally acceptable standard.

Schools PFI Credits

The Council receives a grant towards the cost of the PFI scheme. The grant is allocated to meet the finance costs in the first instance. The amount required to meet the finance lease liability, interest and contingent rent charge is allocated to the Taxation and Non-Specific grant income in the CIES. The remaining grant is treated as a specific grant and included within the Children's Services line.

Government grants received for PFI schemes, in excess of current levels of net expenditure, are carried forward as an earmarked reserve to fund future contract expenditure.

South West Devon Energy from Waste (EfW) PFI

For the Energy from Waste Scheme there is the additional element of deferred credit from the write down of the long-term liability for the expected third party income received during the year.

1.22 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Council an obligation that probably requires settlement by a transfer of economic benefits, usually a cash payment, or service potential, and a reliable estimate of the amount of the obligation can be made, but where the timing of the transfer is uncertain.

Provisions are charged to the appropriate service in the year that the Council becomes aware of its obligation. It can only be used for the purpose for which it was established.

Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (for example from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in note [35.2](#).

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts, note [35.1](#), where it is probable that there will be an inflow of economic benefits or service potential.

I.23 Reserves

The Council maintains a number of reserves which may be required for statutory purposes or set up voluntarily to earmark resources for future spending plans or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the MiRS.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the MiRS so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the authority – these reserves are explained in the relevant policies.

I.24 Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the MiRS from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of Council Tax.

I.25 Accounting for Schools

The Code of Practice on Local Authority Accounting in the United Kingdom confirms that the balance of control for Local Authority maintained schools lies with the Local Authority. The Code also stipulates that those schools' assets, liabilities, reserves and cash flows are recognised in the Local Authority financial statements. Therefore, schools' transactions, cash flows and balances are recognised in each of the financial statements of the Council as if they were the transactions, cash flows and balances of the Council. The Council has the following types of maintained schools under its control:

- community
- voluntary controlled.

School non-current assets are recognised on the Balance Sheet where the Council directly owns the assets or where the school or the school governing body own the assets but the Council is deemed to exercise control.

When a maintained school converts to an Academy, Voluntary Aided or Foundation Trust/Foundation; the school's non-current assets held on the Council's Balance Sheet are treated as a disposal. The carrying value of the asset is written off to Financing and Investment Income and Expenditure in the CIES. Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

The written off asset value is not a charge against the General Fund, as the cost of non-current asset disposals resulting from schools transferring to Academy status is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

The income and expenditure is included within the Children's directorate in the CIES. The reserves are included in the Education Reserve balance, which forms part of the Council's Useable reserves.

I.26 Value Added Tax

Value Added Tax payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income.

I.27 Fair Value Measurement of Non-Financial Assets

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be receivable to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Council measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

When measuring the fair value of a non-financial asset, the Council takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows:

Level 1 – Quoted Prices (Unadjusted)

There is no active market for assets that the council can access at the measurement date, therefore, there will not be any non-financial assets valued in this way.

Level 2 – Significant Observable Inputs

The Current Value (Fair Value) for the surplus and investment property portfolio has been based on the market approach using comparable evidence from recent property transactions in the Plymouth area and by analysing other relevant information. Market Conditions are such that similar properties are actively purchased and sold with the level of observable inputs significant. This has led to the properties being categorised at Level 2 in the fair value hierarchy.

In relation to the housing sites, each of the housing sites have been marketed on the open market by Plymouth City Council, with offers received subject to various conditions (including but not limited to planning or category of those specifications). These offers have been adjusted accordingly to reflect the individual conditions.

Level 3 – Significant Unobservable Inputs

Assets categorised at Level 3 in the fair value hierarchy have been assessed where there is a significant level of unobservable inputs. Where there is no reasonably available market evidence available in the Plymouth area to determine the Current Value (Fair Value) the Valuer will use considered assumptions such as the potential yields, rental growth and occupancy levels.

Highest and Best Use

In estimating the fair value of the Council's surplus and investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

There has been no change in the valuation techniques used during the year for surplus and investment properties.

1.28 Rounding Convention

Unless otherwise stated the convention used in these Financial Statements is to round amounts to the nearest thousand pounds. All totals are the rounded additions of unrounded figures, and therefore may, from time-to-time, not be the strict sums of the figures presented in the text or tables.

2 Material Items of Income and Expenditure

This note identifies material items of income and expenditure that are not disclosed on the face of the Comprehensive Income and Expenditure Statement.

The Council took the decision to make an early payment of £72m towards the Devon LGPS pension deficit. This was made to generate ongoing revenue savings over 21 years. In the draft accounts this transaction was treated as capital. However, following extensive third party legal and accounting advice and discussion with our auditors, we have now accounted for the transaction as a revenue transaction. The revenue treatment of this transaction means that the Council's income for 2019/20 through to 2024/25 was insufficient to meet its expenditure. Due to this change in accounting treatment it has been necessary for the Council to request a retrospective Capitalisation Direction from Government.

3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Statement of Accounts is:

Tamar Bridge Valuation – Departure from the Code of Practice

The Tamar Bridge is a toll bridge that is jointly owned by Cornwall Council and Plymouth City Council. The Code of Practice on Local Authority Accounting requires infrastructure assets to be accounted for using depreciated historic cost, however both Councils use depreciated replacement cost (DRC) to value the asset. This is because the Tamar Bridge is an income generating asset and the income generated is used to maintain its upkeep. It is therefore treated as a separate class of asset and the reader of the Council's accounts might reasonably expect there to be a relationship between the income raised in tolls and the cost of maintaining and ultimately replacing the bridge. The current DRC value of the bridge is £83.084m, if the bridge was valued at its depreciated historic cost in line with other infrastructure assets the value would be £27.337m, so would therefore be misleading to use historic cost as a basis for valuation.

The Council has concluded that, taking account of the above, the financial statements present a true and fair view of the Council's financial position, financial performance and cash flows and has complied with the Code in all other respects.

Pension Asset Ceiling

In calculating the net pensions asset, the Council has made a judgement that the statutory framework for setting employer's contributions under the Local Government Pension Scheme constitutes a minimum funding requirement. As a result, the Council's ability to realise the full economic benefits of

the net pensions asset calculated under the Accounting Code's provisions for post-employment benefits through reductions in future employer's contributions is limited. An asset ceiling therefore applies.

The fact that the Council has a right under the current funding strategy for the Scheme to recover a surplus of £204.786m means that the asset ceiling has reduced what would otherwise be the net pensions asset of £183.564m to a liability of £61.218m.

The practical effect of this is to move the basis of measurement for the net pensions asset/liability closer to the assumptions made in the triennial valuation of the Scheme under which the employer's contributions were set by the Scheme's actuaries. It does not indicate that the Council has paid excess amounts into the Scheme that it will never be able to recover.

4 Accounting Standards that have been Issued but Not Yet Adopted

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom, these are:

- The effects of Changes in Foreign Exchange Rate (Amendments to IAS21) issued in August 2023
- Insurance Contracts (IFRS17) issued in May 2017
- Property, Plant and Equipment (adaptation and interpretation of IAS16)
- Intangible Assets (adaptation and interpretation of IAS38).

None of these amendments are expected to have a material impact on the Council's financial performance or financial position.

5 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

In preparing the Statement of Accounts, there are areas where estimates have been made. Estimates are made taking into account historical experience, current trends and other relevant factors. These include the amount of arrears that will not be collected (based on past experience of collection for the different types of debt); useful lives and valuations of properties which are estimated by qualified valuers (for further details see note [1.20](#)); and the liability for future pension payments, which carries the most significant risk of material adjustment.

Item	Uncertainties	Consequences (if actual results differ from assumptions)
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.</p> <p>Barnett Waddingham are the consultant actuaries for the pension scheme providing expert advice about the assumptions to be applied. Those assumptions are detailed in note 34 to the accounts. The carrying value of this long-term liability at the end of the reporting period was £61.218m.</p>	<p>The impact of a change in the actuarial assumptions will be to increase or decrease the net pension liability shown in the balance sheet and the cost shown in the CIES.</p> <p>The changes do not have an impact on the Council's General Fund position as the Council is not required to fund such non-cash charges from council tax receipts.</p>

Item	Uncertainties	Consequences (if actual results differ from assumptions)
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p> <p>Asset valuations are based on market prices, condition surveys and standards of professional practice set out by the Royal Institute of Chartered Surveyors (RICS) and a small proportion of assets are periodically re-valued using a 5-year rolling programme. The Council's valuers and external valuers provided valuations as at 31 March 2025 for approximately 80% of its operational portfolio in order to ensure that the Council does not materially misstate its Property, Plant and Equipment. The remaining balance of operational properties were also reviewed to ensure values reflect current values. The carrying value of this long-term asset at the end of the reporting period was £1,133.642m.</p>	<p>Any change in the valuation or useful life of an asset would affect the carrying value of the asset in the balance sheet and the charge for depreciation or impairment would impact on the CIES. If the value of the Council's operational properties reduced by 10%, this would result in a net reduction of £68.09m which would either result in a decrease to the Revaluation Reserve and/or a charge to the CIES.</p> <p>An increase in estimated valuations would result in increases to the Revaluation Reserve and/or reversals of previous negative revaluations to the CIES.</p> <p>The above changes do not have an impact on the Council's General Fund position as the Council is not required to fund such non-cash charges from Council Tax receipts.</p>

6 Events After the Balance Sheet Reporting Period

Events after the reporting period are those that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

There are two types of events:

- Those that provide evidence of conditions at the end of the reporting period, which are adjusted in the accounts
- Those that relate to conditions after the reporting period, which are not adjusted in the accounts and disclosed in the notes to the statements.

There are no material adjusting or non-adjusting events that have occurred after the reporting period.

7 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by Local Authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

2023/24 Directorate Total Reported for Outturn	2023/24 Adjustment to Arrive at the Net Expenditure Chargeable to the General Fund Balances	2023/24 Net Expenditure Chargeable to the General Fund Balances	2023/24 Adjustments Between the Funding and Accounting Basis	2023/24 Net Expenditure to the CIES		2024/25 Directorate Total Reported for Outturn	2024/25 Adjustment to Arrive at the Net Expenditure Chargeable to the General Fund Balances	2024/25 Net Expenditure Chargeable to the General Fund Balances	2024/25 Adjustments Between the Funding and Accounting Basis	2024/25 Net Expenditure to the CIES
£000	£000	£000	£000	£000		£000	£000	£000	£000	£000
99,517	(40)	99,477	1,391	100,868	Adults Health and Communities	111,161	0	111,161	2,141	113,302
37,402	0	37,402	3,746	41,148	Customer and Corporate Services	39,163	0	39,163	6,124	45,287
6,739	0	6,739	(258)	6,481	Executives Office	6,768	0	6,768	(169)	6,599
75,123	(1)	75,122	7,562	82,684	Children's Services	87,605	0	87,605	16,235	103,840
(32,018)	(2,173)	(34,191)	(1,276)	(35,467)	Corporate Items & Council Wide	(36,257)	(19,880)	(56,137)	18,878	(37,259)
2,802	39	2,841	2,514	5,355	Office for the Director of Public Health	2,703	0	2,703	4,370	7,073
28,875	(592)	28,283	3,456	31,739	Growth	30,479	(43)	30,436	41,331	71,767
218,440	(2,767)	215,673	17,135	232,808	Net Cost of Service	241,622	(19,923)	221,699	88,910	310,609
		(219,728)	(33,391)	(253,119)	Other Income and Expenditure			(202,014)	(17,178)	(219,192)
		(4,055)	(16,256)	(20,311)	(Surplus)/Deficit on Provision of Service			19,685	71,732	91,417
		(16,276)			Opening General Fund and Earmarked Balance at 31 March			(20,331)		
		(4,055)			(Surplus)/Deficit on General Fund and Earmarked Balance in Year			19,685		
		(20,331)			Closing General Fund Balance at 31 March			(646)		

8 Note to the Expenditure and Funding Analysis

Adjustments between funding and accounting basis:

Adjustments from General Fund to Arrive at the CIES Amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
2024/25	£000	£000	£000	£000
Adults Health and Communities	1,283	(632)	1,490	2,141
Customer and Corporate Services	8,103	(931)	(1,048)	6,124
Executives Office	23	(231)	39	(169)
Children's Services	3,592	(2,156)	14,799	16,235
Corporate Items & Council Wide	1,612	647	16,619	18,878
Office for the Director of Public Health	5,668	(232)	(1,066)	4,370
Growth	49,373	(1,830)	(6,212)	41,331
Net Cost of Service	69,654	(5,365)	24,621	88,910
Other Income and Expenditure from the Expenditure and Funding Analysis	28,812	3,675	(49,665)	(17,178)
Difference Between General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Service	98,466	(1,690)	(25,044)	71,732

Adjustments from General Fund to Arrive at the CIES Amounts	Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
2023/24	£000	£000	£000	£000
Adults Health and Communities	1,195	(710)	906	1,391
Customer and Corporate Services	7,005	(1,071)	(2,188)	3,746
Executives Office	36	(290)	(4)	(258)
Children's Services	5,972	(2,269)	3,859	7,562
Corporate Items & Council Wide	599	944	(2,819)	(1,276)
Office for the Director of Public Health	4,144	(271)	(1,359)	2,514
Growth	14,141	(2,030)	(8,655)	3,456
Net Cost of Service	33,092	(5,697)	(10,260)	17,135
Other Income and Expenditure from the Expenditure and Funding Analysis	49,101	(1,520)	(80,972)	(33,391)
Difference Between General Fund Surplus or Deficit and CIES Surplus or Deficit on the Provision of Service	82,193	(7,217)	(91,232)	(16,256)

Adjustment for Capital Purposes

Adjustments for Capital Purposes – this column adds in depreciation, impairment and revaluation gains/losses in the services line and for:

- **Other Operating Expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets
- **Financing and Investment Income and Expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices
- **Taxation and Non-Specific Grant Income and Expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions, or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Charge for the Pension Adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- **Services** – this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs
- **Financing and Investment Income and Expenditure** – the net interest on the defined benefit liability is charged to the CIES.

Other Differences

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute:

- **Financing and Investment Income and Expenditure** – the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts
- **Taxation and Non-Specific Grant Income and Expenditure** – the charge represents the difference between what is chargeable under statutory regulations for Council Tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

9 Expenditure and Income Analysed by Nature

The Council's expenditure and income is analysed as follows:

Expenditure/Income	2023/24	2024/25
	£000	£000
Expenditure:		
Employee benefits expenses	128,320	150,573
Other service expenses	475,503	533,397
Depreciation, amortisation, impairment	44,181	76,980
Interest payments	23,498	29,430
Total Expenditure	671,502	790,380
Income:		
Fees, charges and other service income	(137,772)	(159,869)
Interest and investment income	(6,204)	(14,002)
Income from council tax, non-domestic rates, district rate income	(192,523)	(200,551)
Government grants and contributions	(355,314)	(324,541)
Total Income	(691,813)	(698,963)
Surplus or Deficit on the Provision of Service	(20,311)	91,417

10 Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

Adjustments Between Accounting Basis and Funding Basis Under Regulations	2023/24				2024/25			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Adjustments involving the Capital Adjustment Account:								
Reversal of Items Debited or Credited to the Comprehensive Income and Expenditure Statement:								
Charges for depreciation and impairment of non-current assets	(44,754)	0	0	44,754	(45,648)	0	0	45,648
Revaluation losses on Property, Plant and Equipment	18,802	0	0	(18,802)	(18,401)	0	0	18,401
Movements in the market value of Investment Properties	(12,946)	0	0	12,946	(3,151)	0	0	3,151
Capital grants and contributions	80,212	0	(80,212)	0	19,232	0	(19,232)	0
Movement in the Donated Assets Account	0	0	0	0	(539)	0	0	539
Revenue expenditure funded from capital under statute	(23,193)	0	0	23,193	(32,466)	0	0	32,466
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(20,320)	(1,196)	0	21,516	(3,845)	(1,259)	0	5,104
Deferred credit Energy from Waste	2,324	0	0	(2,324)	2,324	0	0	(2,324)
Insertion of Items not Debited or Credited to the Comprehensive Income and Expenditure Statement:								
Statutory provision for the financing of capital investment	18,425	757	0	(19,182)	21,349	492	0	(21,841)
Capital expenditure charged against the General Fund	273	0	0	(273)	466	0	0	(466)
Adjustments involving the Capital Receipts Reserve:								
Other Capital Receipts credited to the Comprehensive Income and Expenditure Statement	196	(196)	0	0	3,663	(3,663)	0	0
Total C/FWD	19,019	(635)	(80,212)	61,828	(57,016)	(4,430)	(19,232)	80,678

Adjustments Between Accounting Basis and Funding Basis Under Regulations	2023/24				2024/25			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Total B/FWD	19,019	(635)	(80,212)	61,828	(57,016)	(4,430)	(19,232)	80,678
Long term debtor repayments in year	0	(2,845)	0	2,845	0	(1,398)	0	1,398
Use of the Capital Receipts Reserve to finance new capital expenditure	0	6,348	0	(6,348)	0	4,375	0	(4,375)
Adjustments Involving the Capital Grants Unapplied Account:								
Use of the Capital Grants unapplied Account to finance new capital expenditure	0	0	79,044	(79,044)	0	0	21,264	(21,264)
Adjustments Involving the Financial Instruments Adjustment Account:								
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	620	0	0	(620)	623	0	0	(623)
Adjustments Involving the Pooled Investments Fund Adjustment Account								
Amount by which Financial Instruments charged to the Comprehensive Income and Expenditure Statement are different from amounts chargeable in the year in accordance of statutory requirements	(652)	0	0	652	1,182	0	0	(1,182)
Adjustments Involving the Pensions Reserve:								
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(11,751)	0	0	11,751	(18,355)	0	0	18,355
Employer's pensions contributions and direct payments to pensioners payable in the year	18,968	0	0	(18,968)	20,574	0	0	(20,574)
Adjustments Involving the Collection Fund Adjustment Account:								
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(5,606)	0	0	5,606	(3,256)	0	0	3,256
Adjustment involving the Dedicated Schools Grant Adjustment Account:								
Transfer of deficit on the Dedicated Schools Grant to the Dedicated Schools Grant Adjustment Account	(4,253)	0	0	4,253	(14,245)	0	0	14,245
Adjustment Involving the Accumulating Compensated Absences Adjustment Account								
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(89)	0	0	89	(1,239)	0	0	1,239
Total Adjustments	16,256	2,868	(1,168)	(17,956)	(71,732)	(1,453)	2,032	71,153

General Fund Balances

The General Fund is the statutory fund into which all the receipts of an Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the council is required to recover) at the end of the financial year.

Capital Receipts Reserve

The Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year-end.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received towards capital projects for which the council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

11 Other Operating Expenditure

This contains corporate items of income and expenditure that cannot reasonably be allocated or apportioned to services.

Other Operating Expenditure	2023/24	2024/25
	£000	£000
Levies	121	133
Gains/losses on the disposal of non-current assets	18,186	1,457
Pension administration costs	571	626
Other income *	(1,181)	(1,264)
Total	17,697	952

* Other income generally relates to capital receipts in year for which no asset can be identified on the Balance Sheet, such as repaid discounts from former Council House sales and income received under the stock transfer agreement relating to VAT shelter receipts.

12 Movement in Earmarked Reserves

This note sets out the amounts set aside in earmarked reserves to provide financing for future expenditure plans and policy initiatives.

2024/25	Balance as at 31 March 2024	Transfers to Reserves 2024/25	Transfers from Reserves 2024/25	Balance as at 31 March 2025
	£000	£000	£000	£000
Education Reserves	(3,154)	(2,691)	3,149	(2,696)
Other Ringfenced	(4,428)	(705)	1,456	(3,677)
Other Reserves	(5,888)	(2,848)	1,022	(7,714)
PCC Earmarked Reserves:				
Integrated Finance Reserve	(16,373)	(8,595)	16,373	(8,595)
Collection Fund Reserve	(1,137)	(860)	1,137	(860)
Other PCC Earmarked Reserves	(49,489)	(4,731)	16,978	(37,242)
Total Reserves	(80,469)	(20,430)	40,115	(60,784)

2023/24	Balance as at 31 March 2023	Transfers to Reserves 2023/24	Transfers from Reserves 2023/24	Balance as at 31 March 2024
	£000	£000	£000	£000
Education Reserves	(3,667)	(3,149)	3,662	(3,154)
Other Ringfenced	(3,627)	(801)	0	(4,428)
Other Reserves	(6,061)	(1,628)	1,801	(5,888)
PCC Earmarked Reserves:				
Integrated Finance Reserve	(18,205)	(172)	2,004	(16,373)
Collection Fund Reserve	(792)	(414)	69	(1,137)
Other PCC Earmarked Reserves	(44,062)	(6,520)	1,093	(49,489)
Total Reserves	(76,414)	(12,684)	8,629	(80,469)

The main earmarked reserves and their purpose are as follows:

Education/Schools Reserves

- **Education Carry Forwards** – A number of reserves are held on behalf of several educational establishments which operate under devolved budgets, whereby any surpluses or deficits are carried forward to the following financial year
- **School Budget Share** – Represents unspent balances at the year-end against schools' delegated budgets. The 31 March 2025 balance relating to the school budget share was £2.691m (31 March 2024: £3.149m)
- **PFI Reserve** – The Council receives PFI credits towards the schools PFI contract at Wood View Campus in equal instalments over the course of the contract. Credits received in excess of costs are carried forward in a reserve to meet future expenditure, thus smoothing expenditure and income over the term of the contract.

Collection Fund Reserve

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

Interest Rate Swap Reserve

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

13 Financing and Investment Income and Expenditure

This contains corporate items of income and expenditure arising from the Council's involvement in financial instruments and similar transactions involving interest or the unwinding of discounts. This heading also includes the income and expenditure relating to investment properties, further details of which can be found in note [17.1](#).

Analysis of Income/Expenditure	2023/24	2024/25
	£000	£000
Interest payable and similar charges	23,477	27,783
Fair value for Financial Instruments	(921)	(4,210)
Pensions interest cost and expected return on pension assets	(2,029)	2,572
Interest receivable and similar income	(5,118)	(5,459)
Gains/losses on disposal of Maintained Schools	3,059	0
(Surplus)/deficit on trading undertakings not included in Net Cost of Service	332	290
Income and expenditure in relation to investment properties and changes in their fair value including (gains)/losses on disposal	5,763	(3,488)
Total	24,563	17,488

14 Taxation and Non-Specific Grant Income and Expenditure

Analysis of Income	2023/24	2024/25
	£000	£000
Council tax income	(131,562)	(138,668)
Non domestic rates	(60,961)	(61,883)
Non-ringfenced government grants	(36,588)	(41,103)
Capital grants and contributions	(66,268)	4,022
Total	(295,379)	(237,632)

15 Property, Plant and Equipment

15.1 Movement in Year

In accordance with the Temporary Relief offered by the Update to the Code on infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean that this would not faithfully represent the asset position to the users of the financial statements. The Council continues to maintain that information and does not consider that the non-disclosure will be detrimentally impact on the readers of the Council's accounts and their understanding of the Council's financial position. The Council's reported position of its assets in the Balance Sheet remains unchanged.

Property, Plant and Equipment Assets	2023/24	2024/25
	£000	£000
Infrastructure Assets	243,051	260,451
Other Property, Plant and Equipment Assets	829,247	873,191
Total Property, Plant and Equipment Assets	1,072,298	1,133,642

Infrastructure Assets	2023/24	2024/25
	£000	£000
Opening Net Book Value	242,352	243,051
Additions	12,486	18,470
Reclassifications	6,360	17,757
Depreciation	(17,831)	(18,577)
Disposals and Decommissioning	(316)	(250)
Balance as at 31 March	243,051	260,451

The movement in Property, Plant and Equipment (PPE) in 2024/25 is summarised in the following table:

2024/25	Other Land & Buildings	Vehicles, Plant, Furniture & Fittings	Toll Bridge	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost of Valuation								
At 1 April 2024	635,348	72,789	83,084	3,605	10,561	82,717	888,104	125,935
Additions	14,326	6,396	11	774	333	33,834	55,674	(10,985)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	36,318	0	0	(270)	(88)	0	35,960	13,504
Revaluation increases/(decreases) recognised in the surplus/deficit on the Provision of Services	(18,656)	0	(414)	0	(303)	0	(19,373)	0
Derecognition - disposals	(109)	(3,783)	0	0	(3,313)	0	(7,205)	0
Other movements in cost or valuation	31,104	27	0	0	5,076	(54,283)	(18,076)	0
At 31 March 2025	698,331	75,429	82,681	4,109	12,266	62,268	935,084	128,454
Accumulated Depreciation and Impairment								
At 1 April 2024	(12,034)	(45,521)	0	(1,302)	0	0	(58,857)	(532)
Depreciation charge	(20,979)	(5,831)	(1,030)	0	(37)	0	(27,877)	(5,794)
Depreciation written out to the Revaluation Reserve	19,297	0	0	0	8	0	19,305	5,761
Depreciation written out to the surplus/deficit on the Provision of Services	1,339	0	989	0	0	0	2,328	0
Impairment losses/(reversals) recognised in the Revaluation Reserve	(254)	0	0	0	0	0	(254)	0
Impairment losses/(reversals) recognised in the surplus/deficit on the Provision of Services	(79)	0	0	1,144	0	0	1,065	0
Derecognition - disposals	7	2,401	0	0	29	0	2,437	0
Derecognition - other	(40)	0	0	0	0	0	(40)	0
At 31 March 2025	(12,743)	(48,951)	(41)	(158)	0	0	(61,893)	(565)
Net Book Value								
At 31 March 2025	685,588	26,478	82,640	3,951	12,266	62,268	873,191	127,889
At 31 March 2024	623,314	27,268	83,084	2,303	10,561	82,717	829,247	125,403

2023/24	Other Land & Buildings	Vehicles, Plant, Furniture & Fittings	Toll Bridge	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment	PFI Assets Included in Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost of Valuation								
At 1 April 2023	638,462	83,915	62,058	3,605	10,044	50,391	848,475	128,935
Additions	10,015	6,276	17	0	27	42,308	58,643	0
Revaluation increases/(decreases) recognised in the Revaluation Reserve	9,758	0	0	0	531	0	10,289	(3,000)
Revaluation increases/(decreases) recognised in the surplus/deficit on the Provision of Services	(3,598)	0	21,009	0	(60)	0	17,351	0
Derecognition - disposals	(17,696)	(18,375)	0	0	(84)	0	(36,155)	0
Other movements in cost or valuation	(1,593)	973	0	0	103	(9,982)	(10,499)	0
At 31 March 2024	635,348	72,789	83,084	3,605	10,561	82,717	888,104	125,935
Accumulated Depreciation and Impairment								
At 1 April 2023	(12,592)	(57,722)	(585)	(1,302)	(40)	0	(72,241)	(499)
Depreciation charge	(20,694)	(5,522)	(741)	0	(29)	0	(26,986)	(5,988)
Depreciation written out to the Revaluation Reserve	20,313	0	0	0	69	0	20,382	5,955
Depreciation written out to the surplus/deficit on the Provision of Services	262	0	1,326	0	0	0	1,588	0
Derecognition - disposals	677	17,723	0	0	0	0	18,400	0
At 31 March 2024	(12,034)	(45,521)	0	(1,302)	0	0	(58,857)	(532)
Net Book Value								
At 31 March 2024	623,314	27,268	83,084	2,303	10,561	82,717	829,247	125,403
At 31 March 2023	625,870	26,193	61,473	2,303	10,004	50,391	776,234	128,436

15.2 Commitments Under Capital Contracts

The capital commitments outstanding on capital and other works contracts entered into as at 31 March 2025 amounted to £92.186m (31 March 2024: £35.878m). The Council is committed to complete these contracts under its latest approved Medium Term Capital Programme. Significant contractual commitments outstanding as at 31 March 2025 were as follows:

Project	Contractor	Amount
		£000
Armada Way Delivery	Mogan Sindall Construction	17,013
Zero Emission Bus Regional Areas	Plymouth Citybus	10,606
Re-provision of Vines and Colwill Lodge	Devon Contractors	9,661
Plymouth and South Devon Freeport	Sherford Consortium, Devon County Council, South Hams District Council, Devon Contractors, Seed Capital	16,060
Plymouth Sound National Marine Park	Nevada, Classic Builders, Currie & Brown	7,661
Woolwell to The George	Balfour Beatty	4,840
Royal Parade	Morgan Sindall	4,600
Plymouth Guildhall	TEC Construction, DFR Roofing, Currie & Brown	3,121
Lipson Vale Phase I Trefusis Park Flood Defence	Kier Infrastructure	2,700
Derriford District Centre	ADC Kimberly Derriford Ltd	2,400
A38 Manadon Interchange (LLM)	Balfour Beatty	1,579
Local Authority Housing Fund Phase 3	Bournemouth Churches Housing Association Ltd and Plymouth Access To Housing	1,531
Food Waste Collection Service Vehicles and Containers	Terberg Matec	1,125
Civic Centre	Aecom, Gwella	1,124
Carriageway Surface Dressing	South West Highways	1,121
Brickfields	Plymouth Argyle Comm Trust, Gill Akster, Field Turf Ltd	954
Other contractual commitments under £500k	Various	6,090
Total		92,186

15.3 Revaluations

The Council revalues a significant proportion of its Property, Plant and Equipment (PPE) on an annual basis and then carries out a rolling programme that ensures that all the remaining property required to be measured at fair value is revalued at least every five years. All valuations are carried out internally under the supervision of A Pope, RICS Registered Valuer, except for the Energy from Waste Plant which is revalued by an external valuer appointed by Devon County Council and the Tamar Bridge and Torpoint Ferry properties which are revalued by an external valuer appointed by Cornwall Council.

Revaluations	Other Land & Buildings	Toll Bridge	Vehicles, Plant, Furniture & Equipment	Surplus Assets	Total
	£000	£000	£000	£000	£000
Carried at historical cost	473	0	26,364	0	26,837
Valued at Current Value as at:					
31 March 2024	525,136	82,681	0	12,266	620,083
31 March 2023	60,714	0	0	0	60,714
31 March 2022	46,428	0	0	0	46,428
31 March 2021	47,834	0	0	0	47,834
31 March 2020	94	0	0	0	94
Total Cost of Valuation	680,679	82,681	26,364	12,266	801,990

There may be variations in the totals in the table above compared to Note 15.1. This is due to the addition of IFRS 16 valuations in Note 15.1 which are not included in this table.

15.4 Gain/Loss on Disposal of Non-Current Assets

Assets Written Off Balance Sheet	2023/24	2024/25
	£000	£000
Land and property sales	18,186	1,457
Academy and trust schools	3,059	0
Investment properties	80	41
Total	21,325	1,498

15.5 Fair Value Hierarchy for Surplus Assets

Recurring Fair value Measurement Using	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as at 31 March 2024
2024/25	£000	£000	£000	£000
Development & surplus land	0	12,266	0	12,266
Total	0	12,266	0	12,266

Recurring Fair Value Measurements Using	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as at 31 March 2023
2023/24	£000	£000	£000	£000
Development & surplus land	0	10,561	0	10,561
Total	0	10,561	0	10,561

Please refer to Note [1.27](#) for the policy on Fair Value Measurement of Non-Financial Assets.

16 Heritage Assets

The Council holds the following types of heritage assets:

Historic Buildings and Monuments

Historic buildings and monuments classified as heritage assets on the balance sheet include Smeaton's Tower and various statues and monuments, which have been recognised at insurance valuations.

The Council has a number of other Heritage Assets that are used significantly for the provision of services and therefore are required to be recognised within Property, Plant and Equipment. These include Mount Edgcombe House and The Box.

Gold, Silver, Jewellery, Fine Art and World Cultures, Decorative Art and Other Miscellany

The Council's gold, silver, jewellery, fine art and world cultures collections are reported in the balance sheet at insurance valuation, which is based on market values.

The Council's policy for the acquisition, preservation and management of museum assets can be found on The Box website.

All heritage assets are recognised at insurance valuations, which are reviewed annually and the value of assets are adjusted accordingly.

In 2023/24 we have added two new classes of heritage asset categories due to the recognition of previously unreported assets as a result of a review of the collection that was undertaken following the remodelling of The Box.

The following table summarises the movement in the balances relating to heritage assets during the year:

Heritage Assets	Buildings	Fine Art & World Cultures	Gold, Silver and Jewellery	Items Over £100k	Natural History, Decorative Art & Other Miscellany	Special Books Collection	Total Assets
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
As at 1 April 23	3,817	17,109	4,732	17,301	0	3,500	46,459
Additions							0
Revaluations	0	4,777	0	0	0	0	4,777
Reclassification	0	9,474	0	(17,301)	7,827	0	0
As at 31 March 24	3,817	31,360	4,732	0	7,827	3,500	51,236
Cost or Valuation							
As at 1 April 24	3,817	31,360	4,732	0	7,827	3,500	51,236
As at 31 March 25	3,817	31,360	4,732	0	7,827	3,500	51,236

17 Investment Properties

17.1 Income, Expenditure and Changes in Fair Value of Investment Properties

Investment properties are properties held solely to earn rentals or for capital appreciation or both. In the main, the Council's investment properties consist of offices, various ground rents (including retail, offices and industrial), industrial estates (including out of town), development sites, leisure (including restaurants, cafes and hotels) and retail (both in and out of town).

The following items of income and expenditure have been accounted for in the Financing and Investment Income and Expenditure line in the CIES:

Amounts Recognised in the Comprehensive Income and Expenditure Statement	2023/24	2024/25
	£000	£000
Rental income from Investment Property	18,280	19,583
Direct operating expenses arising from Investment Property	(11,017)	(12,903)
Net Gain/(Loss)	7,263	6,680

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal.

The following table summarises the movement in the fair value of investment properties over the year:

Analysis of Movement in Investment Properties	2023/24	2024/25
	£000	£000
Balance at 1 April	238,435	223,724
Disposals	(80)	(121)
Net gains/(losses) from fair value adjustments	(12,946)	(3,151)
Transfers:		
(To)/from Property, Plant and Equipment	(1,685)	(979)
Balance at 31 March	223,724	219,473

17.2 Fair Value Hierarchy for Investment Properties

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2025 are as follows:

Recurring Fair Value Measurements Using	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as at 31 March 2025
2024/25	£000	£000	£000	£000
Industrial sites	0	63,582	0	63,582
Miscellaneous ground rents	0	5,753	3,287	9,040
Miscellaneous lets	0	20,478	44	20,522
Retail ground rents	0	21,650	0	21,650
Offices	0	4,579	0	4,579
Out of town retail	0	66,713	0	66,713
Out of town businesses	0	32,458	0	32,458
Development and Surplus Land	0	768	127	895
Lodges	0	34	0	34
Total	0	216,015	3,458	219,473

There were no transfers between Levels 1 and 2 during the year.

Recurring Fair Value Measurements Using	Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value as at 31 March 2024
2023/24	£000	£000	£000	£000
Industrial sites	0	62,124	0	62,124
Miscellaneous ground rents	0	5,731	3,935	9,666
Miscellaneous lets	0	21,365	31	21,396
Retail ground rents	0	23,110	0	23,110
Offices	0	6,790	0	6,790
Out of town retail	0	66,412	0	66,412
Out of town businesses	0	33,358	0	33,358
Development and surplus land	0	714	116	830
Lodges	0	38	0	38
Total	0	219,642	4,082	223,724

There were no transfers between Levels 1 and 2 during the year.

Please refer to Note [1.27](#) for the policy on Fair Value Measurement of Non-Financial Assets.

17.3 Reconciliation of Fair Value Measurements (Using Significant Unobservable Inputs) Categorised within Level 3 of the Fair Funding Hierarchy

Investment Properties Categorised within Level 3	31 March 2024	31 March 2025
	£000	£000
Opening Balance	3,989	4,082
Total gains/(losses) for the period included in the surplus or deficit on the provision of services resulting from changes in fair value	93	(624)
Closing Balance	4,082	3,458

Gains or losses arising from changes in the fair value of the investment properties are recognised in Surplus or Deficit on the Provision of Services – Financing and Investment Income and Expenditure line.

Valuation Process for Investment Properties

The fair value of the authority's investment property is measured annually at each reporting date. All valuations are carried out internally, in accordance with methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. The authority's valuation experts work closely with finance officers regarding all valuation matters.

18 Financial Instruments

18.1 Financial Instruments - Classifications

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council.

The financial assets held by the Council during the year are accounted for under the following three classifications:

- Amortised cost (where cash flows are solely payments of principal and interest and the Council's business model is to collect those cash flow) comprising:
 - cash in hand
 - bank current and deposit accounts
 - fixed term deposits and reverse repurchase agreements with banks and building societies
 - loans to other local authorities
 - loans to smaller companies and housing associations
 - certificates of deposit and covered bonds issued by banks and building societies
 - treasury bills and gilts issued by the UK Government
 - loans made for service purposes
 - leases receivables
 - trade receivables for goods and services provided.
- Fair value through other comprehensive income (where cash flows are solely payments of principal and interest and the Council's business model is to both collect those cash flows and sell the instrument; and equity investments that the Council has elected into this category)
- Fair value through profit and loss (all other financial assets) comprising:
 - interest rate swaps
 - pooled funds, equity and property funds managed and held as strategic investments
 - equity investments held for service purposes
 - money market funds managed by fund managers
 - loans where the cash flows are not solely payments of principal and interest
 - structured deposits with banks and building societies.

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

An investment in Altana Social Impact Partnership has been recategorized from a Pooled fund to an investment at amortised cost as the fair value information was not available at 31 March 2025. Against the original £5m investment unallocated capital totaling £1.073m was returned during 2024/25 following expiry of the investment period.

The financial assets disclosed in the Balance Sheet are made up of the following categories of Financial Instruments:

Financial Assets	Fair Value Level	Long-Term		Short-Term		Total	
		31 March 24	31 March 25	31 March 24	31 March 25	31 March 24	31 March 25
		£000	£000	£000	£000	£000	£000
At Fair Value Through Profit or Loss:							
Money Market Fund (MMF)	I	0	0	22,500	35,375	22,500	35,375
Pooled funds	I	52,382	48,465	0	0	52,382	48,465
Interest rate swap	I	28,878	31,803	0	0	28,878	31,803
Amortised Cost:							
Investments	I	73	4,100	0	0	73	4,100
Cash and Cash equivalents (less MMF)	I	0	0	4,498	4,228	4,498	4,228
Total Investments		81,333	84,368	26,998	39,603	108,331	123,971
Debtors							
Financial Instruments	I	10,249	11,594	54,099	19,785	64,348	31,379
Non-Financial Instruments	I	0	0	55,281	76,705	55,281	76,705
Total Financial Assets		91,582	95,962	136,378	136,093	227,960	232,055

The fair value of long-term debtors is assumed to be approximate to the carrying amount.

The fair value of short-term financial assets including receivables is assumed to approximate to the carrying amount.

Short-term debtors are split between financial instruments and non-financial instruments depending on whether they are statutory or non-statutory.

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council.

The majority of the Council's financial liabilities held during the year are measured at amortised cost and comprised of:

- long-term loans from the Public Works Loan Board
- short-term loans from other local authorities
- overdraft
- lease payables
- Private Finance Initiative
- trade payables for goods and services received.

The financial liabilities disclosed in the Balance Sheet are made up of the following categories of Financial Instruments:

Financial Liabilities	Fair Value Level	Long-Term		Short-Term		Total	
		31 March 24	31 March 25	31 March 24	31 March 25	31 March 24	31 March 25
		£000	£000	£000	£000	£000	£000
Loans at Amortised Cost:							
PWLB	2	(410,532)	(410,532)	(76,299)	(144,633)	(486,831)	(555,165)
Market Loans	2	(82,422)	(67,346)	(1,157)	(6,074)	(83,579)	(73,420)
Other borrowing	2	(4,722)	(33)	(88,929)	(82,187)	(93,651)	(82,220)
Total Borrowing		(497,676)	(477,911)	(166,385)	(232,894)	(664,061)	(710,805)
Liabilities at Amortised Cost:							
Other liabilities	2	(103,561)	(92,828)	(6,252)	(6,325)	(109,813)	(99,153)
Creditors							
Financial Instruments	3	0	0	(59,076)	(58,387)	(59,076)	(58,387)
Non-Financial Instruments	3	(9,376)	(8,246)	(50,067)	(56,906)	(59,443)	(65,152)
Total Financial Liabilities		(610,613)	(578,985)	(281,780)	(354,512)	(892,393)	(933,497)

Short-term creditors are split between financial instruments and non-financial instruments depending on whether they are statutory or non-statutory.

LOBOs (Local Authority Lender's Option Borrower's Option loans) – during 2024/25 two LOBO's totaling £10m were called in by the lender and the Council took the decision to redeem. A further £5m LOBO loan was called in by the lender in March 2025 and it was agreed that this would be repaid on the call in date 1 April 2025 with the balance as at 31 March being treated as short term borrowing. There are two further loans totaling £29m which have call in dates in the next 12 months.

A 'call in' date means that the lender has the option to change the interest rate for the remaining period of the loan. The Council then has the option to accept the new rate or to redeem the loan.

Financial Liabilities Comparison to Fair Values

Financial Liabilities	Balance Sheet 31 March 2024	Fair Value 31 March 2024	Balance Sheet 31 March 2025	Fair Value 31 March 2025
	£000	£000	£000	£000
Loans at Amortised Cost:				
PWLB	486,831	345,869	555,165	387,176
LOBO loans	65,380	74,854	55,220	58,726
Other market loans	18,199	16,974	18,200	14,147
Other long-term loans	4,722	4,722	33	33
Short-term borrowing	88,929	88,929	82,187	82,187
Total Borrowing	664,061	531,348	710,805	542,269
Other Liabilities	109,813	93,508	99,153	99,153
Total Liabilities	773,874	624,856	809,958	641,422

18.2 Equity Instruments Designated to Fair Value through Profit or Loss

The Council has investments made through the CCLA and other pooled funds. Currently under IFRS 9, the CIPFA code now requires that pooled funds are measured at Fair Value through Profit or Loss with override arrangements being in place to 31 March 2024. Following the recent 2025 Local Government Finance Settlement consultation, transitional arrangements have been implemented. As these

investments were held by the Council before 1 April 2024, the override will continue to apply to these investments until 1 April 2029 meaning that there is no impact on the Council's General Fund.

18.3 Gains and Losses on Financial Instruments

The income, expense, gains and losses recognised in the CIES in relation to financial instruments are made as follows:

Gains & Losses on Financial Instruments	Surplus or Deficit on the Provision of Service	
	2023/24	2024/25
	£000	£000
Net Gains/Losses on:		
Financial assets measured at fair value through profit and loss	652	(1,183)
Interest rate swaps at fair value through profit and loss *	(1,573)	(3,027)
Total Net (Gains)/Losses on Financial Instruments	(921)	(4,210)
Interest Revenue		
Investment income from financial assets measured through profit and loss	(4,475)	(4,967)
Interest receivable from financial assets measured at amortised costs	(643)	(492)
Total Interest Revenue	(5,118)	(5,459)
Total Income	(6,039)	(9,669)
Interest expense	23,477	27,783
Total Interest Expense	23,477	27,783
Net (Gain)/Loss for the Year	17,438	18,114

* SDPS is cash flows plus accrual; OCI is fair value minus accrual.

18.4 Financial Instruments – Fair Value

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms' length transaction. Where liabilities are held as an asset by another party, such as the council's borrowing, the fair value is estimated from the holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at fair value. For most assets, including bonds, treasury bills and shares in money market funds and other pooled funds, the fair value is taken from the market price.

The fair values of other instruments have been taken at cost value, as the council believes that cost may provide an appropriate estimate of fair value. Cost represents the best estimate of fair value:

- no significant change in the performance of the investee compared with budget
- no significant change in the market for the investee's products, economic environment in which the entity operates
- no change in expected performance in matters such as fraud, commercial disputes, litigation, changes in management or strategy.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost.

- The value of Lender's Option Borrower's Option (LOBO) loans have been increased by the value of the embedded options. Lenders' options to propose an increase to the

interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate

- Other loans borrowed by the Council have been valued at cost on the basis of that most of the loans are short term loans and/or borrowed from other public sector organisations
- Shares in limited company have been valued at cost of the investment;
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield
- Interest rate swaps have been valued using the market forward interest rate curve
- No early repayment or impairment is recognised for any financial instrument
- The fair value of short-term instruments, including trade payables and receivables, is assumed to be approximately the carrying amount given the low interest rate environment and the bad debt provisions already included in the statement of accounts.

Fair values are shown in note [18.1](#), split by their level in the fair value hierarchy:

- Level 1 fair value is only derived from quoted prices in active markets for identical assets or liabilities, for example bond prices
- Level 2 fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, for example interest rates or yields for similar instruments
- Level 3 fair value is determined using unobservable inputs, for example non-market data such as cash flow forecasts or estimated creditworthiness.

18.5 Nature and Extent of Risks Arising from Financial Instruments

The Council complies with the CIPFA's Code of Practice on Treasury Management and the Prudential Code for Capital Finance in Local Authorities, both revised in December 2021.

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The strategy sets out the parameters for the management of risks associated with Financial Instruments.

Full details of the Council's Treasury Management Strategy can be found on the Council's website.

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the MHCLG Investment Guidance for Local Authorities. The guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy, together with its Treasury Management Practices, are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

The Council's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Council
- Liquidity risk – the possibility that the Council might not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates and stock market movements.

Credit Risk

Credit Risk arises from deposits with banks and financial institutions as well as credit exposures to the Council's customers.

Asset Type	Credit Risk Management	Estimation of Impairment Loss
Loans to other authorities	Guaranteed by statute.	No allowance required.
Banks and financial institutions	Deposits are restricted in line with Council's approved Treasury Strategy.	No historic or forecast losses.
Loans	All loans subject to internal risk appraisal, where appropriate guarantees and/or security is obtained in event of default.	No historic or forecast losses.
Other Debtors	Debtors are not subject to internal credit ratings and have been grouped for the purposes of calculating expected losses.	Expected credit losses (impairment) estimated based on age and type of debt.

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap, other contracts and equity prices when selecting commercial entities for investment.

A limit of £25m of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than the UK government). For unsecured investments in building societies there is a smaller limit of £10m applies. The Council also sets limits on investments in certain sectors.

The following table summarises the credit risk exposures of the Council's treasury management portfolio by credit rating and remaining time to maturity:

Credit Rating	31 March 2024		31 March 2025	
	Long-Term	Short-Term	Long-Term	Short-Term
	£000	£000	£000	£000
AAA	0	0	0	0
AA	0	22,500	0	35,375
A+	0	1,295	0	700
A	0	0	0	0
A-	0	0	0	0
Unrated	0	0	0	0
Total	0	23,795	0	36,075
Credit risk not applicable *	81,333	3,203	84,368	3,528
Total Investments	81,333	26,998	84,368	39,603

* Credit Risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

The Council's maximum exposure to credit risk in relation to its investments with banks and building societies cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each institution.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with parameters set by the Council.

The Council does not generally allow credit for customers. After 28 days, recovery procedures are undertaken to recover any outstanding debt. The past due amount can be analysed by age as follows:

Past Due Amounts Analysed by Age	31 March 2024	31 March 2025
	£000	£000
Less than three months	40,159	13,959
Three months to one year	7,573	3,464
More than one year	7,262	7,648
Total	54,994	25,071

The credit risk inherent in interest rate swaps is managed by the selection of highly credit worthy counterparties and by the requirement for the counterparty to post cash collateral when the valuation exceeds agreed thresholds. £31.290m cash collateral was held at 31 March 2025 (31 March 2024: £28.600m).

Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has ready access to borrowings from the money markets and the Public Works Loans Board (PWLb). As a result there is no significant risk that the Council will be unable to raise finance to meet its commitments.

It is however exposed to the risk that it will need to refinance a significant proportion of its short-term borrowing at a time of unfavourably high interest rates.

The maturity structure of financial liabilities is as follows (at nominal value):

Loans Outstanding	31 March 2024	31 March 2025
	£000	£000
Public Works Loan Board	(486,831)	(555,165)
Market debt	(83,579)	(73,420)
Temporary borrowing	(87,596)	(82,128)
Other borrowing	(6,055)	(93)
Deferred liability (PFI)	(88,681)	(72,577)
Deferred liability (finance leases)	(1,294)	(6,782)
Other liabilities	(19,838)	(19,794)
Creditors	(59,076)	(58,386)
Total	(832,950)	(868,345)
Less than 1 year	(231,713)	(297,605)
Between 1 and 2 years	(46,280)	(48,861)
Between 2 and 5 years	(87,540)	(85,545)
Between 5 and 10 years	(63,133)	(56,615)
Between 10 and 20 years	(49,914)	(36,923)
Between 20 and 30 years	(9,544)	(11,811)
Between 30 and 40 years	(16,419)	(14,465)
Between 40 and 50 years	(290,220)	(298,299)
Over 50 years	(38,187)	(18,221)
Total	(832,950)	(868,345)

The Council has £54.m (2023/24: £64m) of LOBO loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely to repay these loans. There were four LOBO loans with call in dates in 2024/25, one which was called in before 1 April 2025, the Council has not accepted the new rate and agreed to repay the loan without penalty.

There were £220m loan arrangements covering the short-term borrowing in place at 31 March 2025, these were taken under approved authority to meet the Council's capital financing and cash flow requirements to the end of the financial year. These loans can be repaid from cash flow maturing deposits and short-term borrowing in 2025/26 if required, thus reducing credit risk.

Market Risk: Interest Rate Risk

The Council is exposed to risks in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall
- pay fixed receive variable interest rate swaps – the fair value of the assets will rise.

The Council has £220m short-term (less than 12 months) loans so there is an interest rate risk if the rates go up. The Council holds a £75m “pay fixed receive variable” interest rate swap to partly offset this risk. If there is a 1.0% increase in the bank rate it will cost an additional £0.979m per year.

The Council has £54m (2023/24: £64m) of LOBO loans with fixed interest rates and with maturity dates between 2031 and 2078 where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate. Movements in the fair value of the interest rates swaps will be reflected in the Surplus or Deficit on the Provision of Services.

The Council has a number of strategies for managing interest rate risk. The Council seeks to minimise this risk through expert advice on forecasts of interest rates received from our treasury management consultants. This is used to formulate a strategy for the year for both investments and borrowing. This strategy is periodically reviewed during the year to update for any modifications required in the light of actual movements in interest rates. During periods of falling interest rates, and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. Interest rate risk is also managed using interest rate swaps, and the Council currently holds a £75m interest rate swap maturing in 2040 with a strike rate of 0.56%. Changes in the fair value of the swap are taken to an earmarked reserve.

Market Risk: Price Risk

The market price of the Council's units in collective investment schemes are governed by prevailing interest rates and economic conditions and the risk associated with these instruments is managed alongside interest rate risk.

The Council's investment in a pooled property fund is subject to the risk of falling commercial property prices. The fair value of this fund is £21.188m and is estimated as the price the authority would receive if it were to sell to another market investor on 31 March based on the fund's published bid price. A 5% fall in commercial property prices would result in a £0.889m charge to the surplus or deficit on the provision of services, which is then transferred to the pooled investment fund adjustment account.

The Council's investments in pooled investment funds is subject to the risk of changing share prices. The risk is limited by the Council's maximum exposure to equity investments of £27.276m. A 1% fall in share prices would result in a £0.200m charge to the surplus or deficit on the provision of services, which is then transferred to the pooled investment fund adjustment account.

19 Debtors

19.1 Short-Term Debtors

Short-Term Debtors by Category	31 March 2024	31 March 2025
	£000	£000
Central government departments	8,924	24,285
NHS bodies	2,617	5,258
Other local authorities	5,361	7,328
Other entities and individuals	92,478	59,619
Total Short-Term Debtors	109,380	96,490

19.2 Long-Term Debtors

Long-Term Debtors by Category	31 March 2024	31 March 2025
	£000	£000
Secured debt	1,131	1,170
Other loans/mortgages	8,566	8,417
Other long-term debts	552	2,007
Total Long-Term Debtors	10,249	11,594

19.3 Bad Debt Provision

Analysis of Bad Debt Provision Held	31 March 2024	Provisions Made in Year	Provisions Used in Year	31 March 2025
	£000	£000	£000	£000
General fund	(3,157)	(720)	743	(3,134)
Housing benefit overpayments provision	(5,134)	0	504	(4,630)
Collection fund	(10,378)	(2,432)	577	(12,233)
Total Provisions for Bad Debt	(18,669)	(3,152)	1,824	(19,997)

20 Creditors

20.1 Short-Term Creditors

Short-Term Creditors by Category	31 March 2024	31 March 2025
	£000	£000
Central government departments	(6,181)	(5,781)
NHS bodies	(483)	(2,394)
Other local authorities	(2,185)	(6,486)
Other entities and individuals	(106,547)	(106,957)
Total Short-Term Creditors	(115,396)	(121,618)

20.2 Long-Term Creditors

Long-Term Creditors by Category	31 March 2024	31 March 2025
	£000	£000
Other local authorities	(9,171)	(8,033)
Other entities and individuals	(205)	(213)
Total Long-Term Creditors	(9,376)	(8,246)

The amount included within Other Local Authorities relates to a liability to Devon County Council for unfunded pension liabilities in reference to pre-Local Government Re-organisation (that is pre-1 April 1998).

20.3 Other Long-Term Liabilities

Analysis of Other Long-Term Liabilities	31 March 2024	31 March 2025
	£000	£000
PFI finance leases	(84,233)	(68,500)
Other finance leases	(1,228)	(6,358)
Cornwall Council - Tamar Bridge and Torpoint Ferry Joint Committee	(18,100)	(17,970)
Total Other Long-Term Liabilities	(103,561)	(92,828)

21 Provisions

The Council has a number of budget provisions set up to meet known liabilities. The balance on the provisions at year-end together with movement in the year is outlined as follows:

Analysis of Provisions Held	31 March 2024	Provisions Made in Year	Provisions Used in Year	Unused Amounts Reversed in Year	31 March 2025
	£000	£000	£000	£000	£000
Insurance provision	(4,741)	(2,316)	2,212	0	(4,845)
Landfill site provision	(6,524)	0	391	263	(5,870)
Business rates appeals provision	(4,747)	(5,417)	6,871	0	(3,293)
Total Provisions	(16,012)	(7,733)	9,474	263	(14,008)

The provisions include short-term provisions of £5.060m (2023/24: £6.626m) and long-term provisions of £8.950m (2023/24: £9.388m).

Details about the main provisions held are as follows:

Insurance Provisions

The Council insures only part of its risks externally through insurance companies, with other risks covered by specific internal funding. The insurance provision receives contributions from charges made to service revenue accounts for insurance, and payments are made from the fund in respect of insurable liabilities, which are covered internally. At the year-end, the balance on the various funds equates to the best estimate of liabilities from claims.

All of the Council's buildings are insured against fire, whilst some are also covered against other perils. Liability cover includes public liability and employer's liability.

Landfill Site Provision

The Council has a provision of £5.870m as at 31 March 2025 to reflect the Council's on-going liability for the closed landfill site at Chelson Meadow. The provision has been calculated on the future maintenance costs over the next 43 years and is reviewed each year to take into account the actual maintenance costs spent in the year.

22 Unusable Reserves

The Council holds a number of 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.

Analysis of Reserves	Note	31 March 2024	31 March 2025
		£000	£000
Unusable Reserves:			
Revaluation Reserve	22.1	333,967	378,263
Capital Adjustment Account	22.2	171,753	125,980
Financial Instruments Adjustments Account	22.3	(24,194)	(23,572)
Pensions Reserve	22.4	(73,542)	(75,575)
Collection Fund Adjustment Account	22.5	2,208	(1,047)
Accumulating Compensated Absences Adjustment Account		(2,131)	(3,369)
Deferred Capital Receipts		280	316
Pooled Investment Fund Adjustment Account		(2,743)	(1,560)
DSG Adjustment Account	22.6	(4,253)	(18,498)
Total Unusable Reserves		401,345	380,938

22.1 Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of service and the gains are consumed through depreciation
- disposed of and the gains are realised.

The Revaluation Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

The following table details the transactions posted to the account for the period:

Movement in Revaluation Reserve	2023/24	2024/25
	£000	£000
Balance at 1 April	326,867	333,967
Upward revaluation of assets	42,615	66,681
Downward revaluation of assets and impairment losses not charged to the (surplus)/deficit on the Provision of Services	(7,110)	(11,946)
Surplus or (Deficit) on the Revaluation of Non-current Assets Not Posted to the (Surplus) or Deficit on the Provision of Services	35,505	54,735
Release of Investment Property Balance	(323)	0
Difference between fair value depreciation and historical cost depreciation	(9,728)	(9,768)
Accumulated gains on assets sold or scrapped	(18,354)	(671)
Amount Written Off to the Capital Adjustment Account	(28,405)	(10,439)
Balance at 31 March	333,967	378,263

22.2 Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations. These are then charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. It also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

The following table shows the transactions posted to the account during the year:

Movement in Capital Adjustment Account	2023/24	2024/25
	£000	£000
Balance at 1 April	122,567	171,753
Release of Investment Property balance in the Revaluation Reserve	323	0
Reversal of Items Relating to Capital Expenditure Debited or Credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	(44,754)	(45,647)
Revaluation losses on Property, Plant and Equipment	18,802	(18,401)
Revenue expenditure funded from capital under statute	(23,193)	(32,466)
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(21,510)	(5,141)
Adjusting amounts written out of the Revaluation Reserve	28,082	10,439
Capital Financing Applied in the Year:		
Use of the Capital Receipts Reserve to finance new capital expenditure	6,348	4,375
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	79,044	21,264
Amounts Reserved for Future Capital Funding:		
Statutory provision for the financing of capital investment charged against the General Fund (includes TBTF element)	19,182	21,839
Capital expenditure charged against General Fund	273	466
Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(12,946)	(3,151)
Movement in the Donated Assets Account credited to the Comprehensive Income and Expenditure Statement	0	(539)
Other Movement on the CAA in Year:		
Landfill Site Provision	56	263
Write down of long-term debtors	(2,845)	(1,398)
Deferred credit - Energy from Waste	2,324	2,324
Balance at 31 March	171,753	125,980

22.3 Financial Instruments Adjustment Account

The Financial Instrument Adjustment Account absorbs the timing differences arising from the different arrangements for the accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions. The Council uses the account to manage premiums paid and discounts received on the early redemption of loans. During 2024/25 two LOBO loans totalling £10m were called in by the lender and the Council took the decision to repay the loans without penalty. Premiums are debited and discounts are credited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund Balance to the account in the Movement in Reserves Statement. Over time, the net expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on Council Taxpayers. In the Council's case this period is the unexpired term that was outstanding on loans when they were redeemed.

Movement in Financial Instruments Adjustment Account	2023/24	2024/25
	£000	£000
Balance at 1 April	(24,814)	(24,194)
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory	544	544
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in accordance with statutory requirements	76	78
Balance at 31 March	(24,194)	(23,572)

22.4 Pension Reserve

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. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities to recognise and to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds, or eventually pays any pensions for which it is directly responsible (i.e. enhanced pensions). The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

Movement in Pension Reserve	2023/24	2024/25
	£000	£000
Balance at 1 April	(37,487)	(73,542)
Opening balance adjustment	(324)	0
Actuarial gains or losses on pensions assets and liabilities	(42,948)	(4,252)
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(12,602)	(19,493)
Employer's pensions contributions and direct payments to pensioners payable in the year	18,968	20,574
(Increase)/decrease in Plymouth's share of next deficit in year of Devon County Council Pension Fund	851	1,138
Balance at 31 March	(73,542)	(75,575)

22.5 Collection Fund Adjustment Account

The collection fund adjustment account manages the differences arising from the recognition of council tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers and business rates payers compared with the statutory arrangements for paying across amounts to the General Fund from the collection fund.

Collection Fund Adjustment Account	2023/24	2024/25
	£000	£000
Balance at 1 April	(7,814)	(2,208)
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated from the year in accordance with statutory requirements	5,606	3,256
Balance at 31 March	(2,208)	1,048

22.6 Dedicated Schools Grant Adjustment Account

The Dedicated Schools Grant adjustment account holds accumulated deficits relating to the schools budget. Where the council has incurred a deficit on its schools budget in years beginning 1 April 2020 ending 31 March 2026, the Local Authorities (Capital Finance and Accounting) Regulations do not allow for such amounts to be included in the General Fund and instead must be held in this adjustment account.

Dedicated Schools Grant Adjustment Account	2023/24	2024/25
	£000	£000
Balance 1 April	0	(4,253)
School budget deficit transferred from General Fund in accordance with statutory requirements	(4,253)	(14,245)
Balance at 31 March	(4,253)	(18,498)

The centrally held elements of the DSG were over budget by £14.245m, due to significant increases in numbers and cost of placements for children with SEND, which is funded from the High Needs Block within the DSG. This overspend will be carried forward along with the accumulated deficit on the DSG of £4.253m (first reported in 2023/24) giving a total overspend to be carried forward of £18.498m. In line with Government guidance, any overspend is carried forward for recovery against future DSG funding. Therefore, the authority cannot fund this pressure from its own General Fund revenue budget (unless permission is given by the Secretary of State to disregard the requirement to fund from the DSG). This treatment is in line with Government guidance stating that DSG in-year and cumulative deficits should no longer be held as a negative earmarked reserve and should instead be held in an unusable reserve called the Dedicated Schools Grant Adjustment Account. This accounting treatment has the effect of separating DSG budget deficits from the LA's General Fund and covers the period to 31st March 2026. The government has announced plans to include working with local authorities to manage their SEND system including DSG deficits, alongside an extension to the DSG Statutory Override until the end of 2027/28.

23 Notes to Cash Flow

23.1 Cash Flow Statement – Operating Activities

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

Analysis of Operating Activities	2023/24	2024/25
	£000	£000
Net Surplus/(Deficit) on the Provision of Services	20,311	(91,417)
Adjust Net Surplus/(Deficit) on the Provision of Services for Non-Cash Movements:		
Charges for depreciation and impairment of non-current assets	44,754	46,458
Revaluation losses on Property, Plant and Equipment	(18,802)	17,591
Adjustment for movements in fair value of investments classified as fair value through profit and loss	(867)	0
(Increase)/decrease in interest creditors	2,856	(5,453)
(Increase)/decrease in creditors	(15,819)	(57,805)
(Increase)/decrease in interest and dividend debtors	(287)	0
(Increase)/decrease in debtors	(51,617)	24,155
(Increase)/decrease in inventories	(374)	(9)
Pension liability	(7,216)	(2,219)
Contributions to/(from) Provisions	(1,263)	(2,003)
Movement on the Dedicated Schools Grant Adjustment Account	(4,253)	(14,245)
Carrying amount of short-term and long-term investments sold or derecognised	21,516	4,469
Movement in Investment Property values	12,946	3,151
Total	(18,426)	14,090
Adjust for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing or Financing Activities		
Capital grants credited to surplus/(deficit) on the Provision of Services	(80,211)	(19,232)
Proceeds from the sale of Property, Plant and Equipment, Investment Property and Intangible Assets	(1,190)	(3,647)
Repayments or capital grants given in previous years and loans	0	(52)
Total	(81,401)	(22,931)
Net Cash Flows from Operating Activities	(79,516)	(100,258)

The cash flows for operating activities include the following items:

Analysis of Interest Paid and Received	2023/24	2024/25
	£000	£000
Interest received	4,677	5,464
Interest paid	(26,636)	(32,067)
Dividend received	0	0

23.2 Cash Flow Statement – Investing Activities

Analysis of Investing Activities	2023/24	2024/25
	£000	£000
Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	(64,721)	(68,041)
Purchase of short-term and long-term investments	0	(3,035)
Other payments for Investing Activities	(5,642)	59,520
Proceeds from the sale of Property, Plant and Equipment, Investment Properties and Intangible Assets	1,195	3,611
Other Receipts from Investing Activities	37,356	69,722
Net Cash Flows from Investing Activities	(31,812)	61,777

23.3 Cash Flow Statement – Financing Activities

Analysis of Financing Activities	2023/24	2024/25
	£000	£000
Cash receipts of short-term and long-term borrowing	291,730	273,120
Billing Authorities - Council Tax and NDR adjustments	11,840	(5,761)
Repayment of short-term and long-term borrowing	(195,672)	(220,968)
Other receipts from financing activities	4,542	20,865
Payments for the reduction of a PFI liability	(4,296)	(16,170)
Net Cash Flows from Financing Activities	108,144	51,086

23.4 Cash Flow Statement – Cash and Cash Equivalents

Analysis of Cash and Cash Equivalents	2023/24	2024/25
	£000	£000
Cash and bank balances	1,890	2,239
Cash Investments - regarded as cash equivalents	23,795	36,075
Tamar Bridge and Torpoint Ferry	1,313	1,289
Net Cash Flows from Cash and Cash Equivalents	26,998	39,603

24 Pooled Budgets – Integrated Fund

The Council has a pooled budget arrangement with the NHS Devon Integrated Care Board (Devon ICB), under Section 75 of the NHS Act 2006, to enable an integrated approach to commissioning a range of health, public health and social care services to meet the needs of people living in the Plymouth area. The pooled budget is currently hosted by NHS Devon ICB on behalf of the two partners to the agreement, although the two partners keep their own accounts in their separate ledgers. All spend is allocated a lead commissioner. The risk share allows for the Council and NHS Devon ICB to share the risk and reward of over and under-spends, up to the value of 0.5% of the agreed applicable value of the Integrated Fund, is proportional to the value of the contribution of each party to the Integrated Fund and also ensures that the risk to each partner is capped. In 2020/21, because of the global pandemic, and

its effects on the costs of health and social care, it was agreed to amend the risk share for the year to 0% risk on both parties to the agreement and this was again agreed for 2021/22 through to 2024/25. This decision will be reviewed for 2025/26.

Pooled Budget - Integrated Fund	2023/24	2024/25
	£000	£000
Contribution to the Pooled Budget:		
Plymouth City Council's contribution:		
Pooled	215,968	246,692
Aligned	69,514	77,974
Total Plymouth City Council	285,482	324,666
NHS Devon ICB's contribution:		
Pooled	164,583	208,417
Aligned	321,515	362,870
Total NHS Devon ICB	486,098	571,287
Total Combined Integrated Fund	771,580	895,953
Expenditure Met from the Pooled Budget:		
Plymouth City Council	300,284	328,418
NHS Devon ICB	491,390	574,112
Total Expenditure on Integrated Fund	791,674	902,530
Net (Surplus)/Deficit on the Integrated Fund During the Year	20,094	6,577

The figures above include amounts of the Plymouth Better Care Fund, of whom the lead commissioners are:

Plymouth Better Care Fund	2023/24	2024/25
	£000	£000
NHS Devon ICB Lead Commissioner	14,791	15,633
Plymouth City Council Lead Commissioner	8,601	9,087
Total Plymouth Better Care Fund	23,392	24,720

25 Members' Allowances

Allowances paid to Members of the Council in 2024/25 totalled £1.189m (2023/24: £1.156m). These figures include Members' allowances and expenses. Further information can be found on the Council's website.

26 Officers' Remuneration

26.1 Senior Employees

Senior employees earning £50,000 or more per annum who have responsibility for the management of the Council or power to directly control the major activities of the Council are required to be listed by way of job title within the accounts. Where an employee's remuneration exceeds £150,000 there is an additional requirement that they are identified by name. Plymouth defines relevant senior staff as members of the Corporate Management Team (Directors) and Departmental Management Teams (Service Directors).

Senior Management Post	Financial Year	Salaries, Fees and Allowances*	Pension Contributions	Total Remuneration	Notes
Salary over £150,000		£	£	£	
Tracey Lee - Chief Executive (Head of Paid Service)	2024/25	231,133	36,709	267,842	Includes election duty payments as the Returning Officer.
	2023/24	184,773	32,356	217,129	Includes election duty payments as the Returning Officer.
David Haley - Director of Children's Services	2024/25	168,596	31,920	200,516	Includes election duty payments.
	2023/24	105,934	19,323	125,257	A new post holder commenced on 27 December 2023. A post holder commenced on 31 July 2023 until 26 December 2023 via an Agency†. Previous post holder left the authority on 1 September 2023.
Salary over £50,000 but less than £150,000					
Assistant Chief Executive	2024/25	82,738	13,262	96,000	Post holder left the authority on 31 October 2024. Includes election duty payments as the Deputy Returning Officer.
	2023/24	119,975	21,295	141,270	Includes election duty payments as the Deputy Returning Officer.
Director of Public Health	2024/25	39,849	7,571	47,420	A new post holder commenced on 16 December 2024.
	2024/25	85,796	12,337	98,133	Post holder left the authority 15 December 2024.
	2023/24	118,394	17,025	135,419	
Chief Operating Officer for Customer and Corporate Services (Previously Director of Resources)	2024/25	0	0	0	Post covered via an Agency from 7 October 2024‡.
	2023/24	47,264	1,768	49,032	Post vacant. Post holder left the authority on 28 April 2023. Includes election duty payments.

Senior Management Post	Financial Year	Salaries, Fees and Allowances*	Pension Contributions	Total Remuneration	Notes
		£	£	£	
Strategic Director for Adults Health and Communities (Previously Strategic Director for People).	2024/25	81,477	15,481	96,958	A new post holder commenced on 2 September 2024.
	2023/24	141,698	22,327	164,025	Post holder left the authority on 16 February 2024. Includes election duty payments.
Strategic Director for Growth (Previously Strategic Director for Place)	2024/25	55,825	0	55,825	A new post holder commenced on 2 September 2024 and left the authority on 28 February 2025.
	2024/25	66,340	13,039	79,379	Post holder left the authority on 22 September 2024.
	2023/24	137,394	25,555	162,949	
Service Director for Children, Young People and Families	2024/25	84,904	16,132	101,036	A new post holder commenced on 17 June 2024. Post covered via an Agency until 8 July 2024†.
	2023/24	31,976	0	31,976	A new post holder commenced on 17 July 2023 via an Agency†. Previous post holder left the authority on 23 July 2023.
Service Director for Community Connections	2024/25	84,873	17,676	102,549	Includes election duty payments.
	2023/24	82,095	17,053	99,148	Includes election duty payments.
Service Director for Digital and Customer Experience	2024/25	0	0	0	Post vacant.
	2023/24	0	0	0	Post vacant.
Service Director for Economic Development	2024/25	105,105	24,707	129,812	Includes election duty payments.
	2023/24	107,257	20,146	127,403	
Service Director for Education, Participation and Skills	2024/25	98,511	18,717	117,228	Post covered via an Agency from 10 February 2025†. Post holder left the authority on 31 January 2025.
	2023/24	13,256	2,519	15,775	A new post holder commenced on 19 February 2024. Post covered via an Agency until 18 January 2024†.
Service Director for Finance (Section 151 Officer)	2024/25	309	59	368	A new post holder commenced on 31 March 2025.
	2024/25	122,156	22,461	144,617	Previous post holder left the authority on 31 March 2025.
	2023/24	108,299	20,089	128,388	Includes election duty payments.

Senior Management Post	Financial Year	Salaries, Fees and Allowances*	Pension Contributions	Total Remuneration	Notes
Service Director for Human Resources and Organisational Development	2024/25	118,424	22,461	140,885	Includes election duty payments.
	2023/24	76,235	12,544	88,779	A new post holder commenced on 16 November 2023. A new post holder commenced on 23 July 2023 until 26 November 2023 via an Agency†. Previous post holder left the authority on 26 June 2023. Includes election duty payments.
Service Director for Integrated Commissioning	2024/25	60,440	13,267	73,707	A new post holder commenced on 9 July 2024.
	2023/24	0	0	0	Post vacant.
Service Director for Strategic Planning and Infrastructure	2024/25	111,019	21,094	132,113	
	2023/24	111,369	20,727	132,096	
Service Director for Street Services	2024/25	107,449	20,358	127,807	Includes election duty payments.
	2023/24	104,787	19,444	124,231	Includes election duty payments.
Consultant in Public Health	2024/25	84,881	12,021	96,902	
	2023/24	83,793	11,728	95,521	
Consultant in Public Health	2024/25	22,245	3,199	25,444	A new post holder commenced on 16 December 2024.
	2024/25	19,919	2,360	22,279	Post holder left the authority in May 2024.
	2023/24	96,075	13,816	109,891	
Consultant in Public Health	2024/25	44,084	6,339	50,423	A new post holder commenced in October 2024.
	2023/24	0	0	0	Post vacant.
Consultant in Public Health	2024/25	74,895	10,770	85,665	A new post holder commenced in May 2024.
	2023/24	0	0	0	Post vacant.
Service Director for Legal (Monitoring Officer)	2024/25	103,186	19,525	122,711	Includes election duty payments.
	2023/24	94,412	17,537	111,949	A new post holder commenced on 4 March 2024. Post holder covering on acting up allowance from 7 August 2023 until 10 March 2024. Post holder left the authority on 6 August 2023.

* Salaries, Fees and Allowances exclude immaterial expenses such as travel and subsistence.

† Fees paid in respect of individuals engaged on an interim basis via an Agency.

External Agency Staff

The Council secured services from various individuals on an interim basis during 2024/25. The amounts disclosed below in respect of these posts are the costs incurred by the Council to the Agency and are not the amounts individuals actually received which would have been lower:

- Chief Operating Officer for Customer and Corporate Services - from 7 October 2024 to 31 March 2025 was £155,984
- Service Director for Children, Young People and Families - from 1 April 2024 to 8 July 2024 was £80,003
- Service Director for Education, Participation and Skills - from 10 February 2025 to 31 March 2025 was £32,195.

Election Fees

The allowances for 2024/25 cover one local election, one Police and Crime Commissioner election and one national election.

The allowances for 2023/24 cover one local election and two local by-election.

26.2 Remuneration Above £50,000

The Council is required by statute to disclose the number of employees whose remuneration for the year (excluding employer pension contributions) was £50,000 or more.

The following numbers do not include the senior management as disclosed in note [26.1](#).

Remuneration Bandings	2023/24		2024/25	
	Schools	Non-schools	Schools	Non-schools
£50,000 - £54,999	17	78	40	69
£55,000 - £59,999	11	36	24	64
£60,000 - £64,999	2	18	12	28
£65,000 - £69,999	3	17	7	17
£70,000 - £74,999	4	10	2	8
£75,000 - £79,999	1	3	5	2
£80,000 - £84,999	0	3	2	6
£85,000 - £89,999	2	3	1	4
£90,000 - £94,999	2	1	2	2
£95,000 - £99,999	2	1	0	1
£100,000 - £104,999	0	0	2	0
£105,000 - £109,999	0	0	1	0
£110,000 - £114,999	0	0	1	0
£115,000 - £119,999	0	0	0	0
£120,000 - £124,999	1	1	0	0
£125,000 - £129,999	0	0	1	0
Total	45	171	100	201

26.3 Employee Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the following table:

Banding	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band		Total Cost of Exit Packages in Each Band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
							£000	£000
£00,001 - £20,000	2	2	11	5	13	7	102	88
£20,001 - £40,000	1	0	1	0	2	0	58	0
£40,001 - £60,000	1	0	1	0	2	0	89	0
£60,001 - £80,000	0	0	0	0	0	0	0	0
£80,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	1	0	0	0	1	0	108	0
Total	5	2	13	5	18	7	357	88

The Council terminated the contracts of a number of employees in 2024/25, including school-based staff, incurring liabilities of £0.088m (2023/24: £0.357m). The Council's expenditure on schools is primarily funded from the Dedicated Schools Grant provided by the Department of Education.

27 External Audit Costs

The Council has incurred the following costs in relation to the audit of the Statement of Accounts:

Analysis of External Audit Costs	2023/24	2024/25
	£000	£000
Fees payable to Grant Thornton LLP with regard to external audit services carried out by the appointed auditor for the year	393	427
Fees payable in respect of other services provided by Grant Thornton LLP during the year	73	48
Total External Auditor Costs	466	475

28 Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency (ESFA), the Dedicated Schools Grant (DSG). The DSG is ringfenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2024. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable are as follows:

Analysis of Dedicated Schools Grant	Central Expenditure	Individual Schools Budget	Total
	£000	£000	£000
Final DSG for 2024/25 before academy and high needs recoupment			283,685
Academy and high needs figure recouped for 2024/25			190,460
Total DSG After Academy and High Needs Recoupment for 2024/25			93,225
Plus: Brought forward from 2023/24			0
Less: Carry-forward to 2025/26 agreed in advance			0
Agreed initial budgeted distribution in 2024/25	33,072	60,152	93,224
In year adjustments	(443)	0	(443)
Final Budgeted Distribution for 2024/25	32,629	60,152	92,781
Less: Actual central expenditure	31,383		31,383
Less: Actual ISB deployed to schools		75,643	75,643
Plus: Local authority contribution	0	0	0
In-Year Carry-Forward to 2025/26	1,246	(15,491)	(14,245)
Plus: Carry-forward to 2025/26 agreed in advance			0
Carry-Forward to 2025/26			0
DSG unusable reserve at the end of 2023/24			(4,253)
Addition to DSG unusable reserve at the end of 2024/25			(14,245)
Total of DSG Unusable Reserve at the End of 2024/25			(18,498)
Net DSG Position at the End of 2024/25			(18,498)

Please see the Dedicated Schools Grant Adjustment Account note [22.6](#) for more information.

29 Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement:

Credited to Taxation and Non-specific Grant Income and Expenditure	2023/24	2024/25
	£000	£000
Section 31 grants	(18,078)	(21,347)
Capital grants and contributions	(66,268)	4,022
PFI credits	(6,948)	(7,428)
Revenue Support Grant	(11,562)	(12,328)
Total	(102,856)	(37,081)

Grants Credited to Services	2023/24	2024/25
	£000	£000
Benefits Admin Grant	0	(874)
Dedicated Schools Grant and Other Education Grants	(83,575)	(95,920)
Housing Benefit Subsidy	(56,375)	(57,037)
Learning and Skills Council	(2,440)	(3,110)
Improved Better Care Fund	(12,933)	(12,933)
Transforming Social Care Grant	(21,707)	(28,508)
New Homes Bonus	(22)	(43)
Public Health Grant	(16,460)	(16,876)
Troubled Families Grant	(1,009)	(1,428)
Arts Council	(529)	(314)
Department of Health Grant	(242)	(324)
Household Support Grant	(4,590)	(5,167)
Market Sustainability Fair Costs of Care	(3,007)	(5,618)
New Burdens - Breathing Space	(2,359)	(407)
Universal Grant - Drug Treatment	(1,884)	(2,997)
Other Revenue Grants	(45,326)	(55,904)
Total	(252,458)	(287,460)

29.1 Current Liabilities

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the grantor. The grants are held on the Balance Sheet as a creditor in a Grants Receipts in Advance Account and are split between Revenue and Capital Grant Receipts in Advance as follows:

Revenue Grant Receipts in Advance - Current Liabilities	2023/24	2024/25
	£000	£000
Afghan Citizens Resettlement Scheme	597	1,703
Bus Service Improvement Plan	712	563
D2 Grids	443	172
Domestic Abuse Bill preparation	765	0
Homes for Ukraine	1,222	915
Nature Based Solutions	518	0
RegEnergy	434	432
Section 256 Revenue Grant (SARC)	608	373
Sub-National Transport Body	485	542
Other	4,046	3,893
Total	9,830	8,593

Capital Grant Receipts in Advance - Current Liabilities	2023/24	2024/25
	£000	£000
Department for Transport	46,324	66,230
Department for Environment Food & Rural Affairs	3,398	11,143
Department for Digital, Culture, Media and Sport	2,063	4,367
Football Foundation	0	195
Growth Deal (LEP)	6,080	6,080
Get Building Fund (LEP)	4,087	4,087
Department for Levelling Up, Housing & Communities	23,685	42,599
European Regional Development Funding	0	448
Department for Business, Energy & Industrial Strategy	2,452	5,371
Department for Education	435	435
Heritage Lottery Fund	0	844
Warm Homes Fund	1,060	0
Heatnet	1,000	0
NHS England	580	0
Other	936	317
Total	92,100	142,116

29.2 Long-Term Liabilities

Capital Grant Receipts in Advance - Long-Term Liabilities	2023/24	2024/25
	£000	£000
Department for Transport	7,596	17,929
Heritage Lottery Fund	12	0
SI06	11,310	11,802
Growth Deal	4,694	4,694
Department for Levelling Up, Homes & Communities	4,800	4,800
Total	28,412	39,225

30 Related Parties

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

The following table outlines transactions between the Council and its subsidiaries, associates, jointly controlled and other assisted organisations where the influence is considered to be material, either to the Council or to the organisation.

Related Party Transactions	Details of Arrangement	2023/24			2024/25		
		Receipts	Payments	Outstanding Balances/ Commitments	Receipts	Payments	Outstanding Balances/ Commitments
Subsidiaries, Associates and Joint Arrangements		£000	£000	£000	£000	£000	£000
Subsidiaries							
@ PlymouthCare Ltd	@PlymouthCare was incorporated on the 10 June 2021. The company is a wholly owned subsidiary of the Council and was created to help people remain as independent in their own home, by providing support and care services for people.	(19)	419	357	(7)	522	479
Arca (Plymouth) Ltd	Arca is responsible for the administration and management of The Box and St Luke's Church and is a wholly owned by the Plymouth City Council.	(11)	832	0	(11)	741	2
CATERed Ltd	CATERed is a co-operative trading company which is jointly owned by 67 local schools and Plymouth City Council. Plymouth City Council is the majority shareholder with 51% of the shares.	(200)	1,254	(131)	(204)	1,038	58
Plymouth Active Leisure	Plymouth Active Leisure Limited was incorporated on the 17th November 2021. The company is a wholly owned subsidiary of the Council and took back responsibility for operating the Council's leisure centres from Sports and Leisure Management LTD (SLM) on the 1 April 2022.	(164)	402	21	(142)	2,987	1,709
Plymouth Investment Partnerships Ltd (PIP)	PIP invests in the promotion, assistance and establishment of business to improve the employment and economy of Plymouth and its surrounding area. Plymouth City Council has full ownership of PIP.	(84)	0	0	(85)	0	0

Related Party Transactions	Details of Arrangement	2023/24			2024/25		
		Receipts	Payments	Outstanding Balances/ Commitments	Receipts	Payments	Outstanding Balances/ Commitments
Subsidiaries, Associates and Joint Arrangements - Continued		£000	£000	£000	£000	£000	£000
Joint Arrangements							
DELT Shared Services Ltd	DELT provide ICT and systems to partners. DELT is jointly and equally controlled and owned by Plymouth City Council and Devon CCG.	(198)	11,298	1,197	(246)	12,337	391
Plymouth Science Park Ltd	Plymouth Science Park is a science and technology park for businesses and provide provision of support, advisory and facilities management services. Plymouth Science Park is jointly and equally owned by Plymouth City Council and Plymouth University.	(50)	0	(1,956)	(68)	21	(21)

Central Government

Central Government has significant influence over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (for example Housing Benefits). Details of transactions with Government Departments are set out in note [29](#).

Members

Members of the Council have direct control over the Council's financial and operating policies.

The total of members allowances paid in 2024/25 is disclosed in note [25](#).

Under the Code of Conduct, incorporated in the Council's constitution, Members are required to record in the Register of Members' Interests any financial and other personal interests, together with any gift, hospitality, material benefit or advantage. The register is open to inspection by the public and is available on an individual Member basis on the Council's website. Members who declare an interest do not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in the meetings of relevant meetings.

Members of the Council are nominated to serve on numerous outside bodies some of which either receive funding from the Council or issue levies and precepts to be paid by the Council. When sitting on these bodies Members are expected to act independently and not to represent the views of the Council.

Senior Officers

Under the Employees' Code of Conduct, officers are required to declare potential conflicts of interest arising from employment arrangements together with gifts or hospitality and offers thereof and, under Section 117 of the 1972 Local Government Act, contractual arrangements where there is a conflict of interest whether it be by direct or indirect involvement. Most professional bodies also have codes of professional conduct to which members of those bodies are expected to adhere. During the financial year 2024/25 17 officers were company directors or board members on behalf of the Council. For 2024/25, there are no material transactions for services to organisations in which officers have declared interests.

Other Public Bodies

The Council has a pooled budget arrangement with NHS Devon Integrated Care Board (NHS Devon ICB) for the provision of care services. Further details of the arrangement, the transactions and balances outstanding are detailed in note [24](#).

Other Interests in Companies

There are a number of companies which are also linked to the Council which fall under the definition of an assisted organisation. This includes the provision of financial assistance to voluntary organisations. However they are not considered material in financial terms. Examples include Access Plymouth Ltd, Plymouth Citizens Advice Bureau and the Shekinah Mission (Plymouth) Limited. Independent Futures and the Plymouth City Centre Company Limited are examples of larger organisations supported by the Council.

▪ DELT Shared Services Limited

DELT was launched 1 October 2014 and is a publicly owned private limited company (09098450). It was set up to deliver ICT services and systems to its partners; Plymouth City Council and NHS Devon ICB.

DELT is jointly and equally controlled by its partners with both partners carrying equal full voting rights. The collaborative arrangement is classed as a joint venture.

For more information about DELT and its financial performance, please visit the DELT Services website.

- **CATERed Limited**

CATERed is a cooperative trading company (09355912) which is jointly owned by Plymouth City Council and 67 local schools, providing all school meals in the city. CATERed is 49 per cent owned by schools and 51 per cent by the Council and serves almost 2.5 million meals to Plymouth school children every year.

Plymouth City Council is the majority shareholder of CATERed with 51 per cent of shares and voting rights allocated one vote per share. The collaborative arrangement is classed as a subsidiary of the Council.

For more information about CATERed and its financial performance, please visit the CATERed website.

- **Arca (Plymouth) Limited**

Arca (Plymouth) Ltd (12187662) is a wholly owned subsidiary of the Council which is responsible for the administration and management of The Box and St Luke's Church which opened in September 2020.

- **@PlymouthCare Limited**

@PlymouthCare (13449128) was incorporated on the 10 June 2021. The company is a wholly owned subsidiary of the Council and was created to help people remain as independent in their own home, by providing support and care services for people.

- **Plymouth Active Leisure Limited**

Plymouth Active Leisure Limited (13749536) was incorporated on the 17 November 2021. The company is a wholly owned subsidiary of the Council and took back responsibility for operating the Council's leisure centres from Sports and Leisure Management LTD (SLM) on the 1 April 2022.

Joint Committees

The Council is a member of a couple of joint committees where local authorities have joined together to provide a service. These are listed as follows:

- **Devon Audit Partnership (DAP)**

From April 2009 Plymouth City Council set up a Joint Committee with Devon County Council and Torbay Council for the provision of a shared internal audit service. The service is also able to provide audit services to other organisations. This is a shared service arrangement and is constituted under section 20 of the Local Government Act 2000.

Devon County Council is the host Council for the Joint Committee with all staff now employed by Devon County Council. Assets and Liabilities of the Joint Committee are split on an agreed basis (number of FTE's on inception of the Committee); Plymouth's share equates to 27 per cent and its contribution to the partnership for 2024/25 was £0.330m (2023/24: £0.324m). The Council also pays DAP for Counter Fraud Services at a cost of £0.114m for 2024/25 (£0.228m for 2023/24).

- **South West Devon Waste Disposal Partnership**

Plymouth City Council, Torbay Council and Devon County Council have jointly contracted a PFI project for an Energy from Waste Plant (based in Plymouth) to dispose of residual waste collected by the three Councils. As part of the Joint Working Agreement between the three Councils the South West Devon Waste Partnership Joint

Committee has been established to facilitate the procurement and subsequent operation and management of the facilities (by the selected contractor). The Plant became operational in April 2015.

Plymouth is the Lead Authority with the expenditure associated with this project is incurred and then allocated on an estimated tonnage share basis to Torbay and Devon County Councils. Plymouth's share of the expenditure is reflected within the cost of services on the Comprehensive Income and Expenditure Statement.

For more information about external bodies which Plymouth City Council have an interest in please visit the Council's website.

31 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

Capital Financing Requirements	2023/24	2024/25
	£000	£000
Opening Capital Financing Requirement 1 April	816,483	807,746
Adjustments to PFI liability arising from IFRS16 restatement	0	(10,985)
Total	816,483	796,761
Capital Investment		
Property, Plant and Equipment	71,129	79,240
Intangible Assets	0	405
Assets Held for Sale	25	141
Revenue Expenditure Funded from Capital Under Statute	23,193	32,466
Initial recognition of assets arising from IFRS 16 restatement	0	5,890
Other capital expenditure	735	769
Total	95,082	118,911
Sources of Finance		
Capital receipts	(6,348)	(4,375)
Other movements in Long-Term Debtors	637	1,398
Grants and contributions applied in year	(79,044)	(21,264)
Revenue and other funds	(273)	(466)
Minimum Revenue Provision	(19,182)	(21,840)
Use of landfill provision	391	391
Total	(103,819)	(46,156)
Closing Capital Financing Requirement 31 March	807,746	869,516
Explanation of Movement in Year		
Increase in underlying need to borrow	46,589	39,739
Increase in underlying need to borrow resulting from other changes in capital financing requirement	(55,326)	38,111
Recognition of leases arising from IFRS16 restatement	0	5,890
Adjustment arising from the IFRS16 PFI lease restatements	0	(10,985)
Increase/Decrease in Capital Financing Requirement	(8,737)	72,755

32 Leases

32.1 Change in Accounting Policies for Leases - Authority as Lessee

In 2024/25, the Council has changed its accounting policies to align with those in IFRS 16 Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting. In previous years, property, plant and equipment was only brought onto the Balance Sheet as an asset where the Council secured substantially all the risks and rewards incidental to ownership of the leased item (finance leases). For all other leases (operating leases), no assets were recognised and rents were charged as expenses when they became payable.

From 1 April 2024, an asset representing the right to use the item over the lease term will be recognised for all leases (except for those that are for low value items or whose term is less than one year).

Liabilities are also recognised in the Balance Sheet for the obligations that the Council has to pay rents for the rights acquired, discounted to their present value.

The transitional provisions of the Code are for the following amounts to be brought onto the Balance Sheet by adjusting the opening balances at 1 April 2024:

- liabilities for leases previously accounted for as operating leases, calculated as the present value of the remaining lease payments fixed at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- right-of-use assets for the leased items, measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the Balance Sheet on 31 March 2024.

The Council's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles.

Right-of-Use Assets

The following table shows the change in the value of right-of-use assets held under leases by the Council:

Changes in Value of Right of Use Assets	Land & Buildings	Vehicles, Plant & Equipment	Total
	£000	£000	£000
Balance at 1 April	0	0	0
Additions	7,036	147	7,183
Depreciation and amortisation	(420)	(33)	(453)
Balance at 31 March	6,616	114	6,730

Transactions Under Leases

The Council incurred the following expenses and cash flows in relation to leases:

Analysis of Amounts Included in the Comprehensive Income and Expenditure Statement	2023/24	2024/25
	£000	£000
Comprehensive Income and Expenditure Statement		
Interest expense on lease liabilities	0	363
Expense relating to short-term leases	0	27
Expense relating to exempt leases of low-value items	0	18
Cash Flow Statement		
Minimum lease payments	0	401

Maturity Analysis of Lease Liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

Maturity Analysis of Lease Liabilities	2024/25
	£000
Less than one year	424
One to five years	1,770
More than five years	4,588
Total Undiscounted Liabilities	6,782

32.2 Authority as Lessor

The Council's leases out property and equipment under operating leases for the following purposes:

- For economic development purposes to provide suitable affordable accommodation for local businesses.

Transactions Under Leases

The Council made the following gains and losses as a lessor during the year:

Transactions Under Leases Analysis	2023/24	2024/25
	£000	£000
Operating Leases		
Total lease income	332,996	296,558

Maturity Analysis of Lease Receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts):

Maturity Analysis of Lessor Leases	Operating Leases	
	31 March 24	31 March 25
	£000	£000
Less than one year	17,774	17,354
One to two years	14,547	15,963
Two to three years	14,547	15,027
Three to four years	14,547	13,312
Four to five years	14,547	10,681
More than five years	257,034	236,515
Total Undiscounted Receivables	332,996	308,852

33 Private Finance Initiatives (PFI) and Similar Contracts

33.1 Schools PFI

The Council makes an agreed payment each year, part of which is subject to an annual inflation increase and can be reduced if the contractor fails to meet availability and performance standards in any one year but which is otherwise fixed. A total payment of £6.614m was made in 2024/25 (2023/24: £6.332m). Payments remaining to be made under the PFI contract at 31 March 2025, excluding any estimation of inflation and availability/performance deductions, are as follows:

PFI Outstanding Liabilities	Payment for Services	Reimbursement of Capital Expenditure	Interest	Total
	£000	£000	£000	£000
Total payments to operator in 2024/25	3,503	1,440	1,671	6,614
Payable in 2025/26	3,747	1,440	1,545	6,732
Payable within two to five years	14,889	7,208	4,833	26,930
Payable within six to ten years	12,181	9,044	1,779	23,004
Total	30,817	17,692	8,157	56,666

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred, and interest payable, whilst the capital expenditure remains to be reimbursed. The liability outstanding to pay the liability to the contractor for capital expenditure incurred is as follows:

Movement in PFI Liability	2023/24	2024/25
	£000	£000
Balance outstanding 1 April	20,449	19,036
Payments during the year	(1,413)	92
Opening Balances on 1 April Following Transition to IFRS16	19,036	19,128
Payments during the year	(1,413)	(1,440)
Remeasurement	0	4
Balance Outstanding 31 March	17,623	17,692

The Council has secured PFI credits to the value of £53m, to which interest is added resulting in total Government support of £105.871m over the contract period, and this together with an annual contribution from the Council and the schools which will be used to meet the running costs of the contract, including the loan repayments.

The PFI credits will be paid to the Council at a rate of £3.983m per annum. Spend to be incurred during the contract will vary from year to year as lifecycle works are undertaken. The Council transfers any surplus resources for the PFI scheme to a PFI reserve to match commitments that will be incurred in future years.

33.2 South West Devon (SWD) Energy from Waste (EfW) Partnership

2015/16 was the first year of operation of the EfW public/private service concession arrangement whereby the SWD local authority partnership granted the right to MIV Umwelt (MIVU), the operator, to treat and render inert waste that otherwise would have been disposed of in landfill sites. The SWD partnership comprising Plymouth City Council, Devon County Council and Torbay Council appointed MIVU under a fixed price contract to finance, construct and design the 245,000 tonne capacity facility and to maintain it to a minimum acceptable condition over a 50 year term.

PFI Outstanding Liabilities	Payment for Services	Reimbursement of Capital Expenditure	Interest	Total
	£000	£000	£000	£000
Total payments to operator in 2024/25	5,852	599	2,289	8,740
Payable in 2025/26	6,442	313	2,159	8,914
Payable within two to five years	26,671	1,437	8,413	36,521
Payable within six to ten years	31,944	7,372	8,379	47,695
Payable within eleven to fifteen years	31,986	10,908	3,573	46,467
Total	97,043	20,030	22,524	139,597

The EfW facility is located on MOD land at Camel's Head, North Yard in Devonport Dockyard, Plymouth. The SWD partnership specifies the activities offered by the facility, the opening hours and the expected minimum standard of service to be provided by the operator. MVVU is required to receive all the residual waste from the defined area of the local authority partnership for which the councils are obliged to pay a fixed gate fee based on a guaranteed minimum tonnage of waste, with an additional charge for any extra waste delivered by the councils over and above the contractual waste.

Movement in PFI Liability	2023/24 Plymouth Share	2023/24 Deferred Income	2024/25 Plymouth Share	2024/25 Deferred Income
	£000	£000	£000	£000
Balance outstanding 1 April	32,964	39,502	32,465	37,178
Payments during the year	(498)	(2,324)	(11,077)	0
Opening Balance on 1 April Following Transition to IFRS16	32,466	37,178	21,388	37,178
Payments during the year	(498)	(2,324)	(599)	(2,323)
Remeasurement	0	0	(759)	0
Balance Outstanding 31 March	31,968	34,854	20,030	34,855

Under a separate 25 year agreement between the operator and the MOD, MVVU processes the waste to provide environmentally sustainable heat and electricity to HM Naval Base Devonport. Power is sold at a capped, index linked, guaranteed base price, with any surplus electricity being exported to the National Grid based on a long-term Power Purchase Agreement (PPA) to a company within the MVV group.

The SWD partnership receives 50% of the income earned by EVVU from any excess waste it processes or any excess energy it supplies to third parties. EMVU 3rd party revenues are unrestricted and the SWD partnership is obliged to compensate the operator for any loss of third-party income should the councils exceed their contractual maximum tonnage.

Income and expenditure, assets and liabilities are recorded in each of Plymouth City Council, Devon County Council and Torbay Council's Statements of Accounts respectively in the ratio 48:35:17. Plymouth City Council's share of the total construction costs of £195.324m is carried at depreciated replacement cost in its balance sheet as detailed in note [15.1](#) (Property, Plant and Equipment) together with a corresponding liability.

34 Pensions

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until the employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

34.1 Pension Scheme Accounted for as Defined Contribution Schemes

Teachers' Pension Scheme

Teachers employed by the Council are members of the Teachers' Pension scheme administered by Capita Teachers Pensions on behalf of the Department for Education. The scheme provides teachers with specified benefits upon their retirement, and the Council contributes towards the cost by making contributions based on a percentage of member's pensionable salaries.

The scheme is technically a defined benefit scheme. However, the scheme is unfunded and the Department for Education uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The Council is not able to identify its share of the underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2024/25, Plymouth City Council paid £5.494m to Teachers' Pensions in respect of teachers' retirement benefits (2023/24: £4.624m). There were no contributions remaining payable at the year-end. In 2024/25 the minimum member contribution was 7.4 per cent of salary, the maximum was 11.7 per cent.

The Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in note [34.2](#).

34.2 Defined Benefit Pension Schemes

Local Government Pension Scheme (LGPS)

Plymouth City Council and Tamar Bridge and Torpoint Ferry Joint Committee participate in the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit scheme with benefits earned up to 31 March 2014 being linked to final salary. Benefits earned after 31 March 2014 are based on Career Average Revalued Earnings (CARE). The Plymouth City Council scheme is administered by Devon County Council, however, the Joint Committee Scheme is administered by Cornwall Council and so separate notes have been included to represent Plymouth City Council's 50 per cent interest.

As a result of the High Court's recent Lloyds ruling on the equalisation of Guaranteed Minimum Pension (GMP), a number of pension schemes have made adjustments to accounting disclosures. On 23 March 2021, the Government published the outcome to its GMP indexation consultation, concluding that all public service pension schemes, including LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016. This outcome is consistent with the approach adopted by the actuary and there are no adjustments to be made to the value placed on liabilities.

The McCloud/Sargeant cases relate to age discrimination within the Judicial and Fire Pension Schemes respectively. Regulations in respect of the McCloud and Sargeant judgements came into force on 1 October 2023. The estimated cost of the impact of the McCloud/Sargeant judgement was incorporated

into the pension notes as at 31 March 2022, any changes to these costs in 2024/25 are not expected to be material.

PENSION INFORMATION FOR THE PLYMOUTH CITY COUNCIL (PCC) SCHEME

Transactions Relating to Post-Employment Benefits

The Council recognises the cost of retirement benefits in the surplus/deficit on continuing services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against Council Tax is based on the cash payable in the year, and the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

The following transactions have been made in the CIES and the General Fund Balance via the MiRS during the year:

Comprehensive Income and Expenditure Statement	2023/24	2024/25
	£000	£000
Cost of Services		
Service cost comprising:		
current service cost	13,748	16,345
past service cost	119	0
(gain)/loss from settlements	(261)	(469)
Financing and Investment Income and Expenditure		
Net interest expense	(2,069)	2,569
Other Operating Expenditure		
Administration expenses	571	626
Total Post-employment Benefit Charged to the Surplus/Deficit on the Provision of Services	12,108	19,071
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement		
Re-measurement of the net defined benefit liability comprising:		
return on plan assets (excluding the amount included in the net interest expense)	(56,767)	11,945
actuarial gains and losses arising on changes in demographic assumptions	(12,778)	(2,357)
actuarial gains and losses arising on changes in financial assumptions	(19,142)	(117,990)
experience gain/(loss) on defined benefit obligation	2,453	(2,157)
other actuarial gains/(losses) on assets	0	0
changes in effect of asset ceiling	129,924	108,492
Total Premeasurements Recognised in the Comprehensive Income and Expenditure Statement	43,690	(2,067)
Total Post-employment Benefits Charged to the Comprehensive Income and Expenditure Statement	55,798	17,004
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefit in accordance with the Code	(12,108)	(19,071)
Actual Amount Charged Against the General Fund Balance for Pensions in the Year:		
employers' contribution payable to the scheme	18,464	20,048
retirement benefits payable to pensioners	3,260	3,355
adjustment re: net increase/(decrease) per LGR pension liability	851	1,138

34.3 Assets and Liabilities in Relation to Post-Employment Benefits (PCC)

Reconciliation of present value of the scheme liabilities (defined benefit obligation):

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

2024/25	Scheme Assets	Pension Obligations	Effect of Asset Ceiling	Net Pensions (Liability) or Asset
	£000	£000	£000	£000
Opening balance at 1 April	975,097	(909,435)	(129,924)	(64,262)
Current service cost	0	(16,345)	0	(16,345)
Employee contributions	7,208	(7,208)	0	0
Past service cost and gains/losses on settlements	4,181	(3,712)	0	469
Interest Income and Expenses	47,941	(44,144)	(6,366)	(2,569)
Admin expenses	(626)	0	0	(626)
Remeasurements:				
actuarial gains/losses arising from changes in demographic assumptions	0	2,357	0	2,357
actuarial gains/losses arising from changes in financial assumptions	0	117,990	0	117,990
other actuarial gains and losses	(11,945)	2,157	0	(9,788)
change on the effect of the assets ceiling	0	0	(108,492)	(108,492)
Council employers contribution	20,048	0	0	20,048
Retirement grants and pensions	(47,226)	47,226	0	0
Closing Balance at 31 March	994,678	(811,114)	(244,782)	(61,218)

2023/24	Scheme Assets	Pension Obligations	Effect of Asset Ceiling	Net Pensions (Liability) or Asset
	£000	£000	£000	£000
Opening balance at 1 April	891,135	(918,063)	0	(26,928)
Current service cost	0	(13,748)	0	(13,748)
Employee contributions	6,701	(6,701)	0	0
Past service cost and gains/losses on settlements	(1,796)	1,938	0	142
Interest Income and Expenses	45,655	(43,586)	0	2,069
Admin expenses	(571)	0	0	(571)
Remeasurements:				
actuarial gains/losses arising from changes in demographic assumptions	0	12,778	0	12,778
actuarial gains/losses arising from changes in financial assumptions	0	19,142	0	19,142
other actuarial gains and losses	56,767	(2,453)	0	54,314
change on the effect of the assets ceiling	0	0	(129,924)	(129,924)
Council employers contribution	18,464	0	0	18,464
Retirement grants and pensions	(41,258)	41,258	0	0
Closing Balance at 31 March	975,097	(909,435)	(129,924)	(64,262)

The effect of the asset ceiling has been determined by the Scheme's actuaries on the basis of the limitation on the Council's ability to recover the full economic benefit of its assets through reductions in

future employer's contributions because of the minimum funding requirement imposed on it by the funding strategy for the Scheme in place at 31 March 2025. Under this strategy, the Council has an obligation to fund a deficit of £61.218m.

The Scheme actuaries have assessed the Council's estimated future service costs less the estimated minimum funding requirement contributions to establish the economic benefit that is available to the Council. The net pensions asset has therefore been adjusted by this effect of the asset ceiling.

34.4 Scheme History (PCC)

The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The total liability of £61.218m is shown as a negative balance and therefore has an impact on the net worth of the Council as recorded in the Balance Sheet. However the negative balance that arises measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2026 is £21.774m.

34.5 Basis for Estimating Assets and Liabilities (PCC)

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, gender, salary levels, investment returns, interest rates, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries, with the estimates for the City Council's share of the Fund being based on the latest full valuation of the scheme as at 31 March 2025.

Basis for Estimating Assets and Liabilities	2023/24	2024/25
Mortality assumptions:		
Longevity at 65 for current pensioners:		
men	21.5	21.4
women	22.7	22.7
Longevity at 65 for future pensioners:		
men	22.8	22.7
women	24.1	24.1
Rate of inflation (CPI)	2.90%	2.90%
Rate of increase in salaries	3.90%	3.90%
Rate of increase in pensions	2.90%	2.90%
Rate for discounting scheme liabilities	4.90%	5.80%

Impact on the Defined Benefit Obligation in the Scheme	Decrease in Assumption	No Change	Increase in Assumption
	£000	£000	£000
Longevity (increase or decrease in 1 year)	783,585	81,114	839,745
Rate of increase in salaries (increase or decrease by 0.1%)	810,341	811,114	811,894
Rate of increase in pensions (increase or decrease by 0.1%)	800,582	811,114	821,889
Rate for discounting scheme liabilities (increase or decrease by 0.1%)	822,359	811,114	800,126

34.6 Total Assets (PCC)

The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

Categories by Proportion of the Total Assets Held	2023/24	2024/25
	%	%
Equities	56	54
Gilts	0	0
Property	18	18
Cash	2	3
Other investments	24	25
Total	100	100

34.7 Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

Pension Assets and Liabilities Recognised in the Balance Sheet	2023/24	2024/25
	£000	£000
Present value of the defined benefit obligation	885,224	789,892
Fair value of plan assets	(975,097)	(994,678)
Net Liability	(89,873)	(204,786)
Other movements in the liability	24,211	21,222
Impact of Asset Ceiling	129,924	244,782
Net Liability Arising from Defined Benefit Obligation	64,262	61,218

PENSION INFORMATION FOR TAMAR BRIDGE AND TORPOINT FERRY JOINT COMMITTEE (TBTF)

34.8 Transactions in the Comprehensive Income and Expenditure Statement and Movement in Reserves Statement (TBTF)

Comprehensive Income and Expenditure Statement	2023/24	2024/25
	£000	£000
Cost of Services		
Service cost	455	420
Financing and Investment Income and Expenditure		
Net interest expense	40	3
Total Post-employment Benefit Charged to the Surplus/Deficit on the Provision of Services	495	423
Other Post-employment Benefits charged to the Comprehensive Income and Expenditure Statement		
Re-measurement of the net defined benefit liability comprising:		
return on plan assets (excluding the amount included in the net interest expense)	(247)	485
actuarial gains and losses arising on changes in demographic assumptions	(71)	(22)
actuarial gains and losses arising on changes in financial assumptions	(800)	(1,765)
experience gain/(loss) on defined benefit obligation	376	(110)
changes in effect of asset ceiling	0	7,731
Total Premeasurements Recognised in the Comprehensive Income and Expenditure Statement	(742)	6,319
Total Post-employment Benefits Charged to the Comprehensive Income and Expenditure Statement	(247)	6,742
Movement in Reserves Statement		
Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefit in accordance with the Code	(494)	(422)
Actual Amount Charged Against the General Fund Balance for Pensions in the Year:		
Employers' contribution payable to the scheme	504	526

34.9 Assets and Liabilities in Relation to Post-Employment Benefits (TBTF)

2024/25	Scheme Assets	Pension Obligations	Effect of Asset Ceiling	Net Pensions (Liability) or Asset
	£000	£000	£000	£000
Opening Balance at 1 April	12,091	(12,200)	0	(110)
Current service cost	0	(420)	0	(420)
Employee contributions	150	(150)	0	0
Interest income and expenses	591	(593)	0	(2)
Remeasurement				
actuarial gains/losses arising from changes in demographic assumptions	0	22	0	22
actuarial gains/losses arising from changes in financial assumptions	0	1,765	0	1,765
other actuarial gains and losses	(485)	110	0	(375)
change on the effect of the assets ceiling	0	0	(7,731)	(7,731)
Council employers contribution	526	0	0	526
Retirement grants and pensions	(494)	494	0	0
Closing balance at 31 March	12,379	(10,972)	(7,731)	(6,325)

2024/25	Scheme Assets	Pension Obligations	Effect of Asset Ceiling	Net Pensions (Liability) or Asset
	£000	£000	£000	£000
Opening Balance at 1 April	11,573	(12,110)	0	(537)
Adjustment to opening balance	(324)	0	0	(324)
Current service cost	0	(455)	0	(455)
Employee contributions	143	(143)	0	0
Interest income and expenses	536	(576)	0	(41)
Remeasurement				
actuarial gains/losses arising from changes in demographic assumptions	0	71	0	71
actuarial gains/losses arising from changes in financial assumptions	0	800	0	800
other actuarial gains and losses	248	(376)	0	(128)
Council employers contribution	504	0	0	504
Retirement grants and pensions	(589)	589	0	0
Closing balance at 31 March	12,091	(12,200)	0	(110)

The liabilities show the underlying commitments that the Joint Committee has to pay in the long run to pay post-employment (retirement) benefits. The total asset of £1.406m has an impact on the net worth of the Council as recorded in the Balance Sheet. However the negative balance that arises measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

The total contributions expected to be made to the Local Government Pension Scheme via the Joint Committee in the year to 31 March 2026 is £0.526m.

34.10 Scheme History (TBTF)

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, gender, salary levels, investment returns, interest rates, etc. The Cornwall Council pension scheme liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with the estimates for the City Council's share of the Fund being based on the latest full valuation of the scheme as at 31 March 2025.

34.11 Basis for Estimating Assets and Liabilities (TBTF)

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, gender, salary levels, investment returns, interest rates, etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, with the estimates for the City Council's share of the Fund being based on the latest full valuation of the scheme as at 31 March 2025.

Basis for Estimating Assets and Liabilities	2023/24	2024/25
Mortality assumptions:		
Longevity at 65 for current pensioners:		
men	19.6	19.5
women	21.7	21.7
Longevity at 65 for future pensioners:		
men	21.5	21.4
women	25.3	25.2
Rate of increase in salaries	2.75%	2.80%
Rate of increase in pensions	2.75%	2.80%
Rate for discounting scheme liabilities	4.85%	5.80%

35 Contingent Assets and Liabilities

35.1 Contingent Assets

The Council has the following contingent assets to report:

Plymouth Airport

Plymouth City Airport is let on 150 year lease from 2004. The Council's Lessee served notice of its intention to close the airport in December 2010 because of continuing trading losses. On 23 August 2011 the Council's Cabinet accepted the notice of non-viability from the Lessee following receipt of three independent reviews of the airport business and options for its financial viability. The Airport closed for business in December 2011. Under the terms of the lease the Council's freehold and the Lessee's leasehold interest are due to be merged and the former Lessee will then be responsible for obtaining planning permission and marketing the site. Any eventual net land disposals proceeds will be divided between the Council and the former Lessee 75%/25% less certain deductions. However, the timing and amount of any such receipts, if any, is uncertain. In February 2024 the Council served Section 146 Notices on the Lessee.

35.2 Contingent Liabilities

The Council has no known material contingent liabilities to report.

COLLECTION FUND FOR THE YEAR ENDED 31 MARCH 2025

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and the distribution to Local Authorities and the Government of Council Tax and Non-Domestic Rates.

2023/24				Note	2024/25		
Business Rates	Council Tax	Total			Business Rates	Council Tax	Total
£000	£000	£000	Income		£000	£000	£000
0	(160,460)	(160,460)	Council tax receivable	1	0	(169,369)	(169,369)
(86,183)	0	(86,183)	Business rates receivable	2	(84,022)	0	(84,022)
(86,183)	(160,460)	(246,643)			(84,022)	(169,369)	(253,391)
			Expenditure				
			Apportionment of Previous Year's Surplus/ (Deficit)				
4,748	0	4,748	Central Government		(809)	0	(809)
4,653	1,473	6,126	Plymouth City Council		(793)	1,916	1,123
0	222	222	Devon and Cornwall Police and Crime Commissioner		0	286	286
95	84	179	Devon and Somerset Fire and Rescue Service		(16)	106	90
9,496	1,779	11,275			(1,618)	2,308	690
			Precepts, Demands and Shares				
43,590	0	43,590	Central Government		44,685	0	44,685
42,719	131,300	174,019	Plymouth City Council		43,792	138,768	182,560
0	19,588	19,588	Devon and Cornwall Police and Crime Commissioner		0	20,694	20,694
872	7,249	8,121	Devon and Somerset Fire and Rescue Service		894	7,515	8,409
87,181	158,137	245,318			89,371	166,977	256,348
			Charges to the Collection Fund				
233	0	233	Renewable Energy Disregard		245	0	245
0	0	0	Designated Areas Disregard		26	0	26
133	443	576	Write offs of uncollectable amounts		154	605	759
213	1,565	1,778	Increase/(Decrease) in Bad Debt Provision		544	1,907	2,451
(2,584)	0	(2,584)	Increase/(Decrease) in Provision for Appeals		(2,968)	0	(2,968)
80	0	80	Interest paid on refunds to ratepayers		596	0	596
306	0	306	Cost of collection allowance		310	0	310
(1,619)	2,008	389			(1,093)	2,512	1,419
8,875	1,464	10,339	(Surplus)/Deficit for the Year		2,638	2,428	5,066
			Collection Fund Balance				
(8,383)	(4,536)	(12,919)	Balance as at 1 April		492	(3,072)	(2,580)
8,875	1,464	10,339	(Surplus)/Deficit for the year (as above)		2,638	2,428	5,066
492	(3,072)	(2,580)	Balance as at 31 March		3,130	(644)	2,486
			Allocated to:				
246	0	246	Central Government		1,565	0	1,565
241	(2,551)	(2,310)	Plymouth City Council		1,533	(535)	998
0	(381)	(381)	Devon and Cornwall Police and Crime Commissioner		0	(80)	(80)
5	(140)	(135)	Devon and Somerset Fire and Rescue Service		31	(29)	2
492	(3,072)	(2,580)	Total Allocated		3,129	(644)	2,485

NOTES TO THE COLLECTION FUND

1 Council Tax Income

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands based on an estimated 1 April 1991 value for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority and the City Council for the forthcoming year and dividing this by the Council Tax base. The tax base is the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted for discounts and estimated collection rates: 75,389 in 2024/25 (2023/24: 74,891).

The basic amount of Council Tax for a Band D property (2024/25: £2,111.56) is multiplied by the proportion specified for the particular band to give an individual amount due. The calculation of the Council Tax Base is shown in the following table:

Band	No of Properties Before Discounts	No of Properties After Discounts	Band D Equivalents	Estimated Collection Rates	Adjusted Band D Equivalents
A	45,127	30,296	20,186	97.5%	19,681
B	31,953	26,079	20,284	97.5%	19,776
C	22,667	20,222	17,975	97.5%	17,525
D	9,538	8,787	8,787	97.5%	8,567
E	4,981	4,713	5,760	97.5%	5,616
F	1,847	1,758	2,540	97.5%	2,477
G	561	535	892	97.5%	870
H	30	23	46	97.5%	45
	116,704	92,413	76,470		74,557
Adjustment for MOD properties					832
Tax Base Totals			76,470		75,389

The Council Tax Base was calculated at the time the 2024/25 budget was set, based on the estimated number of properties and value of discounts applicable to each band at that time. The estimated income, allowing for non-collection, was £166.977m (£2,214.87 x 75,389). In practice, however, the average number of properties and values of discounts vary from the estimates, and the actual income increased to £169.369m (2023/24: £160.460m).

2 Income from Business Ratepayers

The Council collects Non-Domestic Rates (NDR) for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government, the standard multiplier was set at 54.6p for 2024/25 and the rate for properties in receipt of Small Business Rate Relief was kept at 49.9p.

The administration of NDR is governed by the Business Rates Retention Scheme which was introduced in 2013/14. This aims to give councils a greater incentive to grow businesses but also increases the financial risk due to volatility of the NDR tax base and non-collection of rates due. In the case of Plymouth, the retained proportion of NDR income is 49 per cent. The remainder is distributed to preceptors: 1 per cent to the Devon and Somerset Fire and Rescue Authority (DSFRA) and 50 per cent to Central Government.

The business rates shares payable for 2024/25 were estimated before the start of the financial year as £44.685m to Central Government, £0.894m to DSFRA and £43.792m to Plymouth City Council.

These sums have been paid during 2024/25 and charged to the Collection Fund in year and include the previous year's surplus.

When the scheme was introduced the Government set a baseline funding level (based on local demand for services) for each authority and applied the system of tariffs and top-ups to ensure all authorities receive their baseline amount. In 2024/25 Plymouth had a baseline amount of £63.250m and received a top-up of £16.191m which was charged to the General Fund and included in note [14](#).

In addition to the top-up and tariffs, a safety net figure is calculated by Central Government. This mechanism is designed to protect local authorities from large fluctuation in their business rates income. The safety net threshold for Plymouth is £58.506m. As our adjusted retained income is above this level no safety net payment was due to Plymouth for 2024/25.

Section 31 Grant funding for Business Rate reliefs awarded by Central Government in 2024/25 was £21.390m based on the original estimates made in January 2024. Under the rates retention scheme local authorities became liable for their share of the liability arising from the in-year and backdated impact of successful business rate appeals. Based on the analyses of previous year trends and the list of outstanding appeals provided by the VOA as at 31 March 2025 the Council included a provision of £6.720m.

For 2024/25, the total non-domestic rateable value at the end of the year was £241.429m (2023/24: £241.199m).

3 Precepts and Demands

3.1 Council Tax

The budgets of the City Council, Devon and Cornwall Police and Crime Commissioner, Devon and Somerset Fire and Rescue Authority are partly financed from the Council Tax. The sums required from Council Tax by the Council, Fire Authority and Police Commissioner are determined by each body as part of the budget process and are called demands (Council) and precepts (Fire and Police). The income from Council Tax payers is paid into the Collection Fund and payments are made from the Collection Fund for the demands and precepts due to the Council, Fire Authority and Police Commissioner.

3.2 Non-Domestic Rates

As described previously in note [2](#), the administration of NDR is governed by the Business Rate Retention Scheme.

NDR surpluses declared by the billing authority in relation to the Collection Fund are apportioned to the relevant precepting bodies in the subsequent financial year in their respective proportions. Deficits likewise are proportionately charged to the relevant precepting bodies in the following year.

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2024/25 DRAFT STATEMENT OF ACCOUNT

(unaudited)

**1. Framework for Local Government Financial Reporting**

- 1.1. Local authority accounts in the UK are prepared in accordance with the Code of Practice on Local Authority Accounting, developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC) (“the Code”). The Code adapts International Financial Reporting Standards (IFRS) to reflect the specific financial reporting needs of local government bodies in the UK.
- 1.2. Local government accounts include the following core statements:
 - Comprehensive Income and Expenditure Statement (CIES) - recording all revenue income and expenditure for the year
 - Balance Sheet – showing the value of assets and liabilities held by the Council
 - Cashflow Statement – showing movements in cash and cash equivalents for the Council. Complementing the CIES and Balance Sheet which are completed on an accruals basis.
 - Movement in Reserves Statement – this is a local government specific statement. It shows how reserves have changed by removing accounting items in the CIES that are required by statute to not impact the Council’s reserves, reconciling to the outturn position.

Notes to the Accounts provide further detail on individual line items in the core statements.

2. National Context

- 2.1. Up until the 28 February 2025, there was a significant backlog in the publication of audited accounts in local government. As at March 2024, there were 646 outstanding audit opinions for local authorities. In addition, only 41% of local authorities published draft accounts for 2023/24 by the statutory deadline of 31st May.
- 2.2. The backlog attracted significant national attention. Both the government and parliamentarians expressed concern and sought to understand the root causes and identify potential solutions. The Public Accounts Committee conducted an inquiry into the timeliness of local audits, publishing its findings in March 2023. Additionally, the Ministry of Housing, Communities and Local Government (MHCLG) undertook a review of Financial Reporting and Audit in Local Authorities, culminating in a report released in February 2024.
- 2.3. The UK Government has since taken active steps to address what has been widely described as a “broken local audit system” in England. At its peak, the backlog exceeded 1,000 unaudited accounts, significantly undermining transparency, accountability, and public confidence in local governance.
- 2.4. To tackle this issue, the government introduced the Accounts and Audit (Amendment) Regulations 2024, which came into effect on 30 September 2024. These regulations introduced a revised reporting timetable covering all financial years up to and including 2027/28. Under the new framework, the deadline for publishing audited accounts for the 2024/25 financial year is 27 February 2026.

- 2.5. While acknowledging the exceptional nature of these measures, the government maintains that they are essential to restoring a robust, transparent, and accountable local audit framework.

3. Local Authority Accounting

- 3.1. The presentation of local authority accounts differs greatly to that of the private sector. Many of these differences occur due to legislative requirements for local government accounts and the recognition of costs for the purposes of budgeting and calculating the Council Tax. These differences mainly relate to the way the Council is required to account (or budget) for capital and pension costs.
- 3.2. Local authorities account for the revenue impact of capital in line with IFRS on the face of the Comprehensive Income and Expenditure Statement (CIES). This means including figures relating to movements in the value/cost of assets, including depreciation, revaluation, disposal and impairment. These entries are reversed out and replaced with an allowance for the consumption of capital, termed Minimum Revenue Provision (MRP). These “adjustments between accounting basis and funding basis under regulation” are shown in Note 10 to the unaudited accounts.
- 3.3. In terms of pension costs, local authorities are required to comply with an International Accounting Standard IAS 19 (Employee Benefits), which means accounting for pension liabilities when local authorities are committed to them, not when they are actually paid out. This includes showing movements in the value of pension scheme assets and liabilities.
- 3.4. The Council complies with IAS 19 and recognises the Council’s share of the net liability of the Devon Local Government Pension Scheme (Devon LGPS) in the balance sheet. Within the CIES the ‘Cost of Service’ figures have been adjusted so they represent the true costs of pensions earned. As stated above, IAS 19 does not have any effect on the calculation of the Council Tax Requirement as the entries are reversed out and replaced by the cash contributions to the Pension Scheme, in an adjustment between accounting basis and funding basis under regulation.

4. International Financial Reporting Standard, IFRS 16 (Leases)

- 4.1 IFRS 16 (Leases) replaces the previous standard, IAS 17 (Leases), which governed the classification and accounting treatment of leases on the balance sheet. Under IAS 17, leases were categorised as either finance leases or operating leases, each with distinct accounting implications. Finance leases - where substantially all risks and rewards of ownership transferred to the lessee - were recognised on the balance sheet as both an asset and a corresponding liability. In contrast, operating leases - where ownership remained with the lessor - were not recognised on the balance sheet, but instead lease payments were expensed through the CIES as they became due. Although future lease obligations were disclosed in the notes to the financial statements, they were generally not recognised as liabilities, nor were the associated assets recorded.
- 4.2 IFRS 16 introduces a different approach to lease accounting by recognising a right-of-use asset for all qualifying leases, including those with nominal or "peppercorn" rents. This approach eliminates the previous distinction between finance and operating leases for lessees. Under IFRS 16, all leases - except those with a term of less than 12 months - are recognised on the balance sheet, regardless of the transfer of risks and rewards.
- 4.3. To implement the new standard, the Council has updated its accounting policies within the Statement of Accounts. The revised policy replaces the previous lease accounting guidance and is detailed under Accounting Policy 1.19 – Leases, on page 40.
- 4.4 In preparation for the implementation date of 1 April 2024, Finance conducted a comprehensive review of all lease arrangements. As a result, 59 land and building leases, 32 equipment leases, and

8 vehicle leases have been identified for recognition on the balance sheet. These leases were previously treated as operating leases and expensed through the CIES.

- 4.5 The Council also reviewed its Private Finance Initiative (PFI) lease models, in consultation with its treasury management advisers, Arlingclose, to assess the impact of IFRS 16. This review covered both the Schools PFI contracts and the Energy from Waste facility. The outcome was a net reduction of £10.985m in the net balance sheet value of PFI-related assets and liabilities.
- 4.5 The adoption of IFRS 16 also affects the Council's prudential indicators. The recognition of right-of-use (ROU) assets and corresponding lease liabilities increases the Council's reported borrowings, which in turn raises the Capital Financing Requirement (CFR) and the authorised debt limits. Further details are provided in Note 32 – Leases and Note 31 – Capital Expenditure and Capital Financing, both on page 101 of the accounts.
- 4.6 Implementing IFRS 16 has required significant effort to assess and interpret the financial implications of each lease agreement. As with any new accounting standard, a degree of professional judgement has been applied in line with available guidance. As this is a new disclosure in the 2024/25 Statement of Accounts, it will be subject to external audit review.

5. Draft Statement of Accounts 2024/25

- 5.1. The draft (unaudited) Statement of Accounts for the financial year 2024/25 were published on 30 June 2025, in accordance with statutory requirements. The public inspection period commenced on 1 July 2025.
- 5.2. Due to the accounting treatment required to be adopted for the 2019 pension restructure, the Council submitted a request for Exceptional Financial Support (EFS) to MHCLG. In February 2024 the Council were provided with an in-principle decision for EFS and confirmation that MHCLG were minded to approve a capitalisation direction. While discussions to finalise the arrangements are ongoing, further correspondence received in March 2025 provided sufficient assurance to the Section 151 Officer to proceed with the setting a balanced budget for 2025/26.

At the time of publishing the draft Statement of Accounts 2024/25, the Council had not yet received the formal capitalisation direction. As a result, the Working Fund Balance is currently reported as a negative £60.138 million. Upon receipt of the capitalisation direction, this balance will be adjusted to reflect a positive position of £11.862 million.
- 5.3. The Council delivered a breakeven outturn for 2024/25, with total net expenditure aligning with the approved net budget of £241.622 million. This budget was formally approved by Full Council on 8 March 2024. A reconciliation between the budgeted outturn and the net expenditure reported in the CIES is provided in Note 7 – Expenditure and Funding Analysis, located on page 52 of the accounts.
- 5.4. The Balance Sheet shows the authority's assets, liabilities and reserves. The reserves are split into usable and unusable reserves. The unusable reserves are not available to the Council but are part of their technical accounting requirements. These reserves are not available to use for service delivery at the reporting date. These reserves arise from either:
 - a. Statutory adjustments required to reconcile to the amounts chargeable to Council Tax in order to comply with legislation, or
 - b. Accounting gains or losses recognised in other comprehensive income and expenditure in accordance with accounting standards adopted by the Code, rather than in the surplus or deficit on the provision of services.

The Council has a positive Balance Sheet as at 31 March 2025, which means that the Council's assets are £435.198m greater than its liabilities. This reflects a downward movement of £40m from 2023/24 due to various movements within the Council's assets and liabilities.

- 5.5. The main movements on the Balance Sheet between 31 March 2024 and 31 March 2025 are summarised below:

5.5.1 Non-current Assets

- Property, Plant and Equipment has increased by £61.341m primarily due to the combination of both asset revaluation and the acquisition of new assets through the capital programme. Further details are provided in Note 15 of the Statement of Accounts..
- Investment Property has reduced by £4.251m due to valuation movements. Further details can be found in Note 17 to the Statement of Accounts.

5.5.2 Current Assets

- Short Term Debtors have decreased by £12.890m due to the recovery of money owed to the Council by government bodies. Further information is available in Note 19.1.
- Cash and Cash Equivalents have increased by £12.605m to £39.603m to reflect an increase in the short-term cash investments held at year end. Further notes on Financial Instruments can be found in Note 18 to the Statement of Accounts.

5.5.3 Current Liabilities

- Short Term Borrowing has increased by £66.509m. Borrowing is used to finance the Capital Programme in accordance with the 2024/25 approved budget and Treasury Management Strategy, and to provide liquidity to manage short-term working capital variations. Further detail can be found in Note 18 to the Statement of Accounts.
- Capital Grants Received in Advance have increased by £50.016m. Further details are provided in Note 29 to the Statement of Accounts.

5.5.4 Long Term Liabilities

- Long Term Borrowing has decreased by £19.765m, further details can be found in Note 18 to the Statement of Accounts.
- Long-term pension liabilities have increased by £3.171 million because of an accounting adjustment related to the application of the asset ceiling, as determined by the Scheme's actuaries, Barnett Waddingham. Further details are provided in Note 34 - Pensions, located on page 109 of the Statement of Accounts.
- Other Long-Term Liabilities have reduced by £10.733m which reflects a reduction in the long-term PFI liability due to the impact of IFRS16. Further information can be found in Note 20.3 to the Statement of Accounts.
- Grants Received in Advance – Capital have increased by £10.843m, mainly due to grants received from the Department for Transport. This movement is further explained in Note 29.1 of the Statement of Accounts.

5.5.5 Reserves

- Usable reserves are showing a net reduction of £19.685m, reflecting the release of £1.137m additional resource adjustments from prior year Council Tax collection plus a

drawdown of £3.913m from reserves. In addition, the audit sign-off of the backlog of Statement of Accounts resulted in a reprofiling of the MRP charge with a corresponding release of £5.170m from the brought forward reserve. This agreed usage assisted in achieving a balanced budget position.

- A further £7.778 million reduction related to the Integrated Finance Reserve, jointly held with the NHS Devon Integrated Care Board (ICB), along with several smaller reserve movements.

Further details on the movement in earmarked reserves can be found in Note 12 to the Statement of Accounts.

- Unusable reserves have decreased by £20.407m. The unusable reserves are not available for revenue purposes to the Council but are part of their technical accounting requirements. The unusable reserves include, for example, the pension reserve, the capital adjustment account and the revaluation reserve. Further information on the unusable reserves is available in Note 22 to the Statement of Accounts.
- The Dedicated Schools Grant Adjustment Account has increased to £18.498m reflecting the significant accumulated deficit relating to the schools' budget. This is explained further within the accounts Note 22.6 on page 84.

6 Conclusion

The statement of accounts appended to this report are draft at this stage. Following completion of the external audit procedures by Grant Thornton, the Audit & Governance Committee will be presented with, and asked to approve, the audited Statement of Accounts 2024/25 at their meeting in January 2026, in advance of the backstop date of 27 February 2026.

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Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Health, Safety and Wellbeing Annual Report 2024-25
Lead Member:	Councillor Sue Dann (Cabinet Member for Customer Experience, Sport, Leisure and HR and OD)
Lead Strategic Director:	Chris Squire (Service Director for HR and OD)
Author:	Kirstie Spencer – Head of Health, Safety and Wellbeing
Contact Email:	Kirstie.spencer@plymouth.gov.uk
Your Reference:	KS 110725
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The Annual Health, Safety and Wellbeing (HSW) Report is a statement of Plymouth City Council's (PCC) performance against its HSW Policy, and performance objectives detailed in HSW Performance Standards and the HSW Corporate Action Plan. This annual report covers the period 1 April 2024 to 31 March 2025. Plymouth City Council demonstrates a strong commitment to Health, Safety and Wellbeing evidenced throughout this annual report.

Recommendations and Reasons

1. Continue to support the management and improvement of HSW across the organisation, to ensure that all duty holders (Councillors, Managers and Staff) are undertaking mandatory and role specific H&S Training;
2. Communicate and role-model positive HSW performance and actively improve and maintain own and operational HSW competency.

Alternative options considered and rejected

1. N/A

Relevance to the Corporate Plan and/or the Plymouth Plan

Links to The Plymouth Plan Section 4. Delivering a Healthy City

Specifically Objectives:

1. Delivering solutions and creating environments which address the wider determinants of health and wellbeing and make healthy choices available.
2. Reducing health and wellbeing inequalities and the burden of chronic diseases in the city.
3. Delivering the best health, wellbeing and social outcomes for all people, and reducing and mitigating the impact of poverty, especially child poverty.
4. Helping ensure that children, young people and adults feel safe and confident in their communities, with all people treated with dignity and respect.
5. Building strong and safe communities in good quality neighbourhoods with decent homes for all, health-promoting natural and built environments, community facilities and public spaces and accessible local services, alongside supporting restoration of natural habitats and ecosystems

Implications for the Medium Term Financial Plan and Resource Implications:

HSE risk mitigation through improved management system.

Risk of criminal and civil action resulting from non-compliance with HSW Management System.

Financial Risks

Reduced financial risk with improved compliance with HSW Management System, reduced risk of criminal and civil penalties, reduced reputational risk, reduced sickness absence and lost time incidents

Legal Implications

(Provided by LB)

As set out within the report.

Carbon Footprint (Environmental) Implications:

N/A

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

HSE risk mitigation through improved management system.

Risk of criminal and civil action resulting from non-compliance with HSW Management System.

Reduced financial risk with improved compliance with HSW Management System, reduced risk of criminal and civil penalties, reduced reputational risk, reduced sickness absence and lost time incidents

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	Health, Safety and Wellbeing Annual Report							

Sign off:

Fin	OW. 25.26. 027	Leg	LS/00 0036 09/38 /LB/I 4/07/ 25	Mon Off	N/A	HR	CS.25 .26.00 8	Asset s	N/A	Strat Proc	N/A
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Originating Senior Leadership Team member: Chris Squire
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 01/07/2025
Cabinet Member approval: Cllr Sue Dann approved via email Date approved: 11/07/2025

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HEALTH, SAFETY AND WELLBEING ANNUAL REPORT
2025-2025

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10.0	Street Services Health, Safety and Wellbeing Progress Update
11.0	Enforcement Activity
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13.0	Trade Union Endorsements

1.0 EXECUTIVE SUMMARY

The Annual Health, Safety and Wellbeing (HSW) Report is a statement of Plymouth City Council's (PCC) performance against its HSW Policy, and performance objectives detailed in HSW Performance Standards and the HSW Corporate Action Plan.

This annual report covers the period 1 April 2024 to 31 March 2025. The statistics published in the previous annual report, published for the period 2023/2024, have been used to benchmark 2024/2025 data.

Plymouth City Council demonstrates a strong commitment to Health, Safety and Wellbeing evidenced throughout this annual report. Most notably, the following activities have strengthened the HSW management system during this financial year:

- Training and assurance activity with Corporate Management Team (CMT) in line with accountabilities and responsibilities detailed in HSW Policy.
- Progress made against HSW Corporate Action Plan although delayed due to team refocus onto Facilities Management. Corporate Action Plan updates presented to CMT quarterly.
- Steering Group review of Terms of Reference, membership and focus of key activities. Cllr Sue Dann invited to attend April 25 meeting.
- Assure development – Incident, Risk and Audit modules now in full use across PCC.
- Audit programme – Key activity to assess compliance with HSW Policy and HSPS KPI's. This years programme included 14 service level audits carried out by HSW Team.
- HSW Coordinators – Now in place in the majority of areas, still further work required to ensure they are in place across all areas. Monitored through Steering Group and at Directorate Management level.
- There are 36 Wellbeing Champions nominated across PCC, supported by the Health and Wellbeing Advisor. This is a reduction of 11 from last year.

2.0 GOVERNANCE AND ACCOUNTABILITY

Accountability for HSW sits with the Chief Executive Officer of the Council. Arrangements describing how this accountability is discharged are outlined in the [HSW Policy](#).

The Executive Lead for HSW and Chair of the HSW Steering Group is the Director for Human resources and Organisational Development. The Council's Portfolio Holder for HSW is Councillor Sue Dann

The health and safety management system HSG65 (Managing for Health and Safety) is the system which PCC has implemented to achieve good HSW performance and compliance.

HSW information and guidance is held and accessible centrally on HSW Share Point Site [here](#).

3.0 HSW STEERING GROUP

The Health, Safety and Wellbeing Steering Group (HSWSG) is the Council's senior health, safety and wellbeing (HSW) assurance and decision-making body. The Group discusses and agrees policy, strategy and monitors HSW performance and risk across the Council. The HSWSG is chaired by the CMT Executive Lead for Health, Safety and Wellbeing, who leads on the development and implementation of corporate plans to improve HSW performance and practice. Group members comprise of Service Directors and Heads of Service, appointed by their Strategic Directors.

The HSW Steering Group terms of reference, membership, purpose and objectives were reviewed and refreshed and published in March 2024. This is an essential HSW oversight group and attendance (or appropriate representation) is mandated through the ToR.

4.0 HSW POLICY, PERFORMANCE STANDARDS (HSPS) AND GUIDANCE

A new [HSW Policy](#) was published May 2024.

H&S Performance Standards:

All new or updated HSPS now have a [Share Point page](#) (with links, FAQ's, Summary details, glossary etc.)

- Two HSPS have been reviewed and updated: HSPS17 Construction, Design and Management (CDM) & HSPS08 First Aid
- Two new HSPS have been written and published (Drones, UAV's & UAS's & Working Abroad)
- Review is underway updating two HSPS (Control of Contractors & Control of Noise at Work)
- 11 new HSPS require development, of which five are currently underway (Project Management, Safe Procurement, Protect Duty, Confined Spaces, Driving for Work & Infection Control)
- Reviews are pending for eight existing HSPS
- The total number of HSPS that are either active, under review, pending review or requiring development is 33.

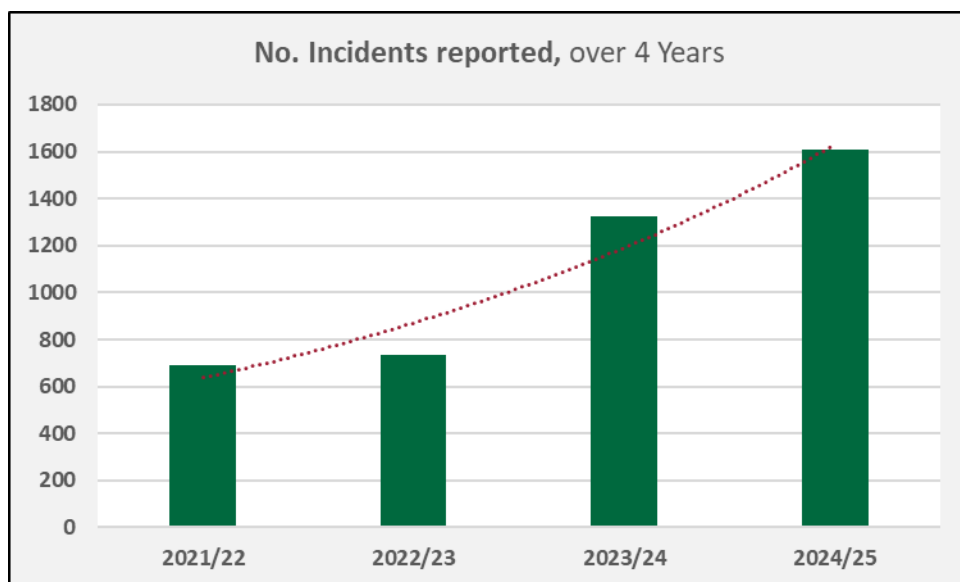
5.0 INCIDENTS

- The total number of incidents reported in 2024/25 has increased by 282 from 2023/24 (a 21% increase). There are several factors influencing this increase; the Assure system facilitating both reporting and management of incidents, the increased drive and monitoring of incident reporting through Senior Leadership forums, impact of Health, Safety & Wellbeing Coordinators, and increased familiarity with the Assure Go+ Portal.

- The Council has reported 15 RIDDORS in this reporting period. (Excludes maintained schools and partner organisations) this is a 31.8% drop from 2023/24.
- Reporting of incidents on time - The KPI for 2024/25 is 84.5% reported within 2 days. This is a 7.7% drop from last year, this may in part be due to the change in reporting requirements from April 2024, which lowered the threshold from four days to two days.
- The 2024/25 mean figure for near miss reports is 20.3%, up 1.0% from 2023/24, and compliant with the 20% target. Considering the total number of incidents increased by 282 in this reporting period, this is a promising trend, however the compliance is only due to effective near miss reporting from ODPH & Place Directorates, all other Directorates were non-compliant in annual percentages of near misses reported. Increasing near miss reporting is already an action for the HSW Steering Committee and should be actively promoted at service DMT / SMT level.
- Lost time incidents (LTI) resulted in an average of 10.8 days absence, up 6.55 days from 2023/24. however, data is incomplete with 16.7% of LTI's having no return-to-work dates (compared to 27.3% from last year). This requires automated sickness absence information from the HROD system which can hopefully be provided once the new iTrent HR system is fully implemented.
- Serious incidents and near-misses continue to be escalated in real time to ensure remedial actions are put in place in a timely fashion. There have been 15 “High Risk” alerts issued in 2023/24 by the Health, Safety and Wellbeing Team to the Head of Health, Safety and Wellbeing, Director of HROD, HSW Steering Group, HR Business Partners, TU Reps and all relevant managers. This is a decrease of one from the previous reporting period. For each incident a Health, Safety and Wellbeing Advisor works alongside the Service in support of producing a suitable and sufficient incident investigation to inform future practice.
- An analysis of the root causes and learning from these incidents is shared through the HSW Steering Group.

5.1 Overall Incident Data

The total number of incidents reported in 2024/25 has increased by 21% from the previous year, which is an ongoing improvement in incident capture across the Council. This is most likely attributed to the development and roll-out of the Assure HSW e-management system and the drive from senior leaders to report all incidents, as well as the role of Health, Safety & Wellbeing Coordinators in supporting incident reporting.



2024/25 total incidents reported:

Directorate:	Total	% within 2 days
Adults, Health & Communities	256	80.5%
Children's Services	492	88.4%
C&CS	222	90.5%
Executive Office	4	50.0%
ODPH	38	78.9%
Place	596	81.4%
PCC	1608	84.5%

5.2 Incident KPI Data

PCC currently has three KPI's related to incident management:

1. Incidents must be reported (i.e. logged onto SHE Assure either via the Assure Go+ portal or directly entered) within 2 days of the date of the incident.
2. Incidents must be closed (i.e. have reached "Approved" status on Assure, with all actions closed) within a given timeframe from the date of incident, based on their level of severity. The timeframes are:
 - a. Insignificant/ Minor severity = 14 days
 - b. Moderate severity = 28 days
 - c. Major severity = 42 days
3. 20% of the total of incidents in any given area must be Near Miss reports - this is to encourage such reporting, as by addressing Near Misses actual accidents can be prevented.

KPI 1 – Incidents Reported on Time

Only one Directorate (Customer & Corporate Services) is above 90% compliance, (as compared to all directorates in 2023/24). This drop is believed to be linked to the change in reporting requirements from 4 days to 2 days from April 2024, however data trends are being monitored to ensure this does not represent a decrease in timely incident reporting. The Directorate with the largest proportion of incidents is Place, with 37.1 % of incidents, the majority from Street Services, which is representative of the risk profile, with a high proportion of physical hazards. The next highest is Children's Services at 30.6%, this figure almost entirely consists of incidents reports from Transport & Allowances (Schools Transport), again relating to the risk profile of pupil passengers with SEND requirements.

Drop-in support sessions for Assure have been highlighted to all Directorates. The Box now has a monthly H&S Committee meeting and HSW Advisors now offer regular 1:1's with Service Directors and/or HSW Coordinators. All HSW Advisors are now working to a portfolio delivery model. Assure licenced users and approvers have been reviewed and updated.

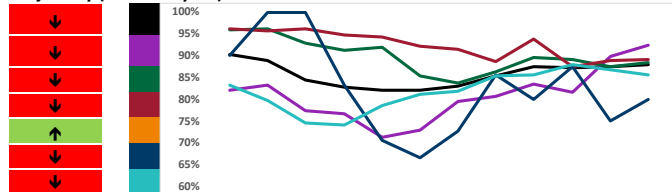
H&S Incident KPI Data - FY 2024/25

Headline Incident KPI Compliance:

KPI 1 - incident reporting on time:**12 month trend**

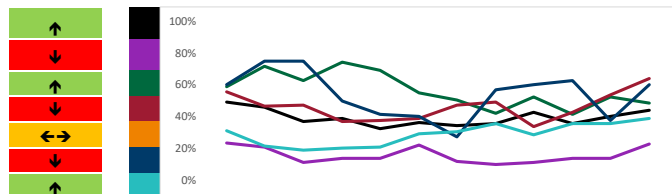
Compliance - 100%

	%	No. of Incidents
PCC	84.5%	1608
Adults, Health & Communities	80.5%	256
Children's Services	88.4%	492
C&CS	90.5%	222
Executive Office	50.0%	4
ODPH	78.9%	38
Place	81.4%	596

Trajectory (from last year)**KPI 2 - incident closure on time:**

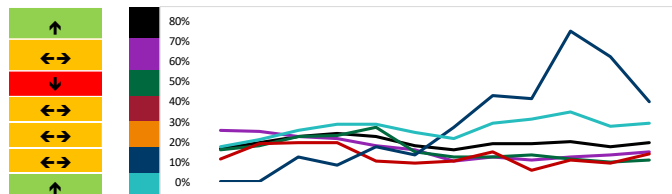
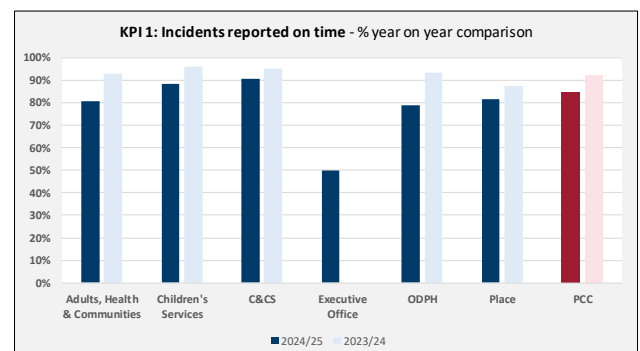
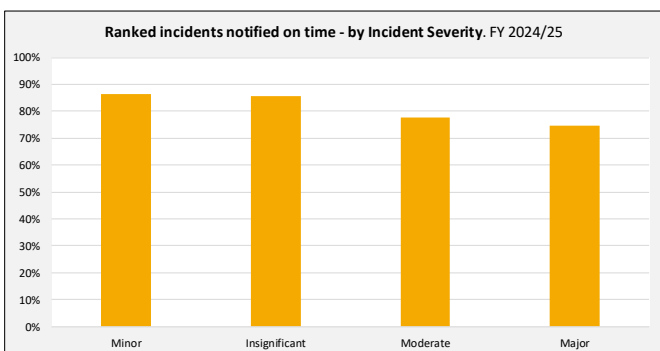
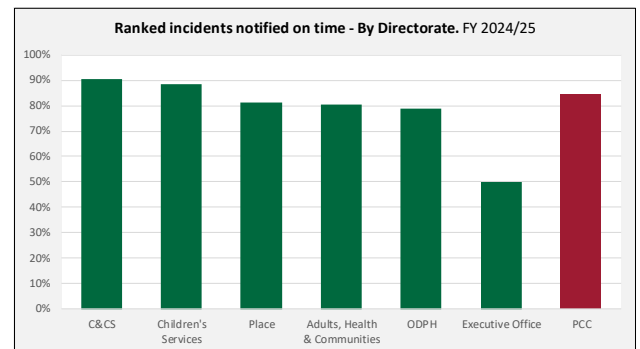
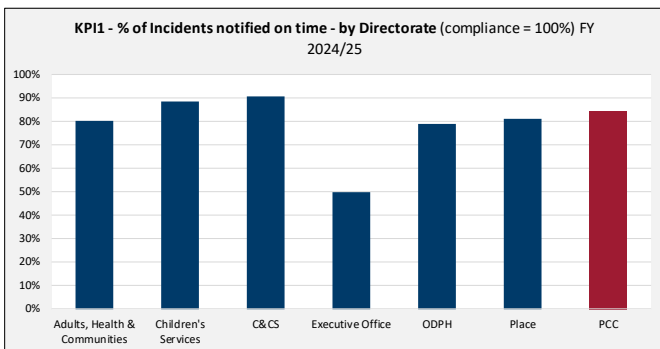
Compliance = 100%

PCC	38.4%	1608
Adults, Health & Communities	14.5%	256
Children's Services	54.7%	492
C&CS	49.1%	222
Executive Office	0.0%	4
ODPH	42.1%	38
Place	31.2%	596

12 month trend**KPI 3 - % of near miss reports:**

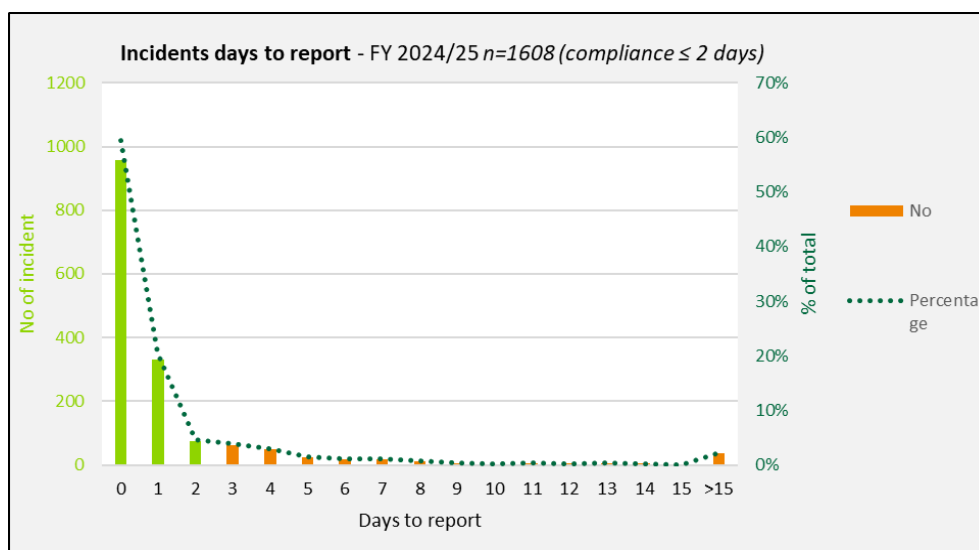
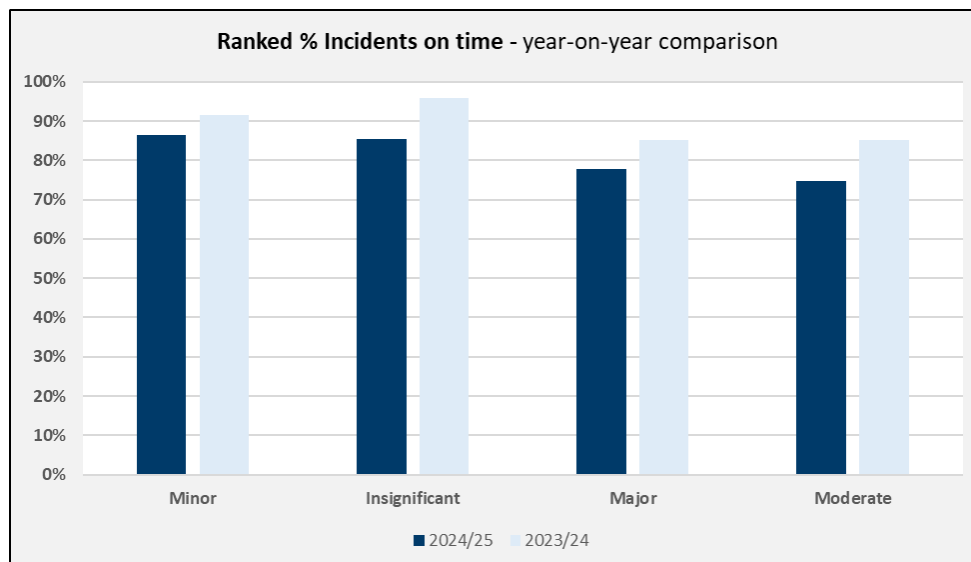
Compliance = 20%

PCC	20.3%	1608
Adults, Health & Communities	16.4%	256
Children's Services	15.9%	492
C&CS	13.1%	222
Executive Office	0.0%	4
ODPH	31.6%	38
Place	27.7%	596

12 month trend**KPI 1: incidents reported on time - headline graphics**

Incidents Reported on Time – Ranked by Severity

The drop from last year in time to report incidents is likely linked to the requirement change from four days to two days, however, work to improve the timescales, particularly for major and moderate incidents being notified is ongoing and this will be addressed at the HSW Steering Group. 59% of incidents are reported on the same day as they occur.



KPI 2 – Incidents Closed on Time

Incident closure compliance averages 38.4% (up 2.2% from 2023/24) but is a long way below the 100% KPI requirement. This is believed to be due to a combination of time constraints, lack of knowledge of the processes on the Assure system, especially to “approve” incidents. Compliance should be monitored at DMT / SMT meetings and action taken to improve compliance.

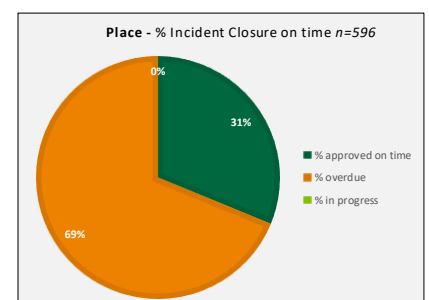
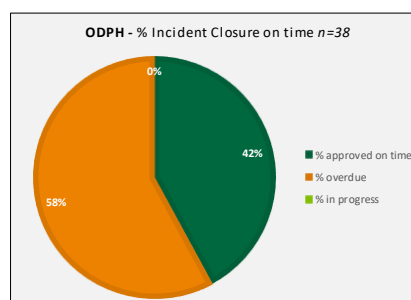
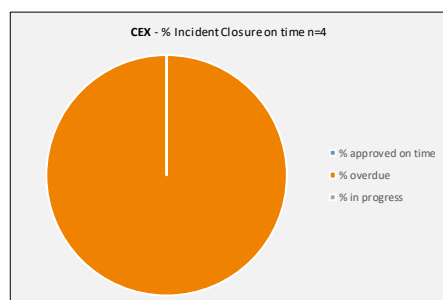
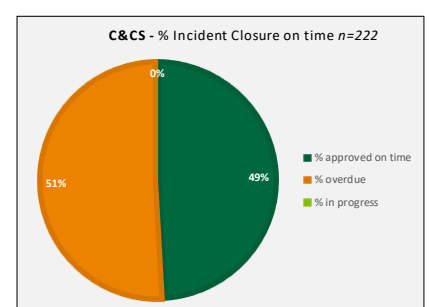
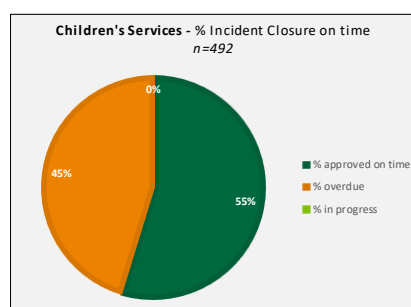
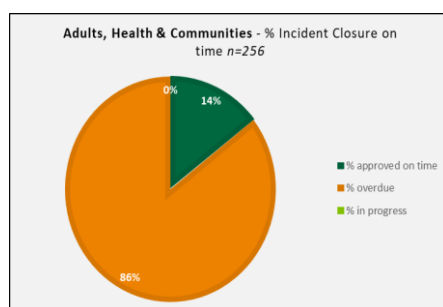
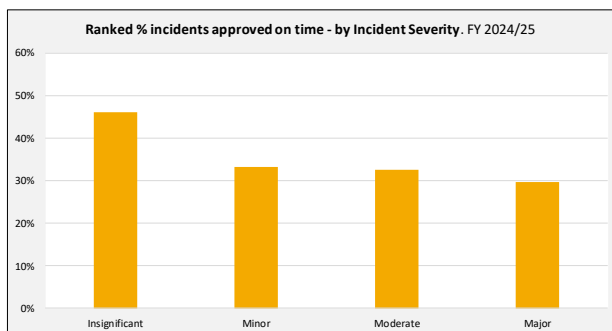
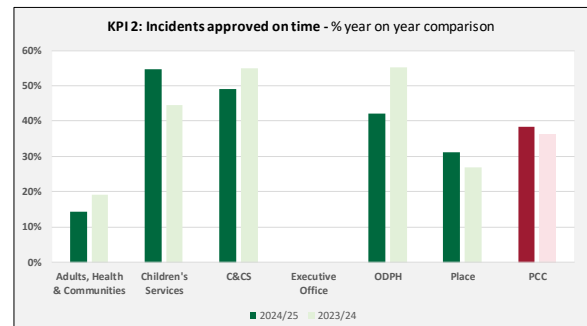
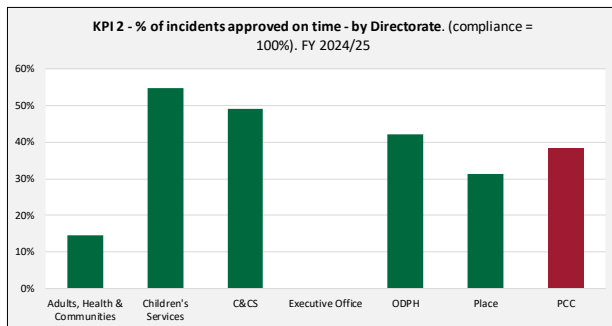
The HSW Team provide ongoing training and support for all licenced users of the system, including a live weekly “drop-in” support session by Teams meeting. To improve compliance further, the HSW Team are now linking licence issue with training completion (new licence holders are signposted to the relevant course (e.g. Introduction to Risk Assessment or Incident Investigation), with licences

suspended if training is not completed. This will also improve competency of managers undertaking risk assessments and incident investigation.

Additionally, monthly “Exception” reports, detailing where Assure incident management processes have not been correctly followed are issued directly to the relevant licensed users; these contain detail of the exceptions to the process and how to avoid them going forwards.

There is also a responsibility for “Default Approver” licenced users to review and approve incidents within the KPI timescale - “approved” status is the KPI measure – but this is believed to be a less significant compliance factor.

KPI 2: incidents approved on time - headline graphics

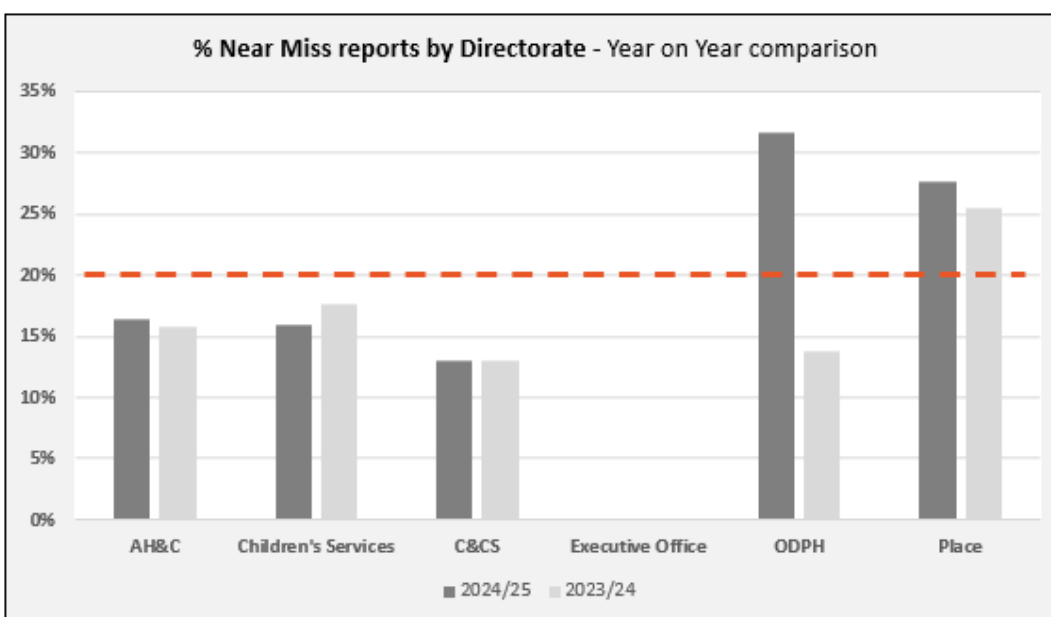
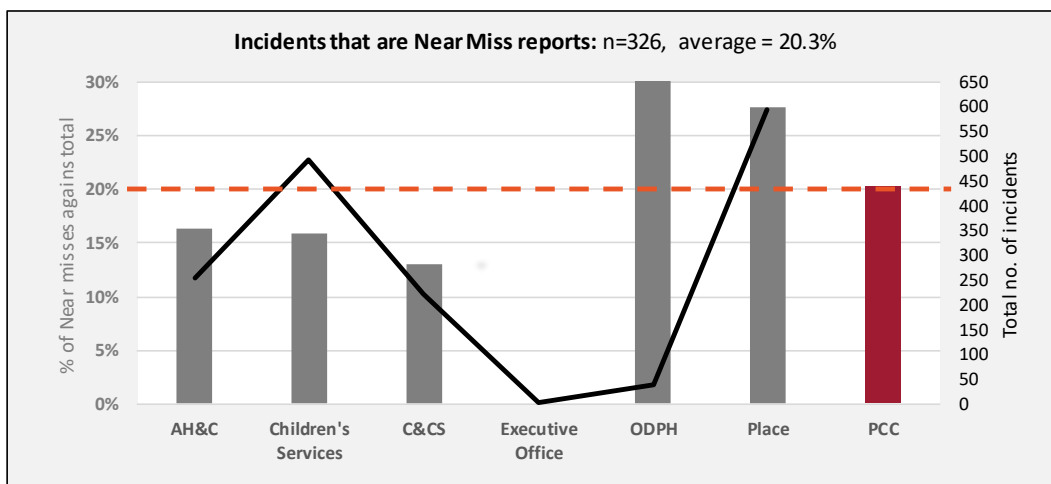


KPI 3 – Percentage of Near Miss Reports

The HSE, 2021¹ states that near misses are less severe than accidents. However, near misses should not be ignored or treated lightly, as they can provide valuable insight into how well you are managing health and safety in your workplace. A pattern of near misses provides an early warning that something needs attention. It makes good business sense to be proactive and take action early when problems are likely to be less serious. Near misses may seem trivial but they are a valuable source of information. Taking time to review the underlying causes is likely to reduce risk, improve health and safety, and save you time and money, and can prevent harm from accidents occurring.

The PCC KPI for percentage of near misses is 20% - this is to encourage near miss reporting. The 2024/25 mean figure for near miss reports is 20.3%, up 1.0% from 2023/24, and compliant with the 20% target. However, the compliance is only due to effective near miss reporting from ODPH & Place Directorates, all other Directorates were non-compliant in annual percentages of near misses reported.

KPI 3: % of reported incidents that are near misses. Compliance = 100%



5.3 High Risk Incidents

Health and safety offences (Anon, n.d.)² are concerned with failures to manage risks to health and safety and do not require proof that the offence caused any actual harm. **The offence is in creating a risk of harm.**

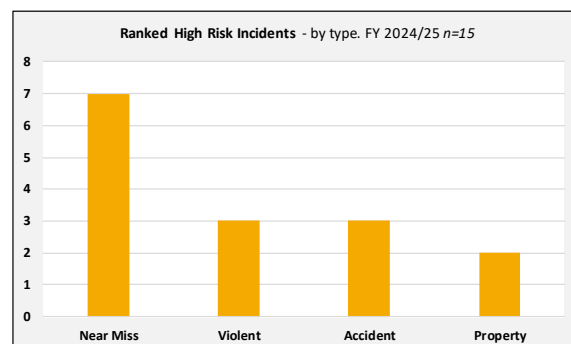
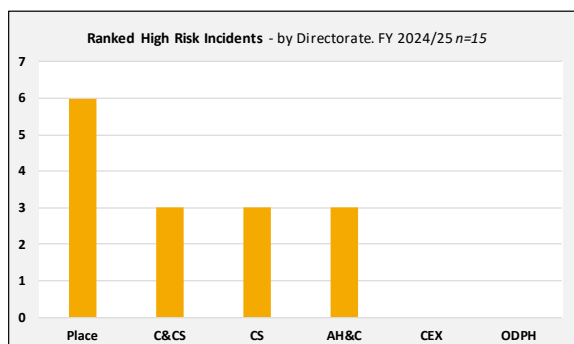
In response to this, as part of the incident triage function undertaken by the HSW Team, each incident is assessed to determine whether it is “High Risk” or not.

The definition of “High Risk” will be a subjective one, but broadly speaking would be any Adverse Event where, through an absence of mitigating risk controls, there is deemed to be either/or a high likelihood of injury/ harm or ill-health to any persons or where the consequences of any injury/ harm or ill-health would be severe. Adverse Events that have either/or a high likelihood or severe consequence in terms of environmental/ equipment or property damage would also qualify.

Specific definitions are available in [HSPS10 Incident Management](#), in the table on Accident Investigation Levels in Section 7. Broadly, we would consider any Adverse Event that fell within levels 3 or 4 to be “High Risk”, although there may be exceptions to this. A High-Risk Adverse Event encompasses more than just a “Serious incident” as defined in HSPS10. Near Misses will also be evaluated by the seriousness of harm that could have resulted. The Health and Safety Sentencing Guidelines 2016

HSW Advisors may review and alter the risk level of an Adverse Event (Incident, Near Miss or Hazard Observation) at any stage. There is a written “High Risk” protocol for HSW Advisors to follow.

High Risk Incidents:



5.4 Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR)

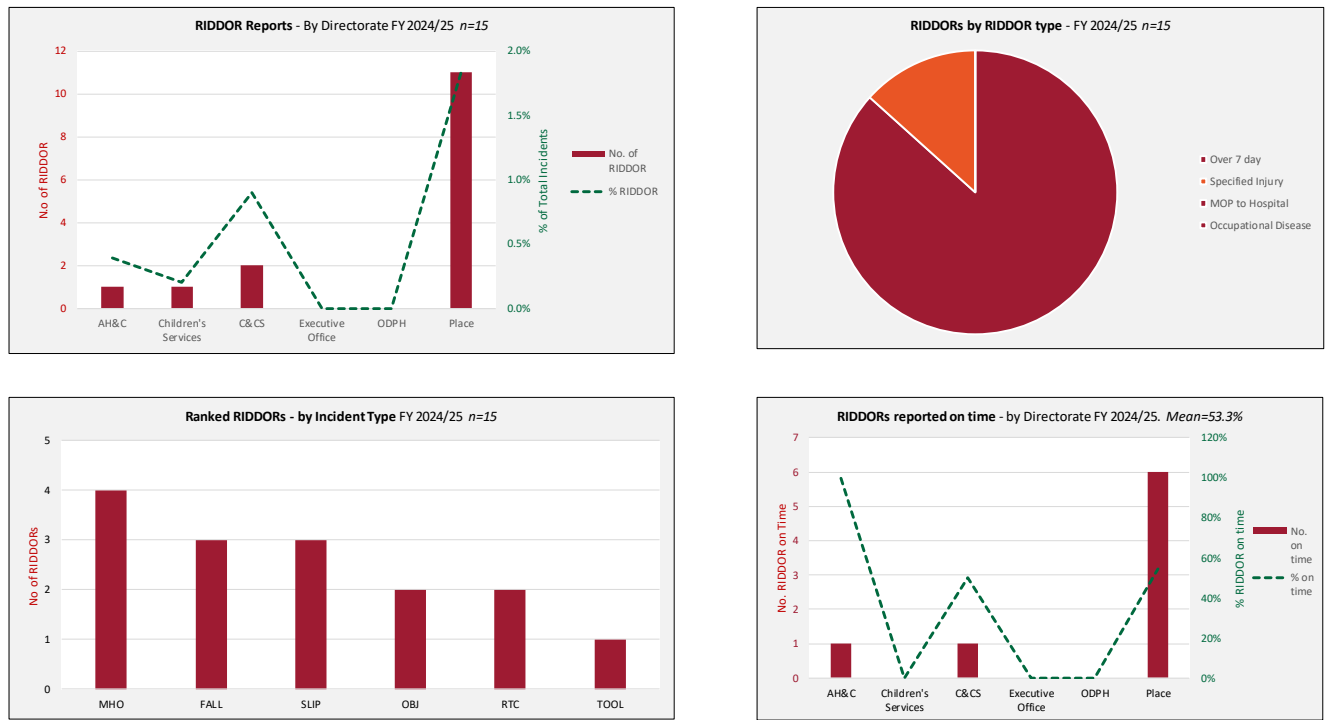
The RIDDOR Regulations (Health and Safety Executive, 2013)³ set out the different types of incidents that must be notified to the HSE, which the HSE may decide to investigate further.

In the 12 months to 31 March 2025 there were 15 such incidents (7 less than 2023/24). Maintained schools and partner organisations are excluded from this data.

Two of the top three reasons for RIDDOR reports are consistent with national trends: Slips, Trips and Falls and Manual Handling. The second highest RIDDOR reason was Falls from Height, which needs monitoring as these are known to have higher severity outcomes, but in real terms this is represented by 3 incidents.

There were no RIDDORs reported in the 2024/25 period due to violence and aggression, which is an improvement from 2023/24 where two were reported. This may reflect increased awareness of these hazards, leading to more effective risk management.

RIDDORS (Excluding Schools/ Partner Orgs)



Key to Chart Data (Incident Codes)	
Injured by an animal or insects	ANI
Drowned, asphyxiated, or choked	ASPH
Injury from hot or cold contact (e.g. scald)	BURN
Dangerous Occurrence (RIDDOR definition)	DO
Display Screen Equipment	DSE
Contact with Electricity or Electrical discharge	ELEC
Exposed to fire	FIRE
Hit something fixed or stationary	FIX
Injured while handling, lifting or carrying	MHO
Near Miss	NM
Other kind of accident or incident	OTH
Hit by moving vehicle or other transport incident	RTA
Self-harm	SELF
Needlestick or sharps injury (Cut by sharp object)	SHAR
Slipped, tripped or fell on same level	SLIP
Exposed to or in contact with a harmful substance	SUB
Unintentional Violence	UV
Violent Person	VP
Verbally Assaulted or Threatened	VV

5.5 Lost Time Incidents

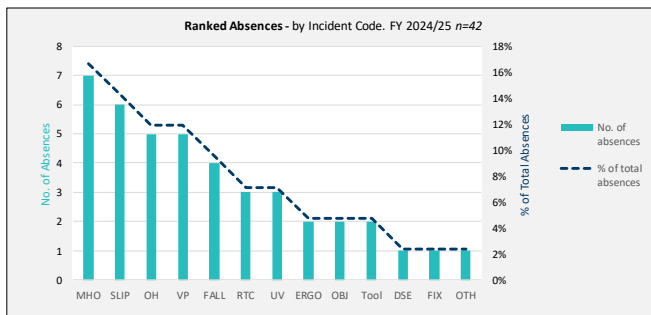
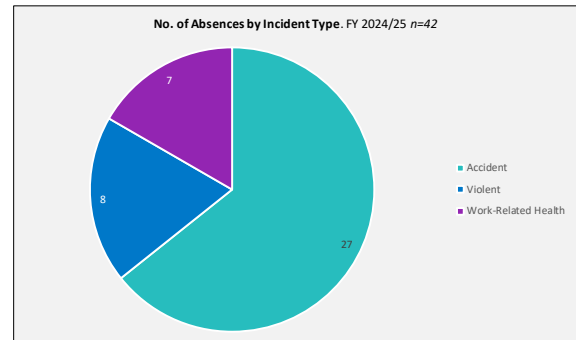
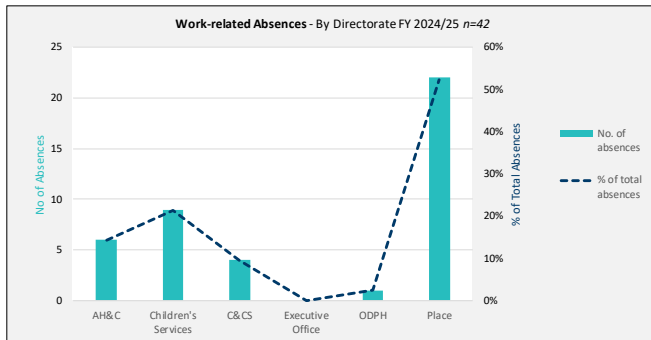
Lost time incidents are an important measure of health and safety performance and indeed, the HSE publish statistics annually which includes the number of Working Days Lost due to work-related ill health and non-fatal workplace injury. The latest statistics from the HSE ([Health and safety at work, 2024](#)) for 2023/24, estimates that 33.7 million working days were lost during that period.

Unfortunately, PCC data is incomplete (16.7% of LTI's have no return-to-work dates entered in the Assure system). This requires information from the HROD system, which we are hoping can be automated from iTrent once it is fully implemented.

The average absence is up 6.5 days from last year, and the overall total is down by 13, which would indicate longer average absences per lost time incident, but this is with the caveat on incomplete data given above.

Lost-time Incidents: work-related absence

Average absence is 10.8 days (up 6.55 days from last year), but this is based on incomplete data (16.7% of LTI's have no RTW date)

**Key to Codes:**





Code:	Meaning:
MHO	Manual Handling Operations
SLIP	Slip/ Trip or Fall (same level)
OH	Occupational Health issue
VP	Violent Person
FALL	Fall From Height
RTC	Road Traffic Collision
UV	Unintentional violence (behavioural)
ERGO	Ergonomic issue
OBJ	Hit by moving or falling object
TOOL	Injured from use of hand tool
DSE	Display Screen Equipment
FIX	Struck a fixed object
OTH	Other

6.0 TRAINING















Managing, recording and reporting on mandatory and essential (role specific) HSW training is currently not consistent, not centrally available and relies on local managers creating and monitoring training needs matrices in their HSW Managers Toolkits. The Assure system and the HROD systems to date have been unable to record and report detailed training records, however developments with both the Assure system and the HROD itrent system should support this going forward. This is a key priority for 2025/26.

IOSH Managing Safely was planned to be delivered face to face in house from September 2024, however, due to HSW team resource, this has been delayed until the Head of HSW is back in substantive role. IOSH was previously delivered via e-learning due to the time impacts of training, but the feedback and outcomes of e-learning have been disappointing for attendees. Face-to-face delivery this allows direct 'tailoring' of delivery by the trainer for more effective outcomes and a more positive

experience for the attendees. HSW Update for all Executive Directors (CMT) was delivered on 10 September 2024 and 19 November, face to face.

Training	2023-24	2024-25	Trajectory
HSW Induction (e-learning)	64.9%	67.5%	
Managers Introduction to HSW Management	65.7%	69.3%	
IOSH Managing Safely	Not available	Not available	
IOSH for Senior Executives and Directors	Not available	Not available	

HSW training is delivered through a blended learning approach and includes:

Training	2023-24	2024-25	Trajectory
HSW Induction (eLearning)	249	244	
Managers Introduction to HSW at the Council (eLearning)	30	21	
Managers Introduction to HSW at the Council (Face to Face)	No data available	22	
IOSH Managing Safely	No data available		
IOSH for Senior Executives and Directors	No data available		
Wellbeing and Resilience Risk Assessment	70	12	
Conflict Resolution Personal Safety Note: Current re-tendering of training delivery contract, so therefore a number of staff are on a waiting list.	No data available	63	
Conflict Resolution eLearning	No data available	86	
Total Conflict Resolution Training	211	149	
Display Screen Equipment Risk Assessment	30	19	
Manual Handling (Safe Lifting Techniques)	34	35	
Manual Handling (eLearning)	33	75	
Manual Handling Risk Assessment	No data available	12	
Working at Height/Ladder Safety	14	141	
Introduction to Risk Assessment	62	64	
Incident Management	13	38	

7.0 FIRE SAFETY

Fire Safety compliance is managed through the Hard Facilities Management Service and is highlighted on the HSW Risk Register as requiring review, additional controls, centralised assessment information, fire surveys and additional competent advice to bring compliance up to the appropriate standard.

- Number of alarm activations – *Unable to give an accurate number as not all alarms are monitored remotely.*
- Number of actual fires – Four

Actual Fire Incidents

	Date & time	Site / occupancy	What happened	Root cause	Immediate response	Damage / business impact	Lessons & follow-on actions
1	23 Sep 2024 (17:35)	Staddiscombe Sports-ground changing rooms	Small paper fire in urinal; changing-room door forced.	Vandalism	Club volunteer extinguished with water; FM called police & compliance.	Minor smoke staining; door damage.	<ul style="list-style-type: none"> • Door rehung & locked same day. • Historic gas bottle & rubbish removed. • Site security audit complete (Nov 2024).
2	13 Dec 2024 (11:03)	Raglan Court – Flat 9 (supported housing)	Resident panicked; warden investigated; frying-pan oil fire on cooker.	Unattended cooking	Warden used foam extinguisher; pre-alarm then main alarm activated; FRS on scene 11 min; second appliance vented smoke.	Smoke damage to flat & stairwell; resident displaced to hotel.	<ul style="list-style-type: none"> • Evacuation drill re-taught (some residents had remained inside). • Cooker isolated; PAT review ordered for communal white goods.
3	04 Feb 2025 (19:24)	Mount Edgcumbe – Barrow Centre (holiday lets & staff accom.)	Fire detected in north-wing roof; rapid involvement of timber floors.	Under investigation (FRS report pending)	100 % evacuation (holiday guests & staff). FRS on site < 30 min; 4 pumps & aerial ladder.	Severe roof, floor & façade loss to north wing; west wing water ingress.	<ul style="list-style-type: none"> • HTS erected temporary stud wall & weatherproofing; dynamic RA ongoing. • Staff wellbeing sessions (PAM Wellness).
4	24 Mar	Alexandra Road Public	Fire started in cubicle waste bin.	Vandalism (confirmed)	Automatic detection alerted FRS;	Localised damage;	

2025 (22:02)	Conveniences (Crownhill)			extinguished quickly.	closed 48 hours.	
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Fire Risk Assessments (FRA)

95 % of occupied buildings now have current FRA's, remaining 5% being completed. All FRA actions are being actively assessed and prioritised.

Data collation: Facilities Management is extracting every fire safety remedial action into a master database, grouped under nine safety themes:

1. Passive fire protection & compartmentation
2. Electrical (incl. EICR)
3. Emergency escape routes
4. Fire-alarm systems
5. Fire doors
6. Fire extinguishers & other firefighting equipment
7. Emergency lighting
8. Staff training & fire-safety management
9. Fire-safety signage

Schedule of Works: once collation of actions is complete, a risk-based, costed schedule can be developed.

8.0 WELLBEING

Employee Assistance Programme

A contract for the Employee Assistance Programme (EAP) is in place with PAM until 31 March 2026. PAM Formerly known as PAM Assist or PAM Wellbeing, have been rebranded and are now PAM Wellness.

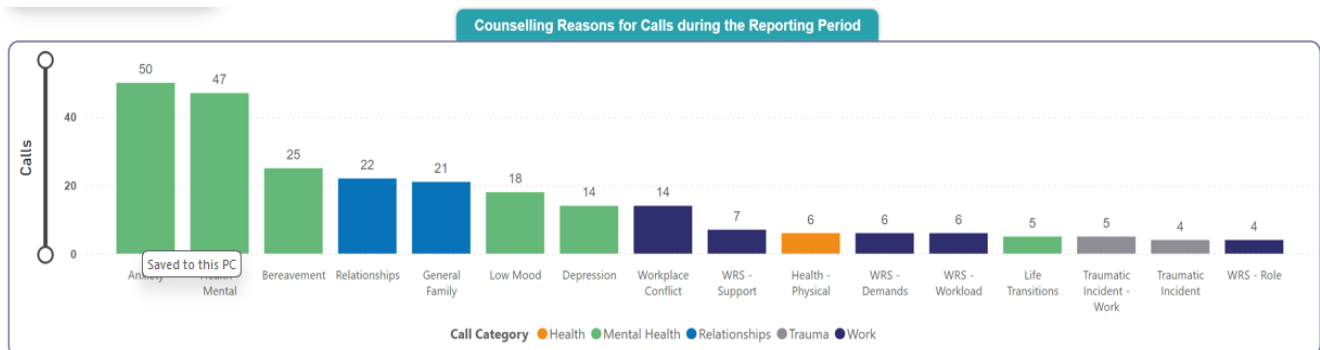
During this reporting period, the service supported 152 individuals, an increase of approximately 25% compared to the previous year. This rise may be attributed, in part, to increased awareness driven by promotional efforts through staffroom events, wellbeing champions, and team meetings.

A total of **292** calls were received, comprising **271** counselling calls and **21** legal advice calls. Additionally, **18** live chat interactions were recorded. Generation X (those born between 1965 and 1979) accounted for **54%** of all calls. Of the **310** total contacts made, **8.7%** were attributed to school-based staff or third-party organisations.

The top 3 reasons for calls

1. Mental Health
2. Anxiety
3. Bereavement

The chart below highlights this data, along with other cases, including those explicitly classified as Work-Related Stress (WRS).



Occupational Health

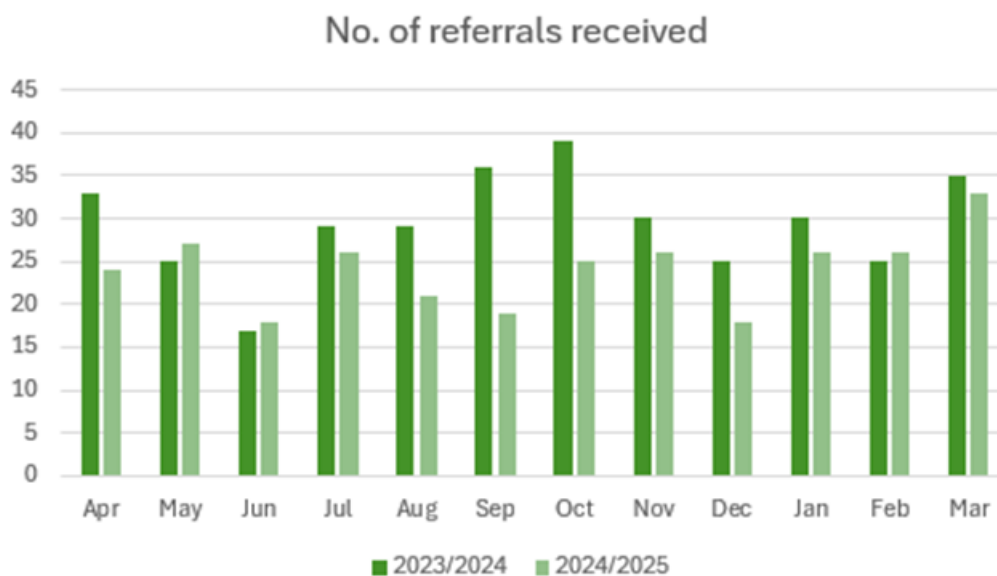
The contract for Occupational Health services with Medigold Health, expired on 31st March 2025. A new contract is under negotiation and is currently with Medigold's legal team for review. This has not impacted on services, and they continue to support.

The organisational structure is currently outdated on the Medigold system, impacting the accuracy of reporting. While efforts are underway to address this, frequent changes, often not communicated to the HSW Service and continues to pose challenges. This may improve with itrent.

A total of **289** referrals were received in this financial year. (This includes 31 referrals by Schools and Cater Ed).

This represents an **18%** reduction compared to last year, which may in part reflect the impact of increased engagement with managers and the support provided through risk assessment processes, reducing the need for referral in some cases.

There were **45** appointments where employees did not attend (**DNA**). These have all been paid for by referring service.



Top 3 Conditions referred

1. Mental Health
2. Musculoskeletal

3. Heart, Cardiac & Circulatory problems and Neurological

The highest number of **mental health** cases were in Strategic Cooperative Commissioning and Children Young People and Families. However, those specifically identified as work-related stress appear to be consistent across the organisation, with most areas reporting at least one such case.

Musculoskeletal issues are mostly in Street Scene and Waste and Strategic Cooperative Commissioning and Community Connections.

General Health and Wellbeing

Stress and resilience management remain significant areas of concern. To support ongoing efforts in this area, a Wellbeing Survey is scheduled for launch this summer and will be conducted annually moving forward. The survey incorporates the HSE Management Standards framework, commonly used in team-level stress risk assessments. Following the survey, a report will be generated detailing key findings and recommendations, which will be shared with the Directorate Management Team (DMT) and reported to the Corporate Management Team (CMT). A review of The Stress and Resilience Performance Standard is underway. Managers are strongly advised to attend the Stress and Resilience training for managers so that they are competent to undertake Stress Risk Assessments with their teams and any individuals that require them.

There are now **11** Mental Health First Aiders in place with a second cohort to be trained in October hopefully doubling this number.

We are progressing towards the piloting and procurement of digital devices for lone workers, marking a significant step in enhancing staff safety and communication. These devices will play a crucial role in enabling real-time support, improving visibility, and providing reassurance for employees working in isolation or higher-risk environments.

In parallel, we are also enhancing our existing systems to develop an organisation-wide safety alert mechanism. This system will enable the timely distribution of risk notifications, helping to safeguard employees who may be exposed to potential dangers when visiting sites, interacting with individuals, or entering unfamiliar premises.

A Neurodiversity Network has been created, and we are preparing to launch a toolkit to support managers in working effectively with neurodivergent employees. This will help foster inclusive practices, improve communication, and ensure individuals receive the support they need to thrive.

A wellbeing action plan has been developed for 2024/2025. A review of Health and Wellbeing across PCC will be undertaken in the forthcoming year which will form the basis for the action plan 2025/2026. This will include a review of Health Surveillance across all services.

#OurStaff campaign (targeted at violence and aggression) is prepared for launch, it is anticipated that this will happen in September 2024.

The First Aid Health and Safety Performance Standard (HSPS) has been reviewed to ensure Mental Health First Aiders are considered in First Aid needs assessments. This requirement should be in place and forms uploaded to assure by end of August 2024.

Developments / review and update of HSPS are communicated via staffroom, and through HSW Advisors attending SLT, DMT and JCC meetings.

A further HSPS is being developed which will include the arrangements and framework for the management of Health and Wellbeing across all services.

A Personal Safety Subgroup of the Steering Group is currently undertaking a project, reviewing the risks to, and safety of, our workforce to ensure that all preventive measures are aligned. Specifically lone working controls (including equipment) and critical safety information systems.

Seven internal staff networks are now in place to support our diverse workforce:

- Men's network
- Disability network
- LGBTQ+ network
- Race, Ethnicity and Cultural Heritage network
- Women's network
- Faith and Belief network
- Carer's network

9.0 AUDIT PROGRAMME

The audit programme was launched in September 2022 utilising the Evotix Assure eSystem. The key purpose of the programme is to provide assurance of compliance with the Council's HSW Management System, based and prioritised on:

Higher risk service areas – based on risk profiles

Self-Assessments – evidenced to HSW Steering Group through HSW Managers Toolkits

Key – Score Descriptors

Score	Description
Red Above 80%	Major deficiencies found over a broad range of areas indicating significant lack of control and leaving the standards open to failure. Senior management need to direct that these deficiencies are rectified as soon as practically possible
Amber 60-80%	<p>Amber 1 - 70-80%</p> <p>The HSW System is considered to be placed at risk due to significant inadequacies of control in a number of critical areas, or over a wide range of control procedures. Senior managers are required to action prioritised areas of the HSW Action Plan</p> <p>Amber 2 - 60-69%</p> <p>Control systems found to be largely compliant. A small number of important lapses found or some “fine tuning” across the board required</p>
Green Below 60%	There is a sound system of control in place to meet overall system objectives. This is to be maintained and reviewed as necessary to reflect changes in the HSW policy/HSPSs

- Details of audits carried out in this reporting period are as follows:
- Q1**
- Schools -**

Controlled Schools – Longcause Community Special School

- Lead Auditor – Scott Gallagher
- Date of audit – 29 April 2024
- Percentage score – **26.15%**
- Total Number of actions set – 14
- Outstanding actions – 0

Schools - Controlled Schools – Cann Bridge

- Lead Auditor – Scott Gallagher
- Date of audit – 21 May 2024
- Percentage score – 36%
- Total Number of actions set – 20
- Outstanding actions – 9 (1x High, 8x Medium)

Adults, Health and Communities – Community Connections – Community Youth Service

- Lead Auditor – Scott Gallagher
- Date of audit – 21 June 2024
- Percentage score – 51.47%
- Total Number of actions set – 34
- Outstanding actions – 4 (2x High, 2x Medium)

Q2**Place – Plymouth Highways, excluding Fleet Services**

- Lead Auditor – Scott Gallagher
- Date of audit – 24 July 2024
- Percentage score – 40.05%
- Total Number of actions set – 42
- Outstanding actions – 29 (3x High, 25x Medium, 1x Low)

Place – Plymouth Highways - Fleet Services

- Lead Auditor – Scott Gallagher
- Date of audit – 6 Aug 2024
- Audit cancelled due to staff absence

Q3**Place – Street Services - Plymouth Highways - Fleet Services**

- Lead Auditor – Scott Gallagher
- Date of audit – 2 Oct 2024
- Percentage score – 31.35%
- Total Number of actions set – 15
- Outstanding actions – 0

Schools - Controlled Schools – Yealmpston Farm Primary School

- Lead Auditor – Scott Gallagher
- Date of audit – 12 November 2024
- Percentage score – 28.94%
- Total Number of actions set – 11
- Outstanding actions – 0

Place – Street Services – Waste Disposal and Contracts

- Lead Auditor – Scott Gallagher
- Date of audit – 5 December 2024
- Percentage score – 39.11%
- Total Number of actions set – 23
- Outstanding actions – 1 (1x High)

Place – Street Services – Commercial Waste

- Lead Auditor – Scott Gallagher
- Date of audit – 10 December 2024
- Percentage score – 51.67%
- Total Number of actions set – 33
- Outstanding actions – 2 (2x High)

Q4**Place – Economic Development – Events and Marketing**

- Lead Auditor – Scott Gallagher
- Date of audit – Week commencing 20 January 2025
- Audit cancelled due lack of engagement from Service, discussed with David Draffan and rescheduled to be complete 3 April 2025. Data will be provided as part of Annual Report for 2025/26

Children's Services – Children Young People and Families – Permanence Service

- Lead Auditor – Scott Gallagher
- Date of audit – 21 February 2025
- Percentage score – 51.79%
- Total Number of actions set – 31
- Outstanding actions – 31 (15x High, 8x Medium, 8x Low)

Children's Services – Children Young People and Families – Targeted Support

- Lead Auditor – Scott Gallagher
- Date of audit – 21 February 2025
- Percentage score – 68.52%
- Total Number of actions set – 50
- Outstanding actions – 50 (25x High, 15x Medium, 10x Low)

Children's Services – Children Young People and Families – QA and Safeguarding

- Lead Auditor – Scott Gallagher
- Date of audit – 21 February 2025
- Percentage score – 46.24%
- Total Number of actions set – 24
- Outstanding actions – 14 (10x High, 4x Medium)

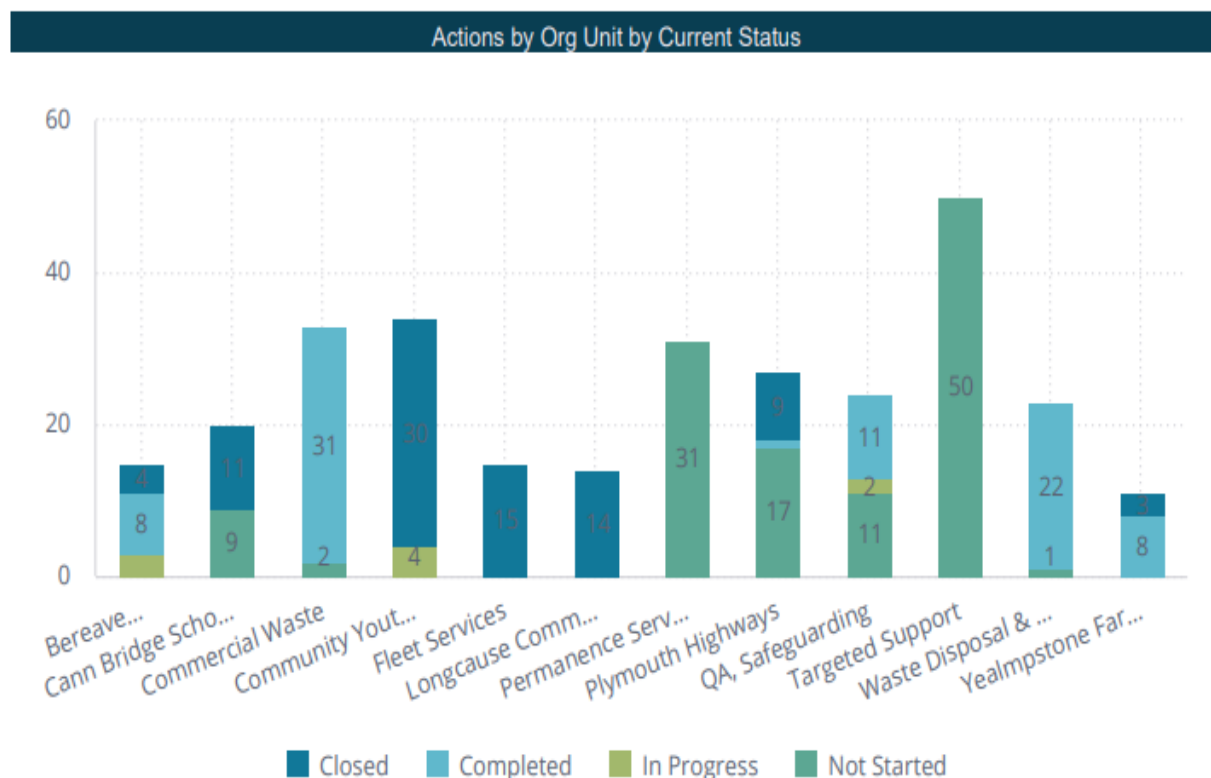
HSW team undertook an informal audit of Bereavement Services following concerns raised by Head of Service regarding content of audit report complete by previous lead auditor.

ODPH – Bereavement Services

- Lead Auditor – Shaun Badmin
- Date of audit – 8 April 2024
- Percentage score – 36%
- Total Number of actions set – 15
- Outstanding actions – 3 (3x Medium)

Overview of Audit Actions by Service

All audit actions should be monitored at service level and escalated to SMT / DMT by exception.



10.0 STREET SERVICES HSW PROGRESS UPDATE

Over the past year, Street Services has made significant progress in strengthening its health and safety performance, with a clear emphasis on proactive management, staff wellbeing, and cultural improvement. Notably, no enforcement action has been taken since the previous report, reflecting improved compliance and a positive shift in operational behaviours and standards.

A key area of success has been the implementation of a fully compliant Hand Arm Vibration (HAV) management process. The integration of state-of-the-art monitoring technology has enabled accurate exposure tracking and robust controls, resulting in zero reported cases of HAVS and no RIDDOR reportable incidents. This demonstrates our commitment to ensuring a safe working environment through innovation and best practice.

The service continues to embed the corporate health and safety management system across all areas. This has led to better risk management, consistent application of procedures, and a culture of accountability. Internal audits have been completed as planned, with resulting actions addressed promptly. This has contributed to positive outcomes across the wider corporate audit programme and helped maintain high levels of compliance.

Street Services is also focused on improving staff health and wellbeing through targeted initiatives. One such project aims to reduce manual handling risks in waste operations, helping to prevent musculoskeletal injuries and improve the long-term health of employees. In Traffic Management, the service is now fully compliant, with safe systems of work in place. This not only ensures the safety of our teams working on highways a previously unaddressed risk but also supports wider council initiatives, such as the regeneration of the city centre.

A notable cultural shift has taken place, supported by a dedicated service campaign and enhanced training programmes. With the introduction of a dedicated training officer, compliance with mandatory training has improved significantly, further strengthening the competence and safety

awareness of staff at all levels. These combined efforts reflect a mature and proactive approach to health and safety, ensuring that Street Services continues to operate safely and effectively.

11.0 ENFORCEMENT ACTIVITY

There has been no enforcement activity this year.

12.0 EMPLOYERS LIABILITY (EL) CLAIMS

The following table relates to claims from employees who have suffered injury or ill health which has been attributed to a breach in the duty of care owed by The Council. Due to the length of time involved in settling a claim, and the fact that in certain circumstances a claim made in the current year may relate to an accident occurring up to 3 years previously, or a disease claim commencing up to 40 years previously, cumulative totals have been omitted. Corporate HSW Team work closely with claims team to ensure timely incident investigation information is provided to enable decisions on claims to be made.

	2020/21	2021/22	2022/23	2023/24	2024/25
Total claims in year	11	13	10	11	4
Outcomes	5 settled (1 substantiated, 4 repudiated)	None settled (1 substantiated, 5 under investigation, 6 repudiated)	None settled (6 substantiated, 1 under investigation and 3 repudiated)	8 settled (8 substantiated, 1 under investigation, 2 repudiated)	4 outstanding (liability accepted)

The total number of Employers' Liability claims received over the period is 4:

- 2 claims for accidents at work
- 2 are disease claims related to work activities

13.0 TRADE UNION ENDORSEMENT

Plymouth City Council has a Facilities Agreement with the following Trade Unions:

- | | | |
|----------|---|--------------------|
| ▪ GMB | Lead Rep and Health and Safety Representative | Patricia Small |
| ▪ UNISON | Lead Rep and Health and Safety Representative | Kevin Treweeks |
| ▪ UNITE | Lead Rep | Sharon Battershill |

What has gone well?

GMB Response:

- When there have been major concerns, the HSW team have been right on 'the case' proactive in supporting/encouraging managers to properly investigate concerns.

- GMB has interacted with 3 members of the HSW Team about different issues this year and all have been excellent to deal with. Described as a credit to the team and the organisation.
- The Health and Wellbeing Advisor has been carrying out excellent work with the Wellbeing Champions, and this is beginning to have some impact in the organisation. Particularly helpful now that some have trained to be Mental Health Champions.

What we would like to have seen more progress on?

GMB Response:

- Some managers in the organisation are still not managing staff wellbeing as well as required.
- Managers deal well with Health and Safety issues, but less well with the wellbeing of staff, less of an understanding of how their approach can sometimes have a negative effect on their staff, leaving staff feeling stressed and demoralised. This is a harder 'nut to crack'. However, the wellbeing survey planned to be sent out to staff shortly, should help identify these areas, but change will only be embedded where managers are accountable, supported and trained to manage wellbeing appropriately.
- The issue of HSW training is raised consistently at JCC. Managers mandatory HSW training should be nearer 90+% completion rate, as these managers are responsible for staff in their areas, this needs constant management.

This is the end of the 2024 - 25 HSW Annual Report.

References

¹HSE (2021). Near-miss Book: Recording and reporting near misses at work. [online] www.hse.gov.uk. Available at: <https://www.hse.gov.uk/pubns/near-miss-book.htm>.

²Anon, (n.d.). Organisations: Breach of duty of employer towards employees and non-employees/ Breach of duty of self-employed to others/ Breach of Health and Safety regulations – Sentencing. [online] Available at: <https://www.sentencingcouncil.org.uk/offences/magistrates-court/item/organisations-breach-of-duty-of-employer-towards-employees-and-non-employees-breach-of-duty-of-self-employed-to-others-breach-of-health-and-safety-regulations/>

³Health and Safety Executive (2013). Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 - RIDDOR - HSE. [online] Hse.gov.uk. Available at: <https://www.hse.gov.uk/riddor/>

⁴Health and safety at work. (2023). Available at: <https://www.hse.gov.uk/statistics/assets/docs/hssh2223.pdf>

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Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Annual report on Treasury management activities for 2024/25
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Wendy Eldridge
Contact Email:	Wendy.eldridge@plymouth.gov.uk
Your Reference:	TM 24/25 Outturn
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

In order to comply with the Code of Practice for Treasury Management, the Council is required to formally report on its treasury management activities for the year, providing information on the progress and outcomes against the Treasury Management Strategy. This report covers the treasury management activities for financial year 2024/25 including the final position on the statutory Prudential Indicators.

This report:

- a) is prepared in accordance with the CIPFA Treasury Management Code and the Prudential Code;
- b) confirms capital financing, borrowing, debt rescheduling and investment transactions for the year 2024/25;
- c) provides an update on the risk inherent in the portfolio and outlines actions taken by the Council during the year to minimise risk;
- d) gives details of the outturn position on treasury management transactions in 2024/25;
- e) Details compliance with treasury limits and Prudential Indicators (PIs) and outlines the final position on Prudential Indicators for the year.

Recommendations and Reasons

1. To approve the Treasury management Annual Report 2024/25

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

2. To note (as detailed in paragraph 42, Section E of the attached report) that the threshold level of fixed rate exposure for borrowing was exceeded during the year. This was done to mitigate against interest rate risk from temporary borrowing with other local authorities; however in doing so the Council breached the interest rate limit set by the relevant Prudential Indicator.

Reason: Instances where the council's treasury management activities did not comply with its Prudential Indicator framework should be reported under the CIPFA Code.

Alternative options considered and rejected

None – the Council are required to report on the treasury management activities for the year.

Relevance to the Corporate Plan and/or the Plymouth Plan

Effective financial management is fundamental to the delivery of corporate improvement priorities. Treasury management activity has a significant impact on the Council’s activity in revenue budget terms, and underpins the Council’s Capital Investment Programme, which is key in the delivery of Corporate Plan priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

In the medium and longer term the Council is facing significant demand pressures, as well as ambitious investment plans to deliver growth and wider benefits in the city. Effective treasury management will be essential in ensuring the Council’s cash flows are used to effectively support the challenges ahead.

Financial Risks

There is an inherent risk to any treasury management activity. The Council continues to manage this risk by ensuring all investments are undertaken in accordance with the approved borrowing and investment strategies and keeping the counterparty list under constant review.

Legal Implications

(Provided by Liz Bryant)
There are no legal implications arising directly from this report.

Carbon Footprint (Environmental) Implications:

In 2024/25 the Council maintained a £3.927m investment into the Altana Social Impact Partnership to invest in carbon reduction projects. Many of the capital projects funded by the council’s treasury management activities have positive environmental implications.

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

No direct implications.

Appendices

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Annual Report on Treasury management Activities for 2024/25							

Background papers:

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

Treasury Management Strategy 2024/25 report to Council 8 March 2024							
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Sign off:

Fin	ITG.2 5.26.0 36	Leg	LS/000 03609/ 34/LB/ 11/07/ 25	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Ian Trisk-Grove											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 10/07/2025											
Cabinet Member approval: Approved verbally by Cllr Mark Lowry Date approved: 10/07/2025											

Annual Report on Treasury Management activities for 2024/25

Section A: Introduction & Treasury Management position

1. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's treasury management in the Public Services: Code of Practice 2017 Edition (the CIPFA Code). The CIPFA Code requires the Council to approve a Treasury Management Strategy before the start of each financial year and, as a minimum, a half-year and annual treasury management outturn report. This report presents the 2024/25 treasury management outturn position, and as such fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
2. Sections B and C of the report describe the authority's borrowing and investment activity (including non-treasury investments) during the financial year 2024/25 and the treasury management outturn position for the year. Section D sets out commentary from the council's treasury management advisors on the external context for this activity. As required by the 2021 CIPFA Code (mandatory from 1 April 2023), the outturn position for the Council's treasury management prudential indicators is detailed in Section E alongside other compliance and assurance matters. Finally, Section F closes the report by looking ahead at the economic outlook for 2025/26.
3. The Authority's Treasury Management Strategy for 2024/25 was approved by the City Council at its meeting in March 2024. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.
4. On 31 March 2025, the Authority had net borrowing of £703m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The movement in these key areas across the 2024/25 financial year is summarised in Table I below.

Table I: Balance Sheet Summary

	31/03/24 Actual £m	2024/25 Movement £m	31/03/25 Actual £m
General Fund CFR	808	62	870
Less: Other debt liabilities *	(110)	11	(99)
Borrowing CFR	698	73	771
Less: Usable reserves	(72)	18	(54)
Less: Working capital	30	(44)	(14)
Net borrowing	656	47	703

* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt.

5. The Council's Capital Financing Requirement increased through the year, driven by its capital investment programme, with a borrowing requirement increasing to £703m (noting there has been an £11m adjustment to PFI liability, due to the implementation of new accounting standard IFRS16 from 1 April 2024). The Authority pursued its strategy of keeping actual borrowing below underlying levels (sometimes known as internal borrowing) to reduce risk and to reduce interest costs.

Section B: Borrowing and Investment Activity

6. As outlined in the Treasury Management Strategy, the Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing lower interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective. The Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio.
7. The Public Works Loan Board (PWLB) certainty rate for 10-year maturity loans was 4.80% at the beginning of the period and 5.42% at the end. The lowest available 10-year maturity rate was 4.52% and the highest was 5.71%. Rates for 20-year maturity loans ranged from 5.01% to 6.14% during the period, and 50-year maturity loans from 4.88% to 5.88%.
8. For the majority of the year the cost of short-term borrowing from other local authorities closely tracked Base Rate at around 5.00% - 5.25%. However, from late 2024 rates began to rise, peaking at around 6% in February and March 2025.
9. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes. The Authority has no plans to borrow to invest primarily for financial return.
10. At 31 March 2025, the Council held £703m of loans, an increase of £47m from prior year, as part of its strategy for funding previous years' capital programmes. The borrowing position at 31 March 2025 and the change during the year is detailed in table 2 below (shown over).

Table 2: Borrowing Activity

Loans	Balance on 01/04/2024 £m	Movement £m	Balance on 31/03/2025 £m	Average Interest Rate %
Public Works Loan Board	483	68	551	3.46
Banks - LOBOs	64	(10)	54	4.40
Other Loans	24	(6)	18	4.37
Short Term Borrowing	85	(5)	80	0.94
TOTAL BORROWING	656	47	703	3.27
Other Long Term Liabilities	110	(11)	99	
TOTAL EXTERNAL DEBT	766	36	802	
Less Total Investments (see table 3)	(79)	(11)	(90)	4.81
Net Borrowing	687	25	712	

11. Short term borrowing includes £80m of loans from other local authorities on 3-12 month loan terms. Whilst rates for these inter-local authority loans are comparatively low, the Council holds a corresponding interest rate risk (the risk that interest rates may go up).
12. To mitigate interest rate risk, the Council entered into an interest rate swap agreement in April 2020, securing a fixed rate of 0.56% on a notional amount of £75 million for a 20 year term. The swap arrangement benchmarked against the Sterling Over Night Index Average (SONIA). During the 2024/25 financial year, with the SONIA rate averaging 4.90%, the Council derived significant benefit from the swap arrangement, receiving a drawdown from the hedge instrument.

LOBO Loans

13. On 1 April 2024 the Authority held £64m 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 and terms or to repay the loan at no additional cost.

14. As market interest rates have risen, there was increased probability of call options on the LOBOs being exercised by lenders. £10m of LOBO loans had annual/semi-annual call option dates during the year to 31 March 2025, with lenders exercising options on the following loans:

LOBO Loan (Lender option exercised)	Amount £m	Rate %	Final Maturity	New Rate Proposed	Action taken by PCC
Dexia Credit Local 7411	5	4.04	30/08/2077	5.52	Initially repaid through cash balances held, refinanced later with PWLB
Dexia Credit Local 7412	5	3.97	21/11/2077	6.00	Initially repaid through cash balances held, refinanced later with PWLB

15. Although not classified as borrowing, the Council has other capital finance from Private Finance Initiatives (PFI) and finance leases - as at 31 March 2025 this financing totalled £99m. PFI and finance leases are other ways of financing capital investment, though usually represent a more expensive form of financing. The Council's current PFI debt is historic and will be repaid by 2040.
16. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury 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 of receiving unsuitably low investment income.
17. At 31 March 2025 the Council held £90m of cash and investments (see table 3) which was an increase of £11m from 31 March 2024.

Table 3: Investment Activity in 2024/25

Investments	Balance on 01/04/2024 £m	Movement £m	Balance on 31/03/2025 £m	Average Rate/Yield (%)
Short term Investments (Banks and call accounts)	1	-	1	1.63
Money Market Funds	23	12	35	4.51
Other Pooled Funds	50	-	50	5.66
Other Investments	5	(1)	4	2.42
TOTAL INVESTMENTS	79	11	90	4.81

18. Investment values for pooled funds is shown at notional cost in the table above. Within the council's Statement of Accounts, these pooled fund investments are reported at fair value – as at 31 March 2025 the council's pooled fund investments had a fair value of £48.464m (compared to £47.250m as at 31 March 2024), largely reflecting an increase in fair value for a property fund investment. The

Council's investment in the Altana Social Investment Fund (previously known as the Public Sector Social Impact Fund) has been reclassified within 'Other investments' rather than as a pooled fund. The investment period for this fund concluded on 17 January, with £1.073 million of undeployed capital from the original £5 million investment returned to the Council during the 2024/25 financial year. The strategy for holding these funds is to achieve greater returns, with regular review of the capital value of the investment compared to original cost. The externally managed funds (bond, equity, multi-asset and property) with the CCLA, Schroder, ASIF and Fidelity have generated a total return for the year of £2.980m (2023/24 £3.128m). Investment income has been used to support treasury management activities during the course of the year.

19. It is important to note that the capital value of the Council's Pooled Investment funds will fluctuate dependent on market conditions. Any unrealised capital losses will not have an impact on the revenue budget or General Fund, with the capital value only realised if the funds were sold. The Pooled Investments have no defined maturity date but are available for withdrawal after a notice period. The Council continues to regularly review its investment in these funds together, drawing on advice from its treasury management advisors.

Other Non-Treasury Holdings and Activity

20. During 2024/25, the Council held £228m of direct property investments under its Property Regeneration Fund; a portfolio of property assets maintained primarily to support the Council's regeneration and economic development objectives. These non-treasury investments generated £3.205m of investment income for the Council after taking account of direct costs, representing a net revenue return of 1.41% after allowing for payments to a void reserve and a lifecycle maintenance reserve. The gross return on the Property Regeneration Fund is higher than the return earned on treasury investments, but reflects the additional risks to the Council of holding such investments.

Section C: Treasury management Outturn 2024/25

21. The treasury management budget is held as a separate budget under the Finance Department within the Council's General Fund, with the Council's interest received from investments and the financing costs of borrowing managed within this budget. Table 4 below sets out performance against this budget during 2024/25. The Council's treasury management activities for the year delivered a £6.011m underspend compared to the approved budget, mainly arising from changes in the level of Minimum Revenue Provision (MRP) required as a result of the change in timing for recognition of the Council's application for a capitalisation direction.
22. Additional income was received through higher balances being held within Money Market Funds, and with the SONIA rate remaining higher than budgeted resulting in a strong return from the interest rate swap arrangement. Higher fixed rate interest costs were incurred in 2024/25 as the Council switched part of its borrowing from short term to longer term PWLB borrowing with fixed rates to limit exposure to the risk of higher interest rates.

Table 4. Treasury management Outturn Position 2024/25

Position at Outturn	2024/25 Budget	2024/25 Outturn	Outturn variance	2025/26 Budget
	£m	£m	£m	£m
Interest Payable	24.018			
LOBO and other long term loans		3.383		3.128
PWLB (Public Works Loan Board)		16.504		20.136
Temporary loans		1.081		0.923
Other Interest and charges		1.766		2.136
Recharge to Departments for Unsupported Borrowing (in accordance with business cases)	(18.650)	(18.084)		(19.680)
Total Interest Payable	5.368	4.650	(0.718)	6.643
Interest Receivable	(4.354)			
Pool Funds		(2.980)		(2.611)
Money Market Fund		(2.166)		(1.500)
Other Interest		(0.340)		(0.431)
Total Interest Receivable	(4.354)	(5.486)	(1.132)	(4.542)
Other Payments	0.564	0.777		0.552
Debt Management	0.160	0.140		0.160
Amortised Premiums	0.544	0.544		0.544
Total Other Charges	1.268	1.461	0.193	1.256
Minimum Revenue Provision	19.850	15.496	(4.354)	20.504
TOTAL	22.132	16.121	(6.011)	23.861

(Brackets show a favourable variation)

23. The Minimum Revenue Provision (MRP) is a charge to the revenue budget that is made each year for monies to repay the Council's borrowing. MRP charges are posted the year after expenditure has been incurred, or the year when an asset becomes operational (whichever is the latter). The 2024/25 budget included provision for MRP arising from the Council's application for a capitalisation direction, however this was not required during 2024/25 as the capitalisation direction was not granted during the year.
24. Under regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003/146, as amended, local authorities are required to charge to their revenue account, for each financial year, MRP for the cost of their unfinanced capital expenditure. The Council uses the annuity method to calculate its MRP and spreads the cost of the borrowing over the economic life of the assets, considering the time value of money.

25. The cost of borrowing to finance 'invest to save' capital schemes is charged to departments, together with a provision made for MRP. The figures above include the borrowing implications of investments within the Property Regeneration Fund, as well as the recharge of these costs to the Economic Development department.

Section D: External context for 2024/25 treasury management activities

(commentary provided by Arlingclose)

Economic background:

26. In October 2024, the Office for Budget Responsibility predicted that the UK's economy would grow during 2025 by 1%. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before falling back to target in 2027. After revising its interest rate forecast in November following the Budget, the Council's treasury management advisor, Arlingclose, has maintained its stance that Bank Rate will fall to 3.75% during 2025.
27. UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.
28. The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.
29. The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.
30. The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.

31. Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased, and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.
32. The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.
33. The period in question ended shortly before US President Donald Trump announced his package of 'reciprocal tariffs', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

Credit review:

34. Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning. Once again, price volatility over the period remained generally more muted compared to previous periods. Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.
35. In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days. This advice remained in place at the end of the period.
36. On local authorities, S&P assigned a BBB+ to Warrington Council, having previously withdrawn its rating earlier in 2024, and withdrew its rating for Lancashire County Council due to the council deciding to stop maintaining a credit rating. However, it still holds a rating with Fitch and Moody's. Moody's withdrew its rating of Cornwall Council after it chose to no longer maintain a rating.

Section E: Prudential Indicators 2024/25

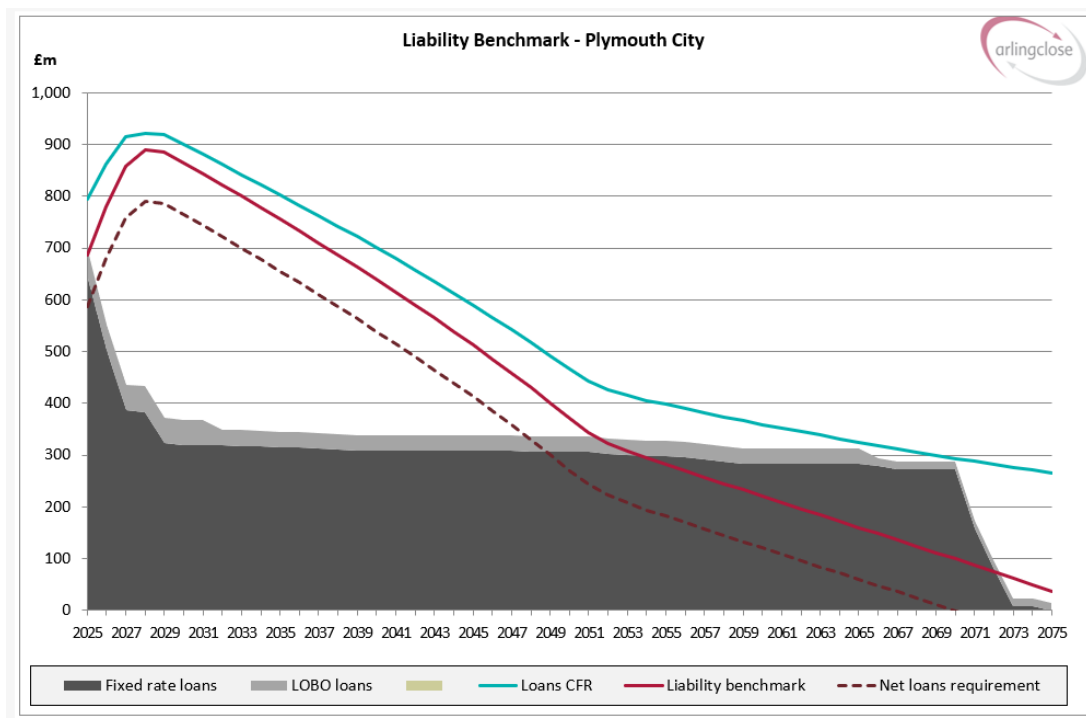
As required by the 2021 CIPFA Treasury management Code, the Authority monitors and measures the following treasury management Prudential Indicators:

37. **Liability Benchmark:** This new indicator compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future and so shapes its strategic focus and decision

making. It represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

	31.3.25 Actual £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Loans CFR	794.4	862.3	915.7
Less: Balance sheet resources	(207.5)	(182.5)	(157.5)
Net loans requirement	586.8	679.8	758.2
Plus: Liquidity allowance	100.0	100.0	100.0
Liability benchmark	686.8	879.8	857.2
Existing borrowing	710.8	560.8	443.2

38. Following on from the medium-term forecast above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £703m as a starting point, with further borrowing requirements driven by the council's capital investment plans. Minimum revenue provision on new capital expenditure is assumed to reduce underlying borrowing levels over time, based on a typical 25-year asset life. Income, expenditure and reserves are all assumed to increase through inflation. The resulting liability benchmark is shown in the chart below together with the maturity profile of the Authority's existing borrowing.



39. Whilst borrowing may be above the liability benchmark, strategies involving borrowing which is significantly above the liability benchmark carry higher risk. The council's forecast liability benchmark is significantly above its existing borrowing profile, indicating a prudent approach to borrowing.

Officers will continue to work with the Council's advisors Arlingclose to reassess the liability benchmark and review the long-term borrowing position.

40. **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. For 2024/25, the upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed, were set as follows.

	2024/25 Limit	31.03.2025 Actual	Complied
Upper limit on fixed interest rate exposure	80%	89%	x
Upper limit on variable interest rate exposure	50%	11%	✓

Fixed rate borrowings are those where the rate of interest is fixed for the whole financial year or more. Instruments that mature during the financial year are classed as variable rate.

41. The strategy for borrowing whilst long term rates were high was to secure short-term borrowing through other local authorities to re-finance loans maturing in 2024/25, and finance any in year cashflow requirements. The cost of short-term borrowing from other local authorities increased above PWLB rates in the latter part of the year. During the final quarter of 2024/25, short term interest rates were higher, compared to the lower 1 year+ PWLB rate – the decision was taken to utilise the latter option, which has resulted in fixed rate exposure limit (80%) being exceeded during the year. Details of the 1 year+ PWLB loans taken are shown in the table below, noting that £100m is repayable in 2025/26 together with a further £40m borrowed prior to 2024/25.

New PWLB 2024/25 Repayable in	£m	Interest rate %
2025/26	100	4.84 – 5.09
2026/27	40	4.87 – 4.86
Total	140	4.95

Note that of the £140m new PWLB borrowing, £72m represents refinancing loans which matured during 2024/25.

42. **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 all borrowing set and achieved for 2024/25 were:

	Upper Limit	Lower Limit	31.03.2025 Actual	Complied
Under 12 months	50%	20%	25%	✓
12 months and within 24 months	25%	0%	6%	✓
24 months and within 5 years	25%	0%	10%	✓
5 years and within 10 years	25%	0%	4%	✓
10 years and above	80%	50%	55%	✓

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.

43. **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 total principal sum invested to final maturities beyond the period end were:

	2023/24	2024/25
Limit on principal invested beyond year	£10m	£10m
Actual	£0m	£0m
Complied	✓	✓

44. **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.

	Target	Actual	Complied
Portfolio average credit rating	A	AA	✓

45. **Liquidity:** The Council aims to hold sufficient cash in call accounts to cover its daily cashflow requirements. 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. During quarter 4 of 2024/25 available cash at affordable interest rates was limited making it more cost effective to draw 1 year+ monies from PWLB.

46. **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 prudent borrowing. The Council fell well within this limit for the period.

47. The actual debt levels are monitored against the **Operational Boundary** and **Authorised Limit** for External Debt below.

Operational Boundary	31.03.25 Boundary £m	31.03.25 Actual Debt £m	Complied
Borrowing	850	703	✓
Other long-term liabilities	219	99	✓
Total Debt	1,069	802	✓

The operational boundary is based on the Council's estimate of most likely (i.e. prudent, but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-

term liabilities comprise finance leases, Private Finance Initiative financing and other liabilities that are not borrowing but form part of the Council's debt.

Authorised Limit	31.03.25 Limit £m	31.03.25 Actual Debt £m	Complied
Borrowing	900	703	✓
Other long-term liabilities	269	99	✓
Total Debt	1,169	802	✓

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.

Other compliance and assurance matters

48. **Accounting for pooled investment funds.** In 2025, amendments were made to the 2003 Capital Financing Regulations to remove the statutory override that had previously exempted local authorities from compliance with accounting standards for pooled investment funds. However, for investments made before 1 April 2024, the statutory override was extended to 2029, meaning that the Council's accounting treatment for its historic pooled fund investments is unaffected.
49. **Training and skills.** Officers have undergone a range of training provided by CIPFA and Arlingclose (which has been delivered mainly online). Arlingclose deliver online weekly 30-minute updates on a range of treasury management matters and supplementary short workshops on key activities. An experienced, long-serving officer retired from the treasury management team shortly after the 2024/25 financial year end; whilst we have recruited successfully to fill this post, additional training and development will be required during 2025 to ensure skill sets and experience within the team remain adequate. The Council will continue to draw upon advice and guidance from its treasury management advisors Arlingclose.

Section F: Outlook for the remainder of 2025/26

(commentary provided by Arlingclose)

50. UK headline consumer price inflation (CPI) increased over the quarter, rising from an annual rate of 2.6% in March to 3.4% in May, well above the Bank of England's 2% target. The core measure of inflation also increased, from 3.4% to 3.5% over the same period. May's inflation figures were generally lower than in the previous month, however, when CPI was 3.5% and core CPI 3.8%. Services inflation was 4.7% in May, a decline from 5.4% in the previous month.
51. Data released during the period showed the UK economy expanded by 0.7% in the first quarter of the calendar year, following three previous quarters of weaker growth. However, monthly GDP data showed a contraction of 0.3% in April, suggesting growth in the second quarter of the calendar year is unlikely to be as strong as the first.

52. Arlingclose, the authority's treasury adviser, maintains its central view that Bank Rate will continue to fall, and that the Bank of England will focus more on addressing weak GDP growth rather than stickier and above-target inflation. Two more cuts to Bank Rate are expected during 2025, taking the main policy rate to 3.75%, however the balance of risks is deemed to be to the downside as weak consumer sentiment and business confidence and investment impact economic growth.

Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Procurement Strategy Report 2024/25
Lead Member:	Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development, and Communities)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Holly Golden
Contact Email:	Holly.golden@plymouth.gov.uk
Your Reference:	HG/PS/790/CR/0725
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To present the progress the Council has made in delivering its Procurement Strategy 2024-2026 in the last 12 months and set out key actions for the next 12 months.

Recommendations and Reasons

1. To note the progress made to date and endorse the planned actions
Reason: To formally recognise the Council's significant progress made against its Procurement Strategy in the first year of delivery and give officers a mandate to pursue the proposed actions for year two

Alternative options considered and rejected

The option to stop delivery of the Procurement Strategy has been rejected on the grounds it would result in a breach of statutory duty with the Procurement Act 2023; would be contrary to good practice and would in effect be a rejection of the financial auditor's recommendations.

Relevance to the Corporate Plan and/or the Plymouth Plan

An organisational procurement strategy ensures that the Council's priorities as set out in the Plymouth Plan and Corporate Plan are formally recognised within the Council's approach to procurement. The strategy also sets organisational expectations in relation to the delivery of these priorities including measures of success. Reporting progress against this strategy is reporting progress against the Corporate and Plymouth Plan.

Implications for the Medium Term Financial Plan and Resource Implications:

The strategy highlights the importance of the Council securing value for money through its contracts with external suppliers as well as seeking commercial opportunity, both of which have a positive impact of the Council's MTFP.

The importance of compliance is also highlighted which seeks to mitigate financial risks related to non-compliant procurement activity such as fines and damages.

Data related to value for money and non-compliance are contained within the report as well as the actions being taken to mitigate these risks.

Financial Risks

None as a result of this report.

Legal Implications

(Provided by Liz Bryant/LB)

None as a result of this report but it is noted that ‘Compliance’ is one of the strategic themes identified in the strategy and there are processes identified for monitoring compliance.

Carbon Footprint (Environmental) Implications:

None as a result of this report but it is noted that addressing the ‘Climate Emergency’ is one of the strategic themes identified in the strategy and all Procurement-related actions within the Council’s Net Zero Action Plan have been delivered.

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

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

None as a result of this report but it is noted that the strategic themes identified in the strategy cover a range of related areas such as ‘Equality and Diversity’, ‘Modern Slavery’ and ‘Social Value’. All actions within these area have been progressed and are being actively managed.

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	Procurement Strategy Report 2024/25							

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	ITG.25. 26.033	Leg	LS/000036 09/30/LB/ 11/07/25	Mon Off	n/a	HR	n/a	Assets	n/a	Strat Proc	HG/PS/79 0/CR/072 5
Originating Senior Leadership Team member: Ian Trisk-Grove											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 08/07/2025											
Cabinet Member approval: Councillor Chris Penberthy <i>approved verbally</i>											
Date approved: 14/07/2025											

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PROCUREMENT STRATEGY REPORT

2024-2025



1. SUMMARY

The purpose of this paper is to present to Audit and Governance Committee the progress the Council has made in delivering its Procurement Strategy 2024-2026. The paper summarises the activities delivered within the last year as well as setting out the key actions for the next 12 months.

A copy of progress against the strategy action plan is also included in Appendix A.

2. BACKGROUND

The Council published its new Procurement Strategy for the period 2024-2026 in July 2024 to formally document the Council's priorities in relation to Procurement and to deliver against the recommendation made by the Council's financial auditors.

The publication of this new strategy ensured that the Council's priorities as set out in the Plymouth Plan and Corporate Plan were formally recognised within the Council's approach to procurement and set out organisational expectations in relation to the delivery of these priorities including measures of success.

The strategy was set for an initial two-period period only in recognition of the significant procurement-related legislative changes which were due to take place this year and to enable alignment with the Local Government Association's National Procurement Strategy for Local Government in England which is due to be updated in 2026.

3. STRATEGY CONTEXT

The Council is responsible for delivering more than three hundred local services and spends on average £350 million per annum with external suppliers in the fulfilment of this duty. These external suppliers are contracted through procurement and commissioning activity (collectively hereafter termed 'procurement') and this strategy sets out the Council's approach for ensuring that these contracts meet the needs and expectations of the City and secure the best possible deal for Plymouth.

Procurement applies to a wide range of goods, services and works and is concerned with the whole contract lifecycle from identification of a business need through to contract demobilisation.

It is a highly regulated activity, governed principally by the Procurement Act 2023, (from February 2025) which places considerable statutory duties on the Council in relation to securing value for money and maximising public benefit and adhering to principles such as, transparency, equal treatment, non-discrimination, integrity and proportionality.

National priorities must also be considered as set out in central government's National Procurement Policy Statement and the Local Government Association's National Procurement Strategy for Local Government in England such as generating local social value, supporting small and medium-sized enterprises and behaving commercially.

As well as local priorities as set out in the Plymouth Plan and the Council's Corporate Plan, Net Zero Action Plan, Equality and Diversity Action Plan and Modern Slavery Policy.

To meet these obligations and deliver these priorities the Council developed a strategy visualised in the graphic below:



4. OUR PROGRESS

The Council has made significant progress in delivering against the commitments it made in the Procurement Strategy during the first year.

Strategic Themes

Value for Money

The Council is committed to putting value for money at the forefront of its procurement activities which means procuring in a way that will secure the optimum balance of price, quality, and social value. Factors to be considered when determining the optimum balance include- the subject matter, scope, frequency, estimated value, and delivery timescales of the requirement, the level of market interest, process complexity, legal compliance, resource demands and the other strategic objectives.

Within the last 12 months:

- The Council's definition of value for money has been updated to ensure processes reflect current practice,
- The expectation to undertake options appraisals to identify the best value route to market on a requirement-by-requirement basis has been strengthened,
- Whole life costing is now an explicit consideration when estimating contract values,
- The default position that the running of a competitive multi-supplier process will deliver best value for money and should be pursued wherever possible is now explicitly stated in the Council's procurement rules,
- The requirement to document robust justification where a direct award strategy is pursued has been strengthened.

33 waivers to Council procurement rules and procedures were approved during financial year 24/25 totalling £3,313,843 with an average value of £100,500. These waivers were authorised in accordance with Contract Standing Orders on the grounds of breach or conflict of statutory duty; legal hearings,

planning appeals and public examinations; reputational implications; personal welfare of service users or limited market.

Instances of non-compliance relate to sign off procedures and/or competition rules. 41 instances of non-compliance with Council procurement rules and procedures were logged during financial year 24/25 totalling £1,860,444 equating to 0.5% of the Council's total annual spend. In the context of 'Value for Money' the primary concern is ensuring officers seek the correct minimum number of quotations; the average value per instance of non-compliance was £45,500 which under Contract Standing Orders requires a minimum of two quotations.

The primary method for addressing instances of non-compliance is through training and education to ensure officers are aware of the procurement rules and to encourage early engagement with the Procurement teams to ensure sufficient time to run competitive processes. This is supported by a formal breach of Contract Standing Orders monitoring and escalation procedure.

Commercial Opportunity

The Council will consider opportunities to be commercial when undertaking procurement activity to ensure the delivery of public services is sustainable.

Within the last 12 months:

- The importance of undertaking pre-procurement market engagement has been strengthened to ensure procurement opportunities are specified in a way which is commercially attractive to suppliers,
- Continued to maximise commercial attractiveness by aggregating requirements where appropriate and possible,
- The range of factors to be considered when defining value for money for a given requirements has been made explicit to ensure sourcing strategies are appropriate and proportionate and suppliers remain interested and engaged,
- Continued to focus on output-based/ performance specifications to give suppliers the opportunity to offer innovative and added-value solutions where possible,
- Phases 1 and 2 of Procurement Self-Service has been rolled out as part of the initiative to free up the capacity of the Procurement teams to enable the selling of services.

Arrangements with external suppliers are in place for both statutory and discretionary public services and continue to be delivered to a sufficient standard.

Social Value

The Council will look to maximise the benefit of its spending for the local economy, community and environment beyond the basic cost and quality of a contract which is known as 'Social Value.'

Examples of social value include- tackling climate change, promoting local skills and employment, and supporting healthier and safer communities.

Within the last 12 months:

- Council procurement rules and associated procedures and templates have been refreshed to ensure the importance of securing social value is embedded,
- Robust justification is now required where social value is not included within procurement activity even where inclusion is discretionary,
- Additional monitoring has been introduced to capture all instances of where social value has been included as a contract award criterion, not just in relation to the formal Themes, Outcomes, Measures (TOMS) framework approach,
- A social value contract management template has been introduced.

The TOMs framework approach was used within the procurement of 12 awarded contracts totalling £22.5 million in financial year 24/25 with supplier social value commitments equating to 38.08%. This is 18.08% above the 20% target. Within these procurements social value was allocated a contract award criteria weighting of 7.17% on average, 2.17% above the minimum Social Value Policy expectation.

Buy Local

The Council will look to 'keep the pounds in Plymouth' where possible through its procurement activity by engaging directly with local businesses.

The Council's definition of 'local' is 'PL Postcode' on the basis that investment in the local economy and benefits to the city are not only delivered through direct spend with central Plymouth businesses but are also a result of spending with the wider economic area. For example, the substantial number of Plymouth citizens who work for companies out of the Council boundaries.

Within the last 12 months:

- Council procurement rules and associated procedures and templates have been refreshed to further emphasise the importance of buying locally,
- The requirement to document robust justification where the buy local agenda has not been met has been strengthened,
- The management of the 'Plymouth Supplier Directory' as hosted by the Council since 2021 has been transferred to the Chamber of Commerce. As part of the transfer the directory has been significantly enhanced and is now branded 'Find It In Plymouth',
- Low value procurement activity processes and templates have been significantly simplified to support local suppliers.

Of the Council's £373.5 million total procurement spend in financial year 24/25, £213.5 million was spent with PL postcode suppliers equating to 57.10% of total spend. This is 2.1% above the 55% target.

Of the 2,935 unique suppliers the Council did business with, in financial year 24/25 1,548 were PL postcode suppliers equating to 52.74% of the Council's total direct supply chain.

SME, Co-op, Mutual, VCS & SE Engagement

The Council is committed to supporting small and medium enterprises; micro businesses; co-operatives and mutuals; social enterprises; and the voluntary and community sector.

Within the last 12 months:

- Council procurement rules have been refreshed to embed the 'SME Agenda' and set out explicit expectations on SME engagement,
- Low value procurement activity processes and templates have been significantly simplified to reduce the barriers to doing business with the Council.

Of the Council's £373.5 million total procurement spend in financial year 24/25, £111.5 million was spent with SME suppliers equating to £29.86% of total spend. This is 2.86% above the 27% target.

Of the 2,935 unique suppliers the Council did business with in financial year 24/25, 1,276 were SME suppliers equating to 43.48% of the Council's total direct supply chain.

Equality and Diversity

The Council will demonstrate as part of the contracts it procures and the suppliers it does business with, its commitment to valuing, promoting, and celebrating equality, diversity, and community cohesion.

Within the last 12 months:

- Continued to consider equality and diversity when assessing the suitability of suppliers to deliver Council contracts where relevant and proportionate,
- The requirement to consider the equality and diversity when undertaking procurement activity has been made explicit,
- Continued to set equality and diversity related contract award criteria where relevant and proportionate,
- Continued to require contracted suppliers to comply fully with the Equality Act,
- The completion of equality impact assessments as part of procurement governance processes has been made explicit,
- The procurement equality and diversity intranet page has been refreshed to make it more accessible,
- Procurement equality and diversity guidance has been refreshed to ensure care experience is clearly identified as a protected characteristic.

All procurement-related actions within the Council's 2024-2025 Equality and Diversity Action Plan have been delivered as part of the above.

Climate Emergency

The Council declared a climate emergency in 2019 and has made a commitment to become carbon neutral by 2030. Procurement has a key role to play in reducing scope 1, 2 and 3 emissions both directly, by the Council controlling what and how it decides to procure and indirectly, through influencing its supply chain.

Within the last 12 months:

- Continued to consider environmental management and carbon reduction plans when assessing the suitability of suppliers to deliver Council contracts where relevant and proportionate,
- The requirement to consider the climate emergency when undertaking procurement activity has been made explicit,
- From March 2025 the inclusion of climate contract award criteria, linked to a Climate Impact Assessment is a mandatory consideration,
- The completion of climate impact assessments as part of procurement governance processes has been made explicit,
- The requirement to document robust justification where climate considerations have not been included in a procurement has been strengthened.
- The procurement climate emergency intranet page has been refreshed to make it more accessible.

All procurement-related actions within the Council's 2024-2025 Net Zero Action Plan have been delivered as part of the above.

Modern Slavery

The Council is committed to taking steps to ensure that the practices and conditions which may allow modern slavery to occur do not take place in the delivery of Council contracts or through its wider supply chain.

Within the last 12 months:

- Tender templates have been updated to include additional optional modern slavery questions aligning with central government good practice,
- Tender templates have been updated to enable the Council to investigate modern slavery concerns as part of challenging abnormally low tenders,
- Guidance on how to consider modern slavery effectively and appropriately at each stage of the procurement cycle has been published,
- All procurement professionals remain up to date with CIPS Ethics training.

Most procurement-related actions within the Council's 2024-2025 Modern Slavery Action Plan have been delivered as above. The actions related to tender templates have been delivered over and above the Action Plan. The action to complete the Modern Slavery Assessment Tool pilot and consider further roll out has been moved to 2025-2026 due to the complexity of the activity and the prioritisation of compliance work related to the Procurement Act 2023.

Compliance

The Council will comply with all procurement-related legal requirements, primarily being the Council's Contract Standing Orders, current statutory provisions including the Public Contracts Regulations 2015 the Concession Contracts Regulations 2016 and The Health Care Services (Provider Selection Regime) Regulations 2023 and future statutory provisions such as The Procurement Act 2023.

Within the last 12 months:

- The Council's Contract Standing Orders document has been refreshed to make it more comprehensive and more user-friendly,
- Contract Standing Orders and associated processes and templates have refreshed to ensure existing governance procedures are clear and new procedures have been introduced where gaps existed. E.g. explicit emergency procedure.
- To ensure compliance with the Procurement Act 2023 which went live on 24 February 2025 the following actions have been taken:
 - Contract Standing Orders and all associated procedural notes have been updated,
 - Existing processes and templates have been updated and new processes and templates created where necessary,
 - Procurement professionals have undertaken central government training,
 - The Corporate Management Team and decision-making teams across directorates have been briefed,
 - Departments are being offered tailored briefing sessions and individual officers are receiving training as and when procurements arise,
 - Supplier representatives such as the Chamber of Commerce, Federation of Small Businesses and Plymouth Social Enterprise Network have been briefed, and communications have been issued to suppliers via the Council's e-procurement portal,
 - A Procurement Pipeline has been published in accordance with the mid-May 2025 deadline,
- A dedicated Commissioning procurement team has been set up, responsible for Social Care and Healthcare procurement activity,

- Statistics related to the Council's application of The Health Care Services (Provider Selection Regime) Regulations 2023 for the period 1 January 2024 – 31 March 2025 have been published on the Council's website in accordance with the requirements of the Regulations,
- Self-service procedures have been introduced to ensure procurement activity is only undertaken by officers who have the necessary pre-requisite training and authorisation.

The Council received 1 formal legal challenge during financial year 24/25 which was subsequently retracted following the Council's decision to abandon the procurement process in question and run a new procurement activity.

Instances of non-compliance relate to sign off procedures and/or competition rules. 41 instances of non-compliance with Council procurement rules and procedures were logged during financial year 24/25 totalling £1,860,444 equating to 0.5% of the Council's total annual spend. In the context of 'Compliance' the primary concern is compliance with Procurement legislation, none of the instances of non-compliance related to a breach of Procurement legislation but the Council's internal Contract Standing Orders only.

The primary method for addressing instances of non-compliance is through training and education to ensure officers are aware of the procurement rules and to encourage early engagement with the Procurement teams to ensure sufficient time to undertake compliant procurement activity. This is supported by a formal breach of Contract Standing Orders monitoring and escalation procedure.

Enablers

Partnership Working

The Council's philosophy to delivering successful outcomes through procurement activity is based on a 'one team' approach, bringing together Council departments and organisations as well as collaboration with local and regional partners. This is to ensure that service needs are recognised, visions and strategic priorities are understood, expert knowledge is shared, resources are used efficiently and culminate in the design and implementation of public services which meet the City's needs and expectations in the most effective and efficient way possible.

Within the last 12 months:

- The Council has continued to be an active member of the South-West Procurement Board,
- The Council has continued to be an active member of the Devon and Cornwall Procurement Partnership,
- The Council has continued to be an active member of the 'Anchor Institutions' working group,
- The Council has continued to support and actively engage with the Council's family of companies, particularly those with TECKAL status,
- The requirement for Council departments to collaborate and co-design when undertaking procurement activity has been strengthened,
- Service area procurement dashboards have been developed,
- A new 'Civic Engagement Agreement' between The Council, the University of Plymouth, Babcock and University Hospital Plymouth NHS Trust has been signed.

Developing Talent

A Council's ability to ensure taxpayers money is spent effectively and efficiently and address commercial challenges and issues of value is predicated on the talent management, recruitment, and retention of Procurement professionals

Within the last 12 months:

- 7 Procurement professionals are actively studying towards their Chartered Institute of Procurement and Supply qualifications,
- 1 Procurement professional is actively studying towards a BSc Hons degree in Professional Management Practice.

Digital Transformation

Data is the cornerstone of Category Management and access to and rapid analysis of data, particularly spend data, is critical for understanding how to manage procurements and contracts. The Council needs to ensure that appropriate digital systems and processes are in place to gather sufficiently transparent and granular data which will enable procurement officers to gain the insights necessary to make the best professional recommendations

Within the last 12 months:

- Procurement has been identified as a key enabler for the Council's 'Prevention First Transformation Strategy' and a 'Supply Chain and Contracts Management' workstream was launched in May 25.

Contract and Supplier Relationship Management

The effective management of contracts and maintaining appropriate relationships with suppliers is vital to the successful delivery of public services by ensuring that costs are controlled, the quality and timeliness of agreed outcomes and performance levels are met, and the occurrence of risks are minimised.

Within the last 12 months:

- Contract and supplier relationship management is a central focus of the Supply Chain and Contracts Management workstream of the Council's Prevention First Transformation Strategy as launched in May 25.

Risk Management

The Council's procurement activity is diverse ranging from low value, low risk transactional purchases right up to multi-million-pound complex strategic partnership arrangements across seven unique categories. This diversity means it is not appropriate to take a 'one size fits all' approach to procurement, instead decisions must be made on a requirement-by-requirement basis taking into consideration relevant information on a proportionate basis. This naturally places risk management at the heart of procurement activity by putting expectations on officers to identify and assess internal strengths and weaknesses and external threats and opportunities to determine the procurement sourcing strategy that will deliver the best outcome, whatever that looks like for a given requirement. This includes putting in place risk mitigations where necessary.

Within the last 12 months:

- The Procurement operational risk register continues to be maintained with clearly defined mitigations for active risks,
- The requirement to consider risk management throughout the procurement cycle has been strengthened.

Framework

The Council's chosen strategic procurement framework is Category Management which is where an organisation segments its spend into areas which contain similar or related characteristics for the purposes of managing procurement activity. Category Management is widely held in the profession to be the most effective and efficient approach to Procurement

Within the last 12 months:

- All actions related to the implementation of Category Management form part of the Supply Chain and Contracts Management workstream of the Council's Prevention First Transformation Strategy as launched in May 25.

5. NEXT 12 MONTHS

In the next 12 months the Council plans to take the following actions to deliver the remaining commitments of its Procurement Strategy:

Strategic Themes:

Modern Slavery

- Strengthen the consideration of modern slavery when assessing the suitability of suppliers to deliver Council contracts where relevant and proportionate,
- Modern Slavery- Complete the Modern Slavery Assessment Tool pilot and consider further roll out,

SME, Co-op, Mutual, VCS & SE Engagement

- Explore to what extent the Council can capture spend broken down into more discrete groups and use this information to further reduce and remove barriers,
- Review SME and supply chain payment terms

Equality and Diversity

- Explore to what extent the output of equalities impact assessments including impact related to care experience can be incorporated into procurement processes,

Compliance

- Develop new procedures to ensure compliance with statutory requirements of the Procurement Act 2023 due to go live Autumn 2025,
- Continue the review of access to the undertaking of procurement activities to officers who have the necessary pre-requisite training and authorisation,

Social Value

- Refresh the Council's Social Value Policy to strengthen requirements,
- Work with Anchor partners to develop a joint procurement statement and explore alignment of approach,

Enablers

- Developing Talent - identify new training needs as a result of the Procurement Act 2023,
- Digital Transformation- pursue digital efficiencies as part of the Supply Chain and Contracts Management enabling workstream of the Council's Prevention First Transformation Strategy,
- Contract and Supplier Relationship Management- develop a corporate contract management framework for the organisation,

Framework

- Implement a full category management approach as part of the Supply Chain and Contracts Management enabling workstream of the Council's Prevention First Transformation Strategy.
- To consider how Procurement resource can be monitored as part of the Strategy to ensure capacity meets organisational demand.

Appendix A- Action Plan Progress Update

The update against the Procurement Strategy Action Plan is set out below, presented by both 'Strategic Themes' delivery and actions against the 'Enablers' and 'Framework' as set out in the original strategy.

Actions have been 'RAG rated' as follows:

- Business as usual activities are white
- Completed actions are blue
- In progress/ ongoing actions are green
- Delayed actions are amber
- Actions which are overdue and are not currently progressing are red
- Programmed actions/ scheduled to begin at a later date are grey

All actions are owned by the Head of Procurement.

Value for Money

The Council is committed to putting value for money at the forefront of its procurement activities which means procuring in a way that will secure the optimum balance of price, quality, and social value. Factors to be considered when determining the optimum balance include- the subject matter, scope, frequency, estimated value, and delivery timescales of the requirement, the level of market interest, process complexity, legal compliance, resource demands and the other strategic objectives.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
VFM1	Setting corporate procurement rules and procedures which are designed to deliver value for money as standard,	Refresh Contract Standing Orders (CSOs) to ensure processes reflect up-to-date definition of value for money	24/25	Q2	Complete
VFM2	Where appropriate, undertaking procurement options appraisals to identify the route to market which will deliver best value on a requirement-by-requirement basis,	Refresh CSOs to strengthen this requirement	24/25	Q2	Complete
VFM3	Considering the whole lifecycle cost of a product, service or works when undertaking a procurement activity,	Refresh CSOs to make this approach explicit	24/25	Q2	Complete

VFM4	Holding the default position that the running of a competitive multi-supplier process will deliver best value for money and should be pursued wherever possible,	Refresh CSOs to make this approach explicit	24/25	Q2	Complete
VFM5	Requiring robust justification where a direct award strategy is pursued.	Refresh CSOs to make this approach explicit	24/25	Q2	Complete

Commercial Opportunity

The Council will consider opportunities to be commercial when undertaking procurement activity to ensure the delivery of public services is sustainable.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
CO1	Gathering market intelligence to ensure procurement opportunities are specified in a way which is commercially attractive to suppliers,	Refresh CSO to strengthen the importance of pre-procurement market engagement	24/25	Q2	Complete
CO2	Maximising commercial attractiveness by aggregating requirements where appropriate,	—	BAU	—	BAU
CO3	Developing sourcing strategies that are appropriate and proportionate for a given requirement to ensure suppliers remain interested and engaged,	Refresh CSO to emphasise the need to consider the nature and value of a requirement when defining best value for money and correspondingly enable flexibility in process selection	24/25	Q2	Complete
CO4	Focusing on output-based/ performance specifications to give suppliers the opportunity to offer innovative and added-value solutions,	—	BAU	—	BAU
CO5	Income generating/ cost recovery through delivering procurement services for the Council's family of companies.	Roll out procurement self-service to free up the capacity of the Procurement teams to enable the selling of services	24/25	Q4	Complete

Social Value

The Council will look to maximise the benefit of its spending for the local economy, community and environment beyond the basic cost and quality of a contract which is known as 'Social Value.' Examples of social value include- tackling climate change, promoting local skills and employment, and supporting healthier and safer communities.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
SV1	Embedding social value into the Council's standard rules and procedures	Refresh CSO and associated processes and templates to ensure the importance of social value is emphasised	24/25	Q2	Complete
SV2	Procuring in accordance with the Council's Social Value policy	Refresh CSO and associated processes and templates to capture instances of non-compliance with policy	24/25	Q2	Complete
SV3	Including social value criteria in procurement activities even where is it discretionary to do-so within the Council's policy, where is it relevant to the subject matter of the contract and proportionate	Refresh the Council's Social Value Policy to ensure social value is included in procurement activity wherever possible REVISED TIMELINE:	24/25 25/26	Q4 Q3	This action has been purposefully delayed to align with the Anchor Institution work to avoid multiple policy updates
SV4	Including social value criteria in procurement activities even where is it discretionary to do-so within the Council's policy, where is it relevant to the subject matter of the contract and proportionate	Begin to monitor all instances of where social value has been included as an award criterion not just in relation to the TOMs framework	24/25	Q3	Complete
SV5	Embedding social value into the Council's standard rules and procedures	Work with the Anchor Institutions Working Group to develop a joint social value statement and explore alignment of procurement policies REVISED TIMELINE:	24/25 25/26	Q4 Q3	A new Civic Engagement Agreement has been signed. The supply chain workstream had its first meeting on the 27th June and developing a joint social

					value definition it the first priority
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Buy Local

The Council will look to 'keep the pounds in Plymouth' where possible through its procurement activity by engaging directly with local businesses. The Council's definition of 'local' is 'PL Postcode' on the basis that investment in the local economy and benefits to the city are not only delivered through direct spend with central Plymouth businesses but are also a result of spending with the wider economic area. For example, the substantial number of Plymouth citizens who work for companies out of the Council boundaries.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
BL1	Embedding a 'Buy Local' Agenda into the Council's standard procurement rules and procedures which looks to maximise local business engagement in procurement activities where possible,	Refresh CSO and associated processes and templates to ensure the importance of buy local is emphasised	24/25	Q2	Complete
BL2	Procuring in accordance with the Council's 'Buy Local' Procedural Note,	Refresh Procedural Note	24/25	Q2	Complete
BL3	Developing a Directory which aims to bring local business buyers and suppliers together,	Transfer of PCC owned Plymouth Supplier Directory to 'Find it in Plymouth' platform owned by Chamber of Commerce	24/25	Q3	Complete
BL4	Looking to reduce and remove barriers faced by local businesses to maximise their chances of success,	Simplify below threshold procurement processes and templates	24/25	Q4	Complete
BL5	Requiring robust justification where the Buy Local agenda is not delivered as part of procurement activity where appropriate,	Refresh CSO and associated processes and templates to capture instances of non-compliance with policy	24/25	Q2	Complete

SME, Co-op, Mutual, VCS & SE Engagement

The Council is committed to supporting small and medium enterprises; micro businesses; co-operatives and mutuals; social enterprises; and the voluntary and community sector.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
E1	Embedding an 'SME Agenda' into the Council's standard procurement rules and procedures which looks to maximise the engagement of these businesses and organisations in procurement activities where possible,	Refresh CSO and associated processes and templates to ensure the importance of supporting SMEs is emphasised	24/25	Q2	Complete
E2	Looking to reduce and remove barriers faced by these businesses and organisations to ensure there is a level playing field in competing for public procurement opportunities e.g. the letting of contracts,	Simplify below threshold procurement processes and templates	24/25	Q4	Complete
E3	Looking to reduce and remove barriers faced by these businesses and organisations to ensure there is a level playing field in competing for public procurement opportunities e.g. the letting of contracts,	Explore to what extent the Council can capture spend broken down into more discreet groups e.g. charities, co-ops, social enterprises etc	25/26	Q4	Scheduled to commence 25/26 Q3
E4	Pursuing policies and implementing measures which recognise the particular complexities and challenges faced by these businesses and organisations e.g. 15 days SME payment terms.	Explore reducing SME payment terms further where the Council directly contracts with an SME and explore to what extent we can insist that such terms are passed onto SME sub-contractors	25/26	Q4	Scheduled to commence 25/26 Q3

Equality and Diversity

The Council will demonstrate as part of the contracts it procures and the suppliers it does business with, its commitment to valuing, promoting, and celebrating equality, diversity, and community cohesion.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
ED1	Consideration of equality and diversity when assessing the suitability of suppliers to deliver Council contracts where relevant and proportionate,	–	BAU	–	BAU
ED2	Including equality and diversity related expectations and standards in contract specifications where relevant and proportionate,	Refresh CSO to ensure equality and diversity is an explicit consideration	24/25	Q2	Complete
ED3	Setting equality and diversity related contract award criteria where relevant and proportionate,	–	BAU	–	BAU
ED4	Requiring contracted suppliers to comply fully with the Equality Act,	–	BAU	–	BAU
ED5	Monitoring supplier performance in relation to equality and diversity as part of contract management,	Roll out social value contract management template	24/25	Q4	Complete
ED6	Embedding equality impact assessments into Procurement decision-making where appropriate,	Refresh CSO and associated processes and templates to ensure EIAs are explicitly mentioned	24/25	Q2	Complete
ED7	Embedding equality impact assessments into Procurement decision-making where appropriate,	Support the Policy and Intelligence Team to improve the EIA process and subsequently develop a methodology for incorporating	25/26	Q1	Action dependent on completion of EIA review which has just been

		the output of the assessment into procurement processes REVISED TIMELINE:	25/26	Q2	completed. Procurement is working with Policy team to move this action forward.
ED8	Officer guidance on how to consider equality and diversity effectively and appropriately at each stage of the procurement cycle.	Refresh Procurement intranet pages to make guidance more accessible	24/25	Q3	Complete
ED9	Officer guidance on how to consider equality and diversity effectively and appropriately at each stage of the procurement cycle.	Templates and guidance are reviewed to ensure care experience is clearly identified as a protected characteristic	25/26	Q1	Complete

Climate Emergency

The Council declared a climate emergency in 2019 and has made a commitment to become carbon neutral by 2030. Procurement has a key role to play in reducing scope 1, 2 and 3 emissions both directly, by the Council controlling what and how it decides to procure and indirectly, through influencing its supply chain.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
CE1	Consideration of environmental management and carbon reduction plans when assessing the suitability of suppliers to deliver Council contracts where relevant and proportionate,	—	BAU	—	BAU
CE2	Including environmental expectations and standards in contract specifications where relevant and proportionate,	Refresh CSO to ensure the Climate Emergency is an explicit consideration	24/25	Q2	Complete
CE3	Setting environmental related contract award criteria where relevant and proportionate	Embed a contract award weighting for climate change into standard procurement processes	24/25	Q4	Complete

CE4	Monitoring supplier performance in relation to environmental impact as part of contract management,	Roll out social value contract management template	24/25	Q4	Complete
CE5	Embedding climate impact assessments into Procurement decision-making where appropriate	Refresh CSO and associated processes and templates to ensure CIAs are explicitly mentioned	24/25	Q2	Complete
CE6	Requiring robust justification where climate considerations are not included in procurement activity where appropriate,	Refresh CSO and associated processes and templates to capture instances of non-compliance with policy	24/25	Q2	Complete
CE7	Officer guidance on how to consider the environment effectively and appropriately at each stage of the procurement cycle.	Refresh Procurement intranet pages to make guidance more accessible	24/25	Q3	Complete

Modern Slavery

The Council is committed to taking steps to ensure that the practices and conditions which may allow modern slavery to occur do not take place in the delivery of Council contracts or through its wider supply chain.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
MS1	Consideration of modern slavery when assessing the suitability of suppliers to deliver Council contracts where relevant and proportionate,	Develop modern slavery-related suitability assessment questions	25/26	Q4	Scheduled to commence 25/26 Q3
MS2	Requiring contracted suppliers to comply fully with the Modern Slavery Act,	Templates to be updated to reflect additional requirements introduced under the Procurement Act 2023	24/25	Q4	Complete

MS3	Putting mechanisms in place to challenge abnormally low-price tenders to ensure they do not rely upon the supplier practising modern slavery,	Templates and guidance to be updated to make explicit mention of modern slavery when challenging abnormally low tenders	24/25	Q4	Complete
MS4	Developing Officer guidance on how to consider modern slavery effectively and appropriately at each stage of the procurement cycle,	Develop and publish guide	24/25	Q2	Complete
MS5	Developing Officer guidance on how to consider modern slavery effectively and appropriately at each stage of the procurement cycle,	All Procurement professionals to complete CIPS Ethics training module (annual requirement)	24/25	Q3	Complete
MS6	Exploring use of the government's Modern Slavery Assessment Tool with contracted suppliers.	Complete Modern Slavery Assessment Tool pilot REVISED TIMELINE:	24/25 25/26	Q4 Q3	Due to the complexity of the requirement and the need to prioritise Procurement Act action has been moved to Year 2.
MS7	Exploring use of the government's Modern Slavery Assessment Tool with contracted suppliers.	Analyse the results of the Modern Slavery Assessment Tool pilot and consider further roll out REVISED TIMELINE:	24/25 25/26	Q4 Q4	Dependent on action MS6 completion. Moved to Year 2.

Compliance

The Council will comply with all procurement-related legal requirements, primarily being the Council's Contract Standing Orders, current statutory provisions including the Public Contracts Regulations 2015 the Concession Contracts Regulations 2016 and The Health Care Services (Provider Selection Regime) Regulations 2023 and future statutory provisions such as The Procurement Act 2023.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
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C1	Ensuring the Council's Contract Standing Orders are comprehensive and up to date but also user-friendly.	Refresh CSOs	24/25	Q2	Complete
C2	Maintaining robust governance procedures to ensure that compliant practices and processes are adhered to.	Refresh CSOs and associated processes and templates to ensure existing governance procedures are clear and introduce new procedures where gaps currently exist	24/25	Q2	Complete
C3	Maintaining robust governance procedures to ensure that compliant practices and processes are adhered to.	Refresh CSO and associated processes and templates to ensure they comply with the Procurement Act 2023 <u>PHASE 1</u> requirement due to go live February 25	24/25	Q4	Complete
C4	Maintaining robust governance procedures to ensure that compliant practices and processes are adhered to.	Refresh procurement processes and templates to ensure they comply with the Procurement Act 2023 <u>PHASE 2</u> requirements anticipated to go live Autumn 25	25/26	Q2	Procurement consultancy firm V4 have been engaged as part of the Prevention-First enabling Supply Chain and Contracts Management workstream with the intention of developing a new Target Operating Model for Procurement which will incorporate new compliance requirements
C5	Maintaining dedicated Procurement teams who are responsible for providing expert advice and guidance and facilitating procurement activities where appropriate.	Set up dedicated Commissioning Procurement team	24/25	Q2	Complete

C6	Ensuring procurement professionals within the Council remain up to date with relevant legislative changes, procurement case law and other evidence of best practice.	All Procurement professionals to complete Procurement Act 2023 training	24/25	Q3	Complete
C7	Restricting access to the undertaking of procurement activities to officers who have the necessary pre-requisite training and authorisation.	Refresh CSOs and develop a self-service procedural note	24/25	Q2	Complete
C8	Restricting access to the undertaking of procurement activities to officers who have the necessary pre-requisite training and authorisation.	Review officer access levels to Civica purchasing and put in place clear governance requirements	24/25	Q4	System access continues to be reviewed on a department-by-department basis but due to capacity restrictions is taking longer than planned.
		REVISED TIMELINE:	25/26	Q3	

Enablers

Partnership Working

The Council's philosophy to delivering successful outcomes through procurement activity is based on a 'one team' approach, bringing together Council departments and organisations as well as collaboration with local and regional partners. This is to ensure that service needs are recognised, visions and strategic priorities are understood, expert knowledge is shared, resources are used efficiently and culminate in the design and implementation of public services which meet the City's needs and expectations in the most effective and efficient way possible.

Ref.	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
PW1	Maintain a strong relationship with the Southwest Procurement Board	BAU	—	BAU
PW2	Maintain a strong relationship with the Devon and Cornwall Procurement Partnership	BAU	—	BAU
PW3	Lead the Plymouth Public Sector Partnership Group	BAU	—	BAU
PW4	Actively engage with the 'Anchor Institutions' working Group	BAU	—	BAU
PW5	Support and actively engage with the Council's family of companies with specific reference to CATER ^{ed} , Arca and PAL. Also including DELT but to a lesser degree due to procurement independence	BAU	—	BAU
PW6	Refresh CSO and associated processes and templates to emphasise the need for co-design and collaboration when undertaking procurement activities	24/25	Q2	Complete
PW7	Release new strategic and service area procurement dashboards	24/25	Q3	Feedback on pilot dashboards was that their value was limited due to only showing retrospective data. Dashboards will be revisited as part of the Prevention-First enabling Supply Chain and Contracts Management workstream with view to showing live data
	REVISED TIMELINE:	25/26	Q4	

Developing Talent

A Council's ability to ensure taxpayers money is spent effectively and efficiently and address commercial challenges and issues of value is predicated on the talent management, recruitment, and retention of Procurement professionals.

Ref.	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
DTa1	Support all Procurement professionals to complete the CIPS programme in accordance with role profiles	BAU	–	BAU
DTa2	Assess additional training needs in light of Procurement Act 2023 and identify courses for completion REVISED TIMELINE:	24/25 25/26	Q4 Q3	Additional training needs have been identified but courses for completion have yet to be explored due to capacity restrictions

Digital Transformation

Data is the cornerstone of Category Management and access to and rapid analysis of data, particularly spend data, is critical for understanding how to manage procurements and contracts. The Council needs to ensure that appropriate digital systems and processes are in place to gather sufficiently transparent and granular data which will enable procurement officers to gain the insights necessary to make the best professional recommendations

Ref.	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
DTr1	Develop business case for the provision of a corporate contract management software system in light of Procurement Act statutory requirements and in response to recommendations from various audits REVISED TIMELINE:	25/26	Q1 Q2	Procurement consultant V4 have been contracted as part of the Prevention-First enabling Supply Chain and Contracts Management workstream to undertake the initial piece of spend analysis which will inform the business case. Due to be completed July/August 25
DTr2	Resecure intelligent automation resource in light of Procurement Act statutory requirements REVISED TIMELINE:	24/25 25/26	Q4 Q3	In progress but minor slippage- part of the Prevention-First enabling Supply Chain and Contracts Management workstream

DTr3	Explore moving procurement forms to Firmstep REVISED TIMELINE:	25/26	Q1 Q3	In progress but minor slippage- part of the Prevention-First enabling Supply Chain and Contracts Management workstream
DTr4	resecure subscription to spend analysis software as described in Framework section		–	See framework section

Contract and Supplier Relationship Management

The effective management of contracts and maintaining appropriate relationships with suppliers is vital to the successful delivery of public services by ensuring that costs are controlled, the quality and timeliness of agreed outcomes and performance levels are met, and the occurrence of risks are minimised.

Ref.	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
CMI	Develop a corporate contract management framework for the organisation	25/26	Q4	Scheduled to commence 25/26 Q3

Risk Management

The Council's procurement activity is diverse ranging from low value, low risk transactional purchases right up to multi-million-pound complex strategic partnership arrangements across seven unique categories. This diversity means it is not appropriate to take a 'one size fits all' approach to procurement, instead decisions must be made on a requirement-by-requirement basis taking into consideration relevant information on a proportionate basis. This naturally places risk management at the heart of procurement activity by putting expectations on officers to identify and assess internal strengths and weaknesses and external threats and opportunities to determine the procurement sourcing strategy that will deliver the best outcome, whatever that looks like for a given requirement. This includes putting in place risk mitigations where necessary.

Ref.	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
RM I	Maintain operational risk register	BAU	–	BAU

RM 2	Refresh CSO and associated processes and templates to ensure consideration of risk management is embedded throughout the procurement cycle	24/25	Q2	Complete
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Framework

The Council's chosen strategic procurement framework is Category Management which is where an organisation segments its spend into areas which contain similar or related characteristics for the purposes of managing procurement activity. Category Management is widely held in the profession to be the most effective and efficient approach to Procurement.

Ref.	Commitment	Description of Action	Strategy Year	Target Completion	July 25 Progress update and RAG
F1	Data Analysis- to make insights and overall better-informed decisions	Resecure subscription to spend analysis software REVISED TIMELINE:	25/26	Q1 Q2	Procurement consultant V4 contracted as part of enabling Supply Chain and Contracts Management workstream of Prevent-First Strategy to undertake the initial piece of spend analysis work. Due for completion July 25
F2	Categorisation- Developing expertise and market knowledge to discover opportunities to be commercial and for innovation	Review and refresh where necessary the Council's spend categories.	25/26	Q4	Scheduled to commence 25/26 Q3
F3	Segmentation- to inform prioritisation and make best use of resources	Develop a Council contract/spend segmentation model (links to wider contract management framework)	25/26	Q4	Scheduled to commence 25/26 Q3
F4	Aggregation- Securing reductions in costs including purchase price by increasing volumes and reducing transactions	identify and categorise existing Council contracts + pipeline procurements (Procurement Act)	24/25	Q4	Complete

F5	Standardisation- Achieving consistency and assurance of policies/ procedures	Develop category management templates	25/26	Q4	Scheduled to commence 25/26 Q3
F6	Supplier Relationship Management- Building appropriate relationships with suppliers to ensure the successful delivery of outcomes, and pursue continuous improvement	Develop a Council supplier segmentation model	25/26	Q4	Scheduled to commence 25/26 Q3

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Audit and Governance Committee



Date of meeting: 22 July 2025

Title of Report: **Risk Management Monitoring Report Q4 2024-25**

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

Lead Strategic Director: Ian Trisk-Grove (Service Director for Finance)

Author: Paul Stephens (Senior Performance Advisor)

Contact Email: paul.stephens@plymouth.gov.uk

Your Reference: RISK2024-25Q4(PS)

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

The Strategic Risks Quarter 4 2024/25 provides an update with regard to the authority's ongoing strategic risk, focusing on the 26 risks outlined in the Strategic Risk Register.

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

Recommendations and Reasons

To note the Strategic Risks Quarter 4 2024/25 report.

Alternative options considered and rejected

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

Relevance to the Corporate Plan and/or the Plymouth Plan

This report is fundamentally linked to delivering the priorities within the Council's Corporate Plan

Implications for the Medium Term Financial Plan and Resource Implications:

The Strategic Risks Quarter 4 2024/25 is a core component of the Council's strategic framework and has a vital role to play in translating the Council's ambition and priorities set out in the Corporate Plan 2023- 26

Financial Risks

As per risk register

Legal Implications

(Provided by Liz Bryant)

There are no legal implications arising directly from this report other than matters identified in the risk register.

Carbon Footprint (Environmental) Implications:

No direct carbon/environmental impacts arising from the recommendations.

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

No other implications

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	Risk Management Monitoring Report Q4 2024-25 v1							

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	ITG.2 5.26.0 31	Leg	LS/00 0036 90/35 /LB/I 1/07/ 25	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Ian Trisk-Grove (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 09/07/2025											
Cabinet Member approval: Councillor Mark Lowry (Cabinet Member for Finance) via email Date approved: 07/07/2025											

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RISK MANAGEMENT MONITORING REPORT

Q4 2024/25



I. Purpose

- I.1. This quarterly report analyses the strategic risks facing Plymouth City Council as of Q4. Overall, the strategic risk profile has remained relatively stable between Q3 and Q4, with 18 strategic risks requiring focused management attention. Most concerning are risks with "Management effort required" status, particularly in the areas of Adult Social Care budget pressures, cyber-security, and organisational financial management.
- I.2. The report also consolidates some risks following discussion at the Corporate Management Team.

2. Risk Appetite Status Overview

- 2.1. The April 2025 risk register shows the following breakdown of strategic risks by appetite status:

Risk Appetite Status	Number of Risks	Percentage
Management effort required	2	11%
Management effort worthwhile	1	5%
Manage & monitor	4	21%
Accept but monitor	12	63%
Accept	0	0%

- 2.2. Following the proposed changes, the consolidated risk profile would shift to:

Risk Appetite Status	Number of Risks	Percentage
Management effort required	2	19%
Management effort worthwhile	3	25%
Manage & monitor	4	25%
Accept but monitor	9	31%
Accept	0	0%

Overall Impact:

- Total risks reduced from 19 to 18 (1 risk removed (net))
- 7 risks removed in Q4
- 6 new (consolidated) risks added in Q4

3. Directorate Risk Summaries

3.1. Adults, Health and Communities

- 3.1.1. The Adult Social Care budget pressures and Adult Social Care reforms risks are now recommended to be archived and consolidated into a new "Social Care Sustainability" risk. This new approach provides a more holistic view of social care challenges across both adults and children's services.
- 3.1.2. The homelessness services (score 12), National Living Wage funding (score 9), and workforce recruitment/retention (score 6). risks will continue to be monitored separately due to their distinct operational focus.

3.2. Children's Services

- 3.2.1. The key risk "failure to meet statutory duties" (score 9) is recommended to be archived and incorporated into the new "Social Care Sustainability".
- 3.2.2. This consolidated approach will allow for more integrated management of social care challenges across age groups, particularly where there are common themes related to increasing demand, financial constraints, and legislative compliance.
- 3.2.3. The specific operational aspects of Children's Services, including Social Worker recruitment and Early Intervention and Prevention, will be maintained as components within the consolidated risk.

3.3. Office of Director of Public Health

- 3.3.1. The Office of Director of Public Health manages two key strategic risks that both remain at a score of 12 with a "Manage & monitor" status.
- 3.3.2. Failure to reduce Health Inequalities continues to be a significant concern as it means the city's poorest residents face shorter lives and more years in ill health. Mitigation efforts include implementing the Building Bridges to Opportunity Framework, utilising the Household Support Fund, and relaunching the Thrive Plymouth initiative. Despite some positive signs with reducing energy costs and slowing inflation, external factors beyond Council control continue to drive inequalities.
- 3.3.3. The risk of pandemic or high impact disease outbreak remains stable, with management actions centered on maintaining outbreak plans, disease surveillance, and regularly tested response protocols.

3.4. Growth Directorate

- 3.4.1. The risk of failing to meet carbon reduction targets (score 12) and leadership on the city's net zero mission (score 9) is recommended to be archived and replaced with a more comprehensive "Climate Adaptation and Environmental Resilience" risk. This new risk broadens the scope beyond carbon reduction to include preparation for climate-related impacts on infrastructure, services, and vulnerable populations.
- 3.4.2. The directorate continues to manage two other strategic risks that remain unchanged from Q3: insufficient economic performance (score 9) and managing major projects amid capacity constraints and cost inflation (score 9). These risks continue to be addressed through inward investment efforts, job creation in the Blue and Green economy, and partnerships with funding bodies like DLUC and Homes England to share

inflationary risks across the £1bn project pipeline.

3.5. Customer and Corporate Services

- 3.5.1. The separate risks for cyber-attack vulnerability (score 16) and keeping data secure (score 9) are recommended to be archived and consolidated into a new "Digital and Data Resilience" risk.
- 3.5.2. The directorate continues to manage the Council's expenditure potentially exceeding available resources (score 20), which remains the highest scoring risk across the organisation. This risk requires significant management effort, focusing on addressing a £28m gap over the 5-year horizon set out in the Medium-Term Financial Plan. The workforce insufficiency risk (score 9) remains separate due to its distinct people-focused nature.

3.6. Executive Office

- 3.6.1. In addition to the existing risks - Governance Arrangements for the Family of Companies (score 6) and Emergency Response Centre back-up power (score 8) - three new strategic risks are being added to the Executive Office risk register:
- **Local Government Reorganisation and Devolution Transition** (score 12) - This new risk addresses the potential operational, service, and financial disruption during the transition to a unitary authority model under the English Devolution Bill. Mitigation actions include a comprehensive transition plan, dedicated program management resources, and a risk-based approach to service integration priorities.
 - **Legislative Change Implementation** (score 9) - This risk focuses on the Council's ability to implement multiple significant legislative changes concurrently within required timescales. Mitigations include a legislative change tracker, cross-directorate coordination, and early engagement with government departments on implementation challenges.
 - **Risk Culture and Management Capability** (score 12) - This risk addresses Internal Audit findings regarding weaknesses in the Council's risk management culture and capability. Key mitigations include filling vacant risk management positions, establishing directorate risk leads, mandatory risk management training, and improving integration of assurance work.
- 3.6.2. These new risks reflect the Council's strategic focus on governance, compliance, and organisational capability in the face of significant external changes.

4. Risk Score Changes Q3 to Q4

4.1. The comparison of strategic risk scores between Q3 and Q4 shows stability, with no strategic risks changing their score during this period. This indicates either:

- Effective management and mitigation strategies keeping risks stable, or
- Slow progress in implementing mitigation actions that would reduce risk scores

5. Risk Review

5.1. Following CMTs last review of the risk register several related risks are proposed to be consolidated to provide a more holistic view of key challenges. The following changes are recommended:

5.2. Risks to be Archived

Several individual risks should be archived as they have been consolidated into broader strategic risks:

- **Adult Social Care budget pressures** (Adults, Health and Communities)
- **Adult Social Care (ASC) Reforms** (Adults, Health and Communities)
- **Failure to meet statutory duties in Children's Services** (Children's Services)
- **Carbon reduction targets** (Growth)
- **Leadership on the city's net zero mission** (Growth)
- **Cyber-attack vulnerability** (Customer and Corporate Services)
- **Keeping data secure** (Customer and Corporate Services)

5.3. New / Consolidated Risks

These archived risks have been incorporated into new consolidated strategic risks that provide a more comprehensive view of key challenges:

- **Social Care Sustainability** (People Directorate) - Score 16
 - Consolidates adult and children's social care risks
 - Provides holistic view of care system sustainability
 - Owned at Strategic Director level for cross-service coordination
- **Digital and Data Resilience** (Customer and Corporate Services) - Score 16
 - Combines cyber security and data protection risks
 - Addresses systematic risk management processes

- Includes IT resilience, cyber-attacks, and information management
- **Climate Adaptation and Environmental Resilience (Growth) - Score 12**
 - Expands beyond carbon reduction to include adaptation
 - Addresses infrastructure resilience to climate impacts
 - Includes flood risk, extreme weather, and environmental degradation
- **Local Government Reorganisation and Devolution Transition (Executive Office) - Score 12**
 - New risk addressing English Devolution Bill implications
 - Covers transition to unitary authority model in Devon
 - Focuses on service continuity during potentially significant organisational change
- **Legislative Change Implementation (Executive Office) - Score 9**
 - Addresses multiple concurrent legislative changes
 - Focuses on compliance requirements and implementation challenges
 - Cross-directorate coordination required
- **Risk Culture and Management Capability (Executive Office) - Score 12**
 - Addresses Internal Audit findings on risk management weaknesses
 - Includes training, roles/responsibilities, and assurance integration
 - Critical foundation for effective management of all other risks

6. Current Strategic Risks

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Customer and Corporate Services	Financial	The Council's expenditure exceeds the resources available to meet that expenditure within the medium-term financial plan period (2024/25-2027/28)	A balanced budget for 2024/25 has been set and 2023/24 Month 2 monitoring is showing a balanced position but with underlying risks. We are now embarking on closing the MTFF gap of £25m for the next two years	System of monthly financial reporting to DMT's, CMT, and Cabinet and Quarterly to Full Council, with monthly consideration of directorate level financial issues at each Scrutiny Committee. In addition, the Council has introduced a system of detailed monitoring of the delivery of savings targets so that a view is published monthly in Cabinet reports. The Council also holds an annual review of fees and charges and has annual and ongoing programmes of work to identify and understand potential savings opportunities. The governance system of the Council - as unpacked in the Annual Governance Statement comprise a rigorous system of financial control.	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
Children's Services	Operational/Service Delivery	Social Care Sustainability	Inability to maintain sustainable, effective, and statutorily compliant social care services across both adults and children's services due to increasing demand, financial constraints, and complex legislative changes.	Regular review of demand and capacity across both adults and children's services, Trend analysis informing projections, Strong Reablement Offer, National and regional groups including LGA and ADASS, Additional Social Workers recruited	25	Development of integrated transformation approach across both service areas, supported by the People Strategy, Focus on early intervention and prevention, Collaborative commissioning with health partners, Care zoning approach in adult services, Regular review by Corporate Management Team.	16
Customer and Corporate Services	Cyber	Digital and Data Resilience	Risk of critical service failure due to inadequate digital resilience, cyber security and systematic risk management processes. This includes cyber-attacks, system failures, data breaches, and information management weaknesses. CAF assessment identified lack of risk ownership, consistent risk appetite statement, and systematic risk management process for cyber security.	IT Security Policy, Business Continuity plans, Infrastructure patching, IT provider assessment, Information Audits, Staff training	25	Implement clearly defined risk ownership model for IT risks Develop consistent Risk Appetite statement specific to IT and Cyber Security Enhance cyber security monitoring and response capabilities Implement Network and Information Security regulations requirements Regular system resilience testing Data management improvements Staff information security training Strong and tested business continuity plans	16

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Office of Director of Public Health	Operational/Service Delivery	Failure to reduce Health Inequalities	Failure to reduce Health Inequalities will mean our poorest residents continue to live shorter lives as well as more years in ill health.	The Thrive Plymouth framework Plymouth Plan and Integrated Commissioning Strategies	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
Office of Director of Public Health	Operational/Service Delivery	Pandemic or high impact disease outbreak	Pandemic or high impact outbreak of infectious disease including new variant of COVID infection with no or limited population immunity or available control measures. With worldwide changes to climate, movement of people, poor environment, overcrowding, modern social living patterns, health related pathogens are more likely to be encountered and spread globally rapidly. Includes accidental or deliberate release of a novel pathogen.	UKHSA disease surveillance and early warning system including local participation in disease surveillance and reporting schemes e.g. NOIDS and Port health / UKHSA case responses/ planning exercises; COVID 19 and flu seasonal vaccination programme/ Corporate emergency response plans / business continuity plans / regular meetings ODPH and UKHSA	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
Adults, Health and Communities	Operational/Service Delivery	Homelessness	There is a significant demand for homelessness services, leading to pressure on service delivery and statutory targets with additional significant budget implications. Realisation of risk will lead to significant negative impact upon individuals, families and communities in Plymouth.	The Homelessness Delivery Plan 2020 - 2025 which encompassed all work within Homelessness services in the city. Demand has now risen over and above the planned demand as articulated in the strategy.	25	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

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Chief Executive Office	Strategic Change	Local Government Reorganisation Uncertainty	The ongoing Local Government Reorganisation (LGR) driven by the UK Government's Devolution White Paper presents both significant opportunities and existential threats to Plymouth City Council. There is a risk that Plymouth City Council may not achieve its growth ambitions through boundary expansion to include the 13 surrounding parishes, and instead may be abolished or subsumed into an alternative unitary authority. This could result in loss of local identity, reduced local democratic representation for Plymouth residents, diminished strategic capacity to deliver Plymouth-specific priorities, and potential service disruption during transition. The risk is heightened by competing proposals from Devon County Council and other district authorities who may advocate for alternative reorganisation models that do not align with Plymouth's interests.	Interim Plan submission to Government (March 2025) establishing Plymouth's initial position and growth ambitions Programme Board with senior leadership to coordinate business case development Initial stakeholder mapping and engagement with parish councils and key partners Regular dialogue with Ministry of Housing, Communities and Local Government Dedicated Programme Director and project resources allocated Collaborative engagement with relevant local authorities in Devon Development of compelling evidence base for Plymouth Growth Area proposal	20	Develop comprehensive, evidence-based business case for Plymouth Growth Area by November 2025 deadline Implement structured 'Let's Talk' engagement programme with residents and stakeholders to demonstrate local support Build strategic alliances with parish councils in the 13 proposed areas to strengthen proposal Establish regular briefings with MPs and government officials to advocate for Plymouth's position Develop robust financial modelling demonstrating clear benefits of Plymouth's proposal compared to alternatives Create contingency plans for alternative reorganisation outcomes Ensure strong alignment between Plymouth's proposal and government's devolution objectives Develop compelling service improvement plans showing benefits to residents across the expanded footprint Maintain active involvement in Devon-wide discussions to influence emerging proposals Establish dedicated communications strategy to build public and stakeholder support	12
Growth	Development and Regeneration	Climate Adaptation and Environmental Resilience	Risk of inadequate preparedness for climate-related impacts including extreme weather events, flooding, and environmental degradation affecting infrastructure, services, and vulnerable populations. Climate change presents an existential threat globally with Plymouth facing specific local challenges including coastal flooding, increased storm intensity, and biodiversity loss. Failure to adapt Council infrastructure, services, and planning processes to climate impacts will result in higher financial costs, service disruption, and disproportionate effects on vulnerable communities.	Climate Emergency Declaration (March 2019) Net Zero Action Plan with annual monitoring Flood risk management plans Emergency response plans for extreme weather events Planning policies requiring climate-resilient development	20	PCC's Climate Emergency Declaration (March 2019) triggered multiple actions including: annual Climate Emergency Action Plans (now the Net Zero Action Plan); the creation of a Climate Emergency Investment Fund; the establishment of the Plymouth Net Zero Partnership; annual monitoring of and reporting on Plymouth's greenhouse gas emissions Substantial investment in infrastructure resilience, decarbonising transport and housing retrofit Behavioural change programmes and Climate Connections digital hub for local engagement on climate issues Climate Ambassadors programme to enhance community engagement Continuing to be proactive in seeking funding for new carbon reduction and adaptation initiatives Three main priorities: rationalisation/decarbonisation of fleet; investment in renewables and energy efficiency across corporate estate and infrastructure; changes to working practices	12

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Chief Executive Office	Compliance, Regulation and Safeguarding	Risk Culture and Management	Risk of inadequate risk management culture and capability leading to ineffective identification, assessment, and control of strategic and operational risks. Internal Audit has identified some weaknesses including vacant key positions, insufficient training, data quality issues, unclear roles/responsibilities, and limited integration of assurance work. This reduces the organisation's ability to anticipate and manage threats and opportunities effectively, potentially resulting in service failures, financial losses, and reputational damage.	Risk and Opportunity Management Strategy Risk app for reporting CMT quarterly reviews Risk Management site with accessible guidance on risk management.	20	Establish directorate risk leads with appropriate seniority Make risk management training mandatory for Team Plymouth Commission Devon Audit Partnership for risk workshops Utilise free risk control days for targeted risk reviews Integrate audit findings into risk register Update Risk Management e-Learning content Review role profiles to clarify risk responsibilities Risk assessment and audit modules being rolled out	12
Growth	Development and Regeneration	Insufficient economic performance	Insufficient economic performance to sustain the City's economy and growth plans.	Account management of our key businesses helps to identify businesses under economic stress. Labour market remains very tight and is likely to remain tight, restricting economic growth. We are working closely with people directorate to support the skills launch pad. Destination Plymouth are funded by the Council to undertake brand and image study of Plymouth around attracting talent to the City. The defence sector and HM Naval Base has significant construction plans we are working closely with government and Homes England to position Plymouth for additional investment and help attract new people/workforce to the city. Shared Prosperity Funding is targeted at support for Port development, City Centre and Skills. In addition, we are still facing the longer-term impact of inflation, higher levels on interest rates and Covid debt repayment. The combined effect of which is to reduce the level of capital available for new investment in both the public and private sectors.	16	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

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Customer and Corporate Services	Compliance, Regulation and Safeguarding	Insufficient workforce	The Council having insufficient workforce capacity and resilience to deliver the required range of services to meet statutory obligations and administration priorities	Workforce data. Employee Assistance Programme. Organisational Restructure toolkit.	15	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
Adults, Health and Communities	Operational/Service Delivery	Adult Social Care - funding for National Living Wage increase	Risk of adult placement providers withdrawing services or seeking to place with other local authorities if the cost of meeting the increase to the National Living Wage is not met.	Budget planning in hand to ensure that the cost of the increase is covered.	9	Update February 2025: Holding comms has been sent to providers to explain the timing for any communication of uplifts and that we appreciate the challenges they are facing. Continuing sense of anxiety amongst providers that they will need to make service changes to be able to balance their budgets. Regular provider forums continue alongside benchmarking with other local authorities as part of regional groups. Finance have modelled a range of possible increases and impact, informed by ADASS/Partners in Health and Care insight. The outcome of this will be communicated to providers by the end of February. Providers are generally seeking an uplift of between 9 and 10% - we will be offering 6%. Providers who approach us with concerns will be asked to submit financial information so we can assess the risk to sustainability.	9
Growth	Financial	Major projects - capacity and cost inflation	The Economic Development team has a pipeline of £1bn of major projects with over £100m of grant funding to be spent by 2026. This included major programmes such as the Freeport, National Marine Park and latterly the onboarding of the Civic Centre. This is a major endeavour which needs additional project management capacity. In addition, all of these projects have inflationary cost pressures combined with a contractor market that won't give a guaranteed maximum or fixed price.	All projects have strong governance models using Prince 2 methodology with identified SRO, Project Dir and Programme manager. All political decisions clearly flag risk and there is monthly reporting on all projects. There however remains a significant programme risk linked to grant funding deadlines of March 25 and March 26.	15	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 liaised with funding bodies such as DLUC and Homes England to ensure that the programme and inflationary risks are shared.	9

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Chief Executive Office	Compliance, Regulation and Safeguarding	Legislative Change Implementation	Risk of non-compliance, reputational damage, and financial penalties due to inability to implement multiple significant legislative changes concurrently within required timescales. The Council faces unprecedented volume of legislative changes across multiple service areas, including building safety reforms, procurement regulations, data protection changes, environmental targets, social care reforms, and planning system changes. Limited resource capacity, competing priorities, and inadequate horizon scanning may result in implementation failures.	Directorate-level monitoring of legislative changes Legal Services briefings to Corporate Management Team Departmental policy reviews Contract Standing Orders Monitoring of legislative changes	16	Legislative change tracker with implementation timelines and responsibilities Cross-directorate coordination group for managing legislative changes Early engagement with government departments on implementation challenges Budget planning for implementation costs Prioritisation based on compliance risk All procurement professionals to complete new regulations training programme delivered by central government Act upon findings of purchasing access review to include removal/amendment of officer access Develop Procurement self-service approach to make it easier for Officers to comply with procurement rules	9
Executive Office	Trust and Confidence	Emergency Response Centre (ERC) back-up power	As a category 1 responder under the Civil Contingencies Act 2004, the Council must maintain essential services during emergencies. Since losing the Primary Emergency Response Centre (ERC) at Windsor House in July 2023, the Council has operated with limited backup facilities. A secondary site at Burrington Way became available in June 2024, but both locations lack backup power capabilities. Without funding for power resilience upgrades, the Council risks being unable to fulfil its statutory emergency response duties.	There are no existing key controls as it is understood there is limited capability within the Council to generate power. In addition, no contract is in place to deliver generated power and no means to hook up this power even if deployed.	8	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

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Growth	Financial	Concession Bus Fares Reimbursement	As of January 2025 monitoring, expenditure on concession fares reimbursement in 2024/2025 is forecast to be £4,120,000 against a budget of £4,350,09, or 94.7% of the available budget. Concession bus travel is a demand-led service, with demand increasing steadily since the ending of the pandemic. Concessionary trips are still well below pre-pandemic levels, currently at 69%, so there is latent demand for concession bus trips across the city coupled with policies to increase bus patronage overall, including bus travel amongst those eligible to hold a concession bus pass. Further pressure has come from the bus operators to increase their respective reimbursement rates per trip made by 6%-7% to cover inflation and increase in NI contributions. To accept these increases could put the budget in deficit by over £240,000. DfT are also considering expanding eligibility of the concession pass scheme to include people with invisible disabilities with no indication as to whether additional funding would come to the Council from Government to cover the additional travel.	There is very close monitoring of spend against budget each month and comparing with many years of data being able to forecast with confidence Year End forecast of spend against budget. The Public Transport Team employs consultants ITP to calculate reimbursement rates to individual bus operators in accordance with the DfT Calculator that leave bus operators no better or worse off as a result of the scheme.	12	Based on forecast trips put a proposal to bus operators for a 1% increase in reimbursement rates which should keep costs within budget. Citybus have accepted our 1% increase proposal, but Stagecoach, our other major operator, has yet to respond to our proposal. Implementing a 1% increase would bring our 25/26 forecast spend within budget at 99.9% of a £4.350m budget.	8
Adults, Health and Communities	Operational/Service Delivery	Commissioned providers - workforce recruitment and retention	Regarding Commissioned Providers - Risk of adult social care workforce choosing to leave the profession, risking the delivery of care in the short, medium and longer term.	Caring Plymouth Partnership - working with providers, schools and colleges and those seeking work to match people to careers and job opportunities.	6	Update February 2025: Ongoing engagement such as 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. Provider stability/performance 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 associated governance supports the future pipeline for recruitment. 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.	6

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Executive Office	Trust and Confidence	Governance Arrangements for the Family of Companies	<p>The current governance arrangements are inadequate for safeguarding the council's interests as the owner/shareholder of various companies, known collectively as the "Family of Companies." This exposes the Council and its Family of Companies to several potential risks:</p> <p>Financial Mismanagement: Inadequate financial oversight may result in budget overruns, adversely affecting the financial stability of both the company and the local authority.</p> <p>Opaque Decision-Making: A lack of transparency in decision-making processes can foster distrust among stakeholders and the public.</p> <p>Insufficient Reporting: The absence of regular and transparent reporting on performance and financial status can obstruct accountability.</p> <p>Dual Roles: Individuals who hold positions in both the local authority and the company might encounter conflicts between public responsibilities and commercial interests.</p> <p>Legal Breaches: Non-adherence to laws and regulations can incur legal penalties and tarnish reputation.</p> <p>Lack of Performance Monitoring: Without adequate performance metrics, it is challenging to verify that the company is achieving its goals.</p>	<p>The council adheres to a code of corporate governance, which is based on and revised in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016. The annual governance statement details how the council fulfils key principles of corporate governance.</p> <p>Within the council's family, there are 21 companies; all Articles of Association are centrally stored. A register of directors and shareholders is also established and regularly updated.</p> <p>The family of companies is frequently discussed by the Corporate Management Team, and officers representing the council or linked to the companies are surveyed annually to confirm their compliance with the corporate governance code.</p>	9	<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.</p> <p>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

7. Removed at Q4 review (see section 5.3)

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Adults, Health and Communities	Financial	Increased and sustained pressure on Adult Social Care budget	The escalating and sustained strain on the Adult Social Care budget, driven by rising care costs, hospital flow challenges, and a growing population with complex needs, poses a risk of failing to meet statutory service obligations.	Real time management information Strong Reablement Offer Established Review Programme Commissioning Strategies / Intentions and Commissioning Activity to further develop models of care.	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 skills 1-2 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
Customer and Corporate Services	Operational/Service Delivery	Cyber-attack	A Cyber-attack renders all of the Council's IT inaccessible for an extended period of time therefore impacting on the Council's ability to deliver services.	IT Security Policy current and adhered to Business Continuity plans tested and fit for purpose IT Infrastructure patched to current levels All IT providers assessed regularly All connected partners / Suppliers assessed and accredited	16	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 cyber-attacks; however the threat remains constant as such the probability of attack remains high.	16
Growth	Strategic Change	Carbon reduction targets	Risk of the City Council failing to meet its carbon reduction targets to reach net zero by 2030.	A governance structure is in place to ensure that the Council's climate emergency objectives are managed and delivered. Led by the Cabinet member for Environment and Climate Change, all key decisions are made by Cabinet and Full Council. The Strategic Director for Place leads the Climate Emergency Board with oversight of the corporate objectives. Management and deliverables are led by the Service Director for Strategic Planning & Infrastructure. A Net Zero Action Plan is in place, covering a three-year period but rolled forward annually.	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
Children's Services	Compliance, Regulation and Safeguarding	Failure to meet statutory duties	Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services	Trend analysis informing projections about the numbers of children coming into care to monitor activity. Regular scrutiny via lead member for children and finance.	16	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 month 12.	9

Directorate	Category	Title	Risk Description	Existing Key Controls	Pre Mitigation Risk Score	Mitigation	Post Mitigation Risk Score
Customer and Corporate Services	Compliance, Regulation and Safeguarding	Keeping data secure	The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 Regulations results in loss of trust in the Council and/or financial penalty from the Information Commissioner's Office (ICO)	Annual IT Health Check Vulnerability scan IT Infrastructure patching policy ICO Action Plan Information Audit Staff workshops GDPR	15	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
Growth	Strategic Change	Failure to deliver effective leadership in Plymouth's mission to be a net zero city	Climate changes present an existential threat globally. In response, the Climate Change Act 2008 commits the UK government by law to reducing greenhouse gas emissions by at least 100% of 1990 levels (net zero) by 2050. However, this cannot be achieved without everyone's involvement, and local government has a key leadership role to play at a local level. Failure to achieve net zero will result in global temperatures continuing to rise, with predicted consequences of increased frequency and severity of extreme weather events and other impacts on the environment that will impact greatly on both humans and wildlife.	PCC's Climate Emergency Declaration (March 2019), which triggered multiple actions including annual Climate Emergency Action Plans (now the Net Zero Action Plan), the creation of a Climate Emergency Investment Fund, the establishment of the Plymouth Net Zero Partnership, and annual monitoring of and reporting on Plymouth's greenhouse gas emissions; substantial investment in net zero infrastructure, decarbonising transport and housing retrofit; behavioural change programmes; Climate Connections digital hub for local engagement on climate issues; Climate Ambassadors; restructure of Net Zero Delivery Team (February/March 2024) to enhance strategic leadership capacity.	15	PCC's Climate Emergency Declaration (March 2019) triggered multiple actions including: annual Climate Emergency Action Plans (now the Net Zero Action Plan); the creation of a Climate Emergency Investment Fund; the establishment of the Plymouth Net Zero Partnership; annual monitoring of and reporting on Plymouth's greenhouse gas emissions; substantial investment in net zero infrastructure, decarbonising transport and housing retrofit; behavioural change programmes; Climate Connections digital hub for local engagement on climate issues; Climate Ambassadors. Continuation with existing mitigations; continuing to be proactive in seeking funding for new carbon reduction initiatives	9
Adults, Health and Communities	Operational/Service Delivery	Adult Social Care (ASC) Reforms	There are a number of reforms to ASC that have created significant financial uncertainty in terms of being able to accurately understand the cost, volume and funding that will be made available to deliver the requirements of these reforms.	National and regional groups including Local Government Association and ADASS ASC reform programmes established Fair cost of care exercise to better understand position Departmental and directorate management teams	16	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

8. Annex: Risk Analysis and Scoring Guidance

Impact	Likelihood				
	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Certain (5)
	Catastrophic (5)				
	Major (4)				
	Moderate (3)				
	Minor (2)				
	Insignificant (1)				

Score	Likelihood	Threat / Risk
5	Almost Certain (81-100%)	<ul style="list-style-type: none"> Is expected to occur within twelve months in most circumstances Imminent/near miss
4	Likely (51-80%)	<ul style="list-style-type: none"> Will probably occur in many circumstances Will probably happen, but not a persistent issue e.g. once in three years Has happened in the past
3	Possible (26-50%)	<ul style="list-style-type: none"> Could occur in certain circumstances May happen occasionally, e.g. once in 10 years Has happened elsewhere
2	Unlikely (11-25%)	<ul style="list-style-type: none"> May occur only in exceptional circumstances Not expected to happen, but is possible e.g. once in 25 years Not known in this activity happening
1	Rare (0-10%)	<ul style="list-style-type: none"> Is never likely to occur Very unlikely this will ever happen e.g. once in 100 years

Score	Impact (Severity)	Threat / Risk
5	Catastrophic Risk	<p>Risks which can have a catastrophic effect on the operation of the Council or service. This may result in critical financial loss, severe service disruption or a severe impact on the public. Examples: -</p> <ul style="list-style-type: none"> Unable to function without the aid of government or other external Agency Inability to fulfil obligations Medium – long term damage to service capability Severe financial loss – supplementary estimate needed which will have a catastrophic impact on the Council's financial plan and resources are unlikely to be available Death (single or multiple) or work-related diagnosis leading to death Page 136 Adverse national publicity – highly damaging, severe loss of public confidence Very significant exposure of public funds with funding being managed across organisations and complex reporting Very complex stakeholder community with new partnerships, collaborations and suppliers/stakeholder environment volatile or with significant external change factors
4	Major Risk	<p>Risks which can have a major effect on the operation of the Council or service. This may result in major financial loss, major service disruption or a significant impact on the public. Examples: -</p> <ul style="list-style-type: none"> Significant impact on service objectives Short–medium term impairment to service capability Major financial loss – supplementary estimate needed which will have a major impact on the Council's financial plan Extensive injuries, major permanent harm, long term sick Permanent/significant disability Major adverse local publicity, major loss of confidence

Score	Impact (Severity)	Threat / Risk
3	Moderate Risk	<p>Risks which have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision and impinge on the budget. Examples: -</p> <ul style="list-style-type: none"> • Service objectives partially achievable • Short term disruption to service capability • Significant financial loss – supplementary estimate needed which will have an impact on the Council's financial plan • RIDDOR (Reporting of injuries, diseases and dangerous occurrences regulations) or major injury • Medical treatment required, semi-permanent harm up to one year • Some adverse publicity, needs careful public relations • High potential for complaint, litigation possible • Breaches of law punishable by fines only
2	Minor Risk	<p>Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on service provision. If action is not taken, then such risks may have a more significant cumulative effect. Examples: -</p> <ul style="list-style-type: none"> • Minor impact on service objectives • No significant disruption to service capability • Moderate financial loss – can be accommodated at head of service level • Three day + injury • First aid treatment, non-permanent harm up to one month • Some public embarrassment, no damage to reputation • May result in complaints/litigation • Breaches of regulations/standards • Budget within delegation
1	Insignificant Risk	<p>Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect on service provision. If action is not taken, then such risks may have a more significant cumulative effect. Examples: -</p> <ul style="list-style-type: none"> • Minimal impact, no service disruption • Negligible impact on service capability • Minimal loss – can be accommodated at senior technical accounting level • First aid injury • Unlikely to cause any adverse publicity, internal only • Breaches of local procedures/standards • Budget within delegation and relatively small or within operational costs

Residual Risk Score		1-4	5-10	10 - 15	15-20	20-25
Risk Category	Compliance, Regulation & Safeguarding (including Health, Safety & Wellbeing)	Accept	Accept but monitor	Management effort worthwhile	Management effort required	Extensive management essential
	Financial	Accept	Accept but monitor	Management effort worthwhile	Management effort required	Extensive management essential
	Reputation	Accept	Accept but monitor	Manage effort worthwhile	Management effort required	Extensive management essential
	Operational/Service Delivery	Management effort to identify opportunities	Accept but monitor	Manage & monitor	Management effort worthwhile	Extensive management essential
	Strategic Change	Management effort to identify opportunities	Accept but monitor	Manage & monitor	Management effort worthwhile	Extensive management essential
	Development & Regeneration	Management effort to identify opportunities	Accept but monitor	Manage & monitor	Management effort worthwhile	Extensive management essential
	People & Culture	Management effort to identify opportunities	Accept but monitor	Manage & monitor	Management effort worthwhile	Extensive management essential

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Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Whistleblowing Policy revised 2025
Lead Member:	Councillor Sue Dann (Cabinet Member for Customer Services, Sport, Leisure and HR and OD)
Lead Strategic Director:	Liz Bryant, Service Director for Legal and Monitoring Officer
Author:	Liz Bryant, Service Director for Legal and Monitoring Officer
Contact Email:	Liz.bryant@plymouth.gov.uk
Your Reference:	Whistleblowing2025
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report is a refresh of the Whistleblowing Policy which was last reviewed at Audit and Governance 12 March 2024. It incorporates the updates requested at that meeting.

Recommendations and Reasons

The Committee is recommended to approve the updated Policy

Reason: To incorporate amendments requested at the March 2024 Audit and Governance Committee

Alternative options considered and rejected

Not undertaking the review. This option was rejected as the Policy states it will be reviewed on an annual cycle. Not undertaking a refresh would also have ignored the updates requested by the Committee.

Relevance to the Corporate Plan and/or the Plymouth Plan

No direct impact from this policy however under our Responsibility thread, this policy will help us care about the impact of our decisions and actions.

Implications for the Medium Term Financial Plan and Resource Implications:

None directly arising from this report.

Financial Risks

None directly arising from this report.

Legal Implications

(Provided by EB)

As set out in the Whistleblowing policy.

Carbon Footprint (Environmental) Implications:

No impacts directly arising from this report.

Fin	ITG.2 5.26.0 52	Leg	LS/00 0036 09/39 /14/0 7/25	Mon Off	N/A	HR	CS.25 .26.00 9	Asset s	N/A	Strat Proc	N/A
<p>Originating Senior Leadership Team member: Ian Trisk-Grove</p> <p>Please confirm the Strategic Director(s) has agreed the report? Yes</p> <p>Date agreed: 14/07/2025</p> <p>Cabinet Member approval: Councillor Jemima Laing approved via email</p> <p>Date approved: 14/07/2025</p>											

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I. Introduction

- I.1 Whistleblowing is a way for our employees to raise reasonably and honestly held concerns they may have about serious matters that could put the council and/or the wider public at risk.
- I.2 Whistleblowing usually involves bringing forward concerns that are in the public interest to investigate and resolve. Examples are crime, fraud, the giving or taking of bribes, financial malpractice, or practices that might endanger individuals or the environment.
- I.3 All organisations face the risk of things going wrong or of unknowingly harbouring malpractice. This Policy has been developed in accordance with the provisions of the Employment Rights Act 1996, as amended by the [Public Interest Disclosure Act 1998](#). It is also supplemental to and supports the Council's [Anti-Fraud, Bribery and Corruption Policy](#) and is part of the Council's role in identifying and taking measures to remedy all malpractice, particularly regarding issues of fraud and corruption.
- I.4 Who is protected by law? As a Whistleblower, the law states you are protected if you're a "worker", which is broadly defined to include employees, contractors, trainees, agency staff, and those providing services under certain circumstances.
- I.5 If you are a Councillors or an individual not classified as a "worker" and you wish to bring a complaint against a Councillor you should use the Standards Arrangements and submit a complaint to the Monitoring Officer, in the first instance.
- I.6 The aim of this policy is to outline what you can do if you believe you need to raise an issue of the nature referred to in paragraph I.2, and how you will be protected if you do.
- I.7 We understand you may be worried about raising such issues or may want to keep the concerns to yourself. You may feel it's none of your business or that it's only a suspicion; that raising the matter would be disloyal to Plymouth City Council, your colleagues or managers.
- I.8 Plymouth City Council has in place this policy, which reflects the legal framework, and the legal obligations placed upon the council to enable you to raise your concerns about improper, illegal, or negligent professional behaviour at an early stage and in the right way.
- I.9 What this policy does not cover is any issues you may have regarding your personal position. In these circumstances, please use the Grievance Resolution Policy. This Whistleblowing Policy is primarily for concerns where the interests of others or of the organisation itself are at risk. The aims and scope of this policy are set out in more detail at paragraph 3 below.

2. Policy Statement

- 2.1 Plymouth City Council is committed to the highest possible standards of honesty, openness and accountability in public life.

- 2.2 We want you to feel that it is safe and acceptable to tell us about your concerns so that we can investigate and take action as soon as possible. We welcome all genuine concerns and will treat your issues seriously - this policy explains how to raise a concern, the types of activity you should report, the protection we can provide, confidentiality, our response and how you can take matters further, if necessary.
- 2.3 By promoting a culture of openness within the Council, we want to encourage individuals to feel confident and come forward to raise both disclosures and serious allegations of wrongdoing; this may involve the actions of the Council's employees, its Councillors, contractors or any aspect of the Council's activities. Disclosures can be made through established internal channels, without fear of victimisation, detriment or risk to job security

3. AIMS AND SCOPE OF THE POLICY

Aims:

- 3.1 The policy sets out the procedure of how the Council will deal with a whistleblowing complaint and, where the complainant is an employee, the measures in place to ensure the protection due to them under the Employment Rights Act 1996.
- 3.2 A whistleblowing complaint is the disclosure of information which relates to suspected wrongdoings or dangers at work within the Council. This may include:
- (a) criminal activity
 - (b) failure to comply with any legal or professional obligation
 - (c) failure to comply with regulatory requirements
 - (d) miscarriages of justice
 - (e) danger to health and safety
 - (f) damage to the environment
 - (g) bribery and/or corruption
 - (h) financial fraud or mismanagement
 - (i) conduct likely to damage our reputation or financial wellbeing
 - (j) unauthorised disclosure of confidential information
 - (k) negligence
 - (l) the deliberate concealment of any of the above matters.
- 3.3 The Policy aims to:
- (a) Provide the framework for employees to feel that there are protections in place for them and the reassurance that there will be protection from reprisals or victimisation for employees who raise a whistleblowing complaint in good faith in accordance with this procedure.
 - (b) Ensure employees, and all other persons to feel confident in raising that when they wish to raise concerns there is a process in place under which they will be dealt with;
 - (c) Provide avenues for employees to raise these concerns and receive feedback on any action taken;

- (d) Set out a procedure by which the matter can be taken further where there is dissatisfaction with the Council's response.

Scope

3.4 This whistleblowing policy applies to all:

- employees of Plymouth City Council
- employees of contractors working for the Council, for example, agency staff, builders and drivers
- employees of suppliers
- those providing services under a contract or other agreement with the Council in their own premises, for example care homes, and
- voluntary workers working with the Council

3.5 UK law protects employees from dismissal, harassment or victimisation if such treatment occurs as a result of having made a whistle-blowing disclosure considered to be in the public interest. In addition to the employer's liability, the individual who subjects the employee to such treatment may also be held personally liable.

3.6 Whilst the process for dealing with complaints in this policy applies to any person raising a whistleblowing complaint, where allegations are raised by other individuals who are not employees (or "workers in accordance with the statutory definition") the protection measures within this policy will not apply.

3.7 Although the Council will endeavor to provide appropriate advice and support wherever possible in this eventuality, it is recommended that advice is sought from a trade union representative or from Protect (formerly Public Concern at Work) an independent charity set up to provide advice and guidance about whistleblowing issues. Contact details for [Protect](#) are given in Section 10 below.

3.8 This policy does not replace:

- (e) **Our existing [Grievance Resolution Policy and Procedure](#).** You should use these policies if you have a personal grievance or are unhappy with the way you are being treated. This includes harassment, discrimination or unfair treatment as a result of a protected characteristic under the [Equality Act 2010](#). The Whistleblowing arrangements are not intended to give you a further opportunity to pursue a grievance or complaint once you have exhausted the relevant employment procedures.

(f) **Corporate Complaints Procedure**

Individuals wishing to bring a complaint about the delivery of a Council service to them where it is not a serious issue (as falling within 2.2 above) should use the Corporate Complaints Procedure.

(g) **Our Councillor Standards Complaints Arrangements**

Individuals (other than employees, due to the statutory protection of staff whistleblowing) wishing to bring a complaint against a Councillor should use the Standards Arrangements and submit a complaint to the Monitoring Officer, in the first instance. This will not prevent

the complaint being taken forward under the Whistleblowing arrangements, where appropriate.

(h) **Safeguarding Procedures (Adults and Children)**

Where there is a concern for the safety of a child or vulnerable adult the referral should be via the appropriate safeguarding process.

4. SAFEGUARDS

4.1 Harassment or Victimisation (employees)

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for, or suspected of, the malpractice. The Council will not tolerate harassment or victimisation of any employee as a result of them raising a whistleblowing complaint. The Council will take action to protect staff when they do so in good faith. However this does not mean that if a member of staff is already the subject of disciplinary or redundancy procedures, those procedures will be halted because of their 'Whistleblowing'.

4.2 Confidentiality

The Council will do its utmost, subject to any over-riding legal obligations, to protect an individual's identity when they raise a concern and do not want their name to be disclosed. It must be realised and appreciated, however, that the investigation process itself may well reveal the source of the information, and, depending on the outcome, a formal statement by the individual may be required as part of the evidence.

4.3 Anonymous Allegations

4.4 We recognise that your preference may be to raise a concern in confidence under this policy. If you ask us to protect your identity by keeping your confidence, we will not disclose it without your consent. However, this policy is designed to encourage employees to put their names to allegations. If you do not tell us who you are, it will be much more difficult for us to look into the matter, to protect your position or to give you feedback. Concerns which are reported anonymously are much less powerful, but if they contain sufficient detail they will be considered at the discretion of the Council. The factors to be considered would include:

- (a) The seriousness of the issue raised
- (b) The credibility of the concern
- (c) The likelihood of confirming the allegation from attributable sources

4.5 Untrue Allegations

If an employee makes an allegation in good faith, reasonably believing it to be true, but it is not confirmed by the investigation, no action will be taken against them. If, however, individuals make malicious or vexatious allegations, disciplinary action may be considered and implemented

5. RAISING A CONCERN

5.1 Initially, employees are encouraged to raise concerns with:

- (a) Their immediate line manager or their line manager's manager;
- (b) For Voluntary Controlled, Community schools / Nursery staff, with the Headteacher or Chair of Governors, where the Governing Body had adopted this policy

5.2 If this is not appropriate due to the nature of the concerns, or where the person is **not** an employee, the individual can raise their concerns with:

- (a) A Head of Service
- (b) A Service Director
- (c) A Strategic Director
- (d) The Chief Executive

5.3 Individuals who are unsure about reporting or do not feel at ease raising their concern through any of the above routes are encouraged to seek advice from one of the following:

- (a) The Head of Devon Assurance Partnership
- (b) The Service Director for Legal Services (Monitoring Officer)
- (c) Service Director for Human Resources & Organisational Development

5.4 Employees may ask their Trade Union or professional association to raise the concern on their behalf.

5.5 Concerns should be raised in writing, where possible. The background and history of the concern should be set out, giving names, dates and places where possible, and the reason why the individual is concerned about the situation. Those who do not feel able to put their concerns in writing may raise the matter verbally with the appropriate officer.

5.6 Although employees are not expected to prove the truth of their concern, they will need to demonstrate to the person contacted that there are sufficient grounds for concern.

6. HOW THE COUNCIL WILL RESPOND

6.1 Within ten working days of receiving a concern the relevant Service Director from the Council will contact the individual raising the complaint:

- (a) Acknowledging that the concern has been received;
- (b) Indicating how it proposes to deal with the matter;
- (c) Telling the employee whether any initial enquiries have been made;
- (d) Telling the employee whether further investigations will take place, and if not, why not.

6.2 The action taken by the Council will depend on the nature of the concern.

6.3 The matters raised may:

- (a) Be investigated internally
- (b) Be referred to the Police
- (c) Be referred to the External Auditors
- (d) Form the subject of an independent inquiry by the Ombudsman

- 6.4 To protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of other, existing, procedures (e.g. child protection or discrimination issues) will normally be referred for consideration under those procedures.
- 6.5 Some concerns may be resolved without the need for investigation. Where a formal investigation is required, it is likely to take the form of an investigation by a manager or by Devon Assurance Partnership. In certain cases, the matters raised may be referred to the Police or the Council's external auditors for investigation or an independent inquiry could be set up.
- 6.6 The amount of contact between the managers considering the issues raised and the complainant will depend on the nature of the matters raised, the potential difficulties involved, and the clarity of the information provided.
- 6.7 When any meeting is arranged, employees have the right, if they so wish, to be accompanied by a Trade Union or professional association representative or a work colleague who is not involved in the area of work to which the concern relates.
- 6.8 The Council will take steps to minimise any difficulties which employees may experience as a result of raising a concern. For instance, if employees are required to give evidence in criminal or disciplinary proceedings, the Council will advise them about the procedure.
- 6.9 The Council accepts that employees need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, and the requirement for confidentiality of others involved in the process, employees will receive information about the outcomes of any investigations.
- 6.10 If an employee is not assured that the matter has been properly addressed, they should contact the Head of Devon Assurance Partnership or consider an alternative method of taking forward a complaint (section 7).

7. ALTERNATIVE METHODS OF TAKING FORWARD A COMPLAINT

- 7.1 This policy is intended to provide employees with an avenue to raise concerns within the Council. If an individual is not satisfied, and feels it is right to take the matter outside this process, possible contact points are listed below including Protect (formerly Public Concern at Work), an independent charity set up to provide advice and guidance about whistleblowing issues:

- (a) Any Plymouth City Councillor (if you live in the area of the Council)
- (b) The External Auditor
- (c) Relevant professional bodies or regulatory organisations
- (d) Individuals' solicitors
- (e) A relevant charity or voluntary organisation such as Protect
- (f) The Police
- (g) Any MP elected to represent Plymouth

7.2 If an employee does take the matter outside the Council, they need to ensure that they do not disclose confidential information or that disclosure would be privileged. This should be checked with one of the designated contact points, Devon Assurance Partnership, Legal Services, Human Resources or if preferred, an outside organisation such as the Ombudsman or Protect.

8. THE RESPONSIBLE OFFICER

8.1 The Service Director for Legal Services (Monitoring Officer) has overall responsibility for the maintenance and operation of this policy.

8.2 Working with the Service Director for Legal Services, the Head of Devon Assurance Partnership will maintain a record of concerns raised and the outcomes (in an anonymous format) and will report as necessary to the Audit and Governance Committee.

9. REVIEW AND MONITORING

9.1 This policy is to be reviewed and monitored every year; the next review date is April 2026.

9.2 The Head of Devon Assurance Partnership will monitor this policy. In this regard managers, councillors and trade union representatives must inform Devon Assurance Partnership immediately should concerns falling under the scope of this policy be raised with them.

10. RELATED POLICIES AND DOCUMENTS AND SUPPORT

- [Anti-Fraud, Bribery and Corruption Policy](#)
- [Anti-Fraud, Bribery and Corruption Strategy and Response Plan](#)
- [Grievance Resolution Policy and Procedure](#)
- [Employee Assistance Programme \(Bullying & Harassment\)](#)
- [Employee Handbook](#)

II. KEY CONTACT INFORMATION

Devon Assurance Partnership: Internal Audit Team Tel: 01752 306710

Email: Internal.Audit@plymouth.gov.uk

Counter Fraud Team Tel: 01752 304450

Email: corporate.fraud@plymouth.gov.uk

Legal Services: Tel: 01752 304330

Human Resources (HR): HR Helpdesk Tel: 01752 304444 - Option 5

Protect (formerly Public Tel: 020 3117 2520

Concern at Work) Website: <https://protect-advice.org.uk/advice-line/>

Local Government and Social Tel: 0300 061 0614

Care Ombudsman Website: <https://www.lgo.org.uk>

Appendix A

Whistleblowing Policy

Changes

August 2021: Reviewed and updated to include reference to Modern Slavery

March 2023: Reviewed and updated to provide clarity

March 2024: Reviewed by Audit and Governance

Policies are available in large print, Braille or other languages

If you would like help understanding the contents of this policy, please speak to your line manager or contact the HR Policy Team for assistance.

Appendix B**Schedule of Audit and Governance requested amends**

Minute	Action	Response
Minute 60 Whistleblowing Policy 12 March 2024	Ross Jago (Head of Governance, Performance and Risk) agreed to provide members with an explanation as to why Councillors, agency workers and contractors were exempt from the Whistleblowing Policy.	For the purposes of legal protection for whistleblowers, workers, as defined in law, includes agency workers and contractors but does not include councillors. This policy does not exclude councillors from whistleblowing, but as stated in 3.8c there is a separate policy available to them.
Minute 60 Whistleblowing Policy 12 March 2024	It was suggested that Section 3.4 be considered for re-wording, as it put too much pressure on people to put their name to a whistleblowing report.	The relevant section is now 4.4 and has been amended to give optional anonymity.
Minute 60 Whistleblowing Policy 12 March 2024	Section 2.2 did not include inappropriate behaviour, so Ross Jago (Head of Governance, Performance and Risk) agreed to provide information to members on how this would be dealt with through existing HR policies, or if it needed to be included in the Whistleblowing Policy.	As stated in 1.2 whistleblowing usually involves bringing forward concerns that are in the public interest to investigate and resolve. Examples are crime, fraud, the giving or taking of bribes, financial malpractice, or practices that might endanger individuals or the environment. There are separate policies in place to deal with issues around inappropriate behaviour.
Minute 60 Whistleblowing Policy 12 March 2024	It was suggested that Section 6.1 a should be changed to 'any Councillor'.	Paragraph 7.1 now reads a) Any Plymouth City Councillor"
Minute 60 Whistleblowing Policy	It was suggested that 'MPs' be included in Section 6.1.	Paragraph 7.1 now reads

12 March 2024		(h) Any MP elected to represent Plymouth
Minute 60 Whistleblowing Policy 12 March 2024	Ross Jago (Head of Governance, Performance and Risk) agreed to provide information to the Committee on process if the Service Director was the subject of a Whistleblowing issue.	Where a Service Director is the subject of a Whistleblowing issue, paragraph 5.2 still remains in place, substituting another Service Director, however the recommendation would be to refer to paragraph 5.3.

Audit and Governance Committee



Date of meeting:	22 July 2025
Title of Report:	Information Governance Annual Report 24/25
Lead Member:	Councillor Sue Dann (Cabinet Member for Customer Experience, Sport, Leisure and HR and OD)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	John Finch
Contact Email:	John.Finch@plymouth.gov.uk
Your Reference:	Click here to enter text.
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To provide the annual Information Governance Figures

Recommendations and Reasons

- I. The Committee are invited to note the contents of the report. There are no specific recommendations for decision in the report

Alternative options considered and rejected

- I. None

Relevance to the Corporate Plan and/or the Plymouth Plan

The items in the report ensure that the Council is democratic by ensuring we meet our requirements for transparency in the provision of information to the public, that the Council is responsible by taking appropriate action when the Data Protection Act is breached.

Implications for the Medium Term Financial Plan and Resource Implications:

Dependant upon further growth of requests

Financial Risks

None identified

Legal Implications

(Provided by Liz Bryant)

The implications of non-compliance with Information Governance legislation are highlighted within the report and the measures in place to address compliance issues have also been explained. The effectiveness of these measures and any resultant improvement in compliance will need to be carefully monitored

Carbon Footprint (Environmental) Implications:

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:
* When considering these proposals members have a responsibility to ensure they give due regard to the Council’s duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.
None

Appendices
*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Information Governance 2024-25							

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	ITG.2 5.26.0 32	Leg	LS/00 0036 09/31 /11/0 7/25	Mon Off	N/A	HR	N/A	Asset s	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Ian Trisk-Grove											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 10/07/2025											
Cabinet Member approval: Councillor Tudor Evans OBE approved verbally Date approved: 14/07/2025											

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ANNUAL REPORT 2024/25

Information Governance

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1 Introduction

The Council processes a lot of sensitive information on behalf of the people in Plymouth who need to be confident that we protect that information appropriately.

Scrutiny from the public over how the Council processes their data is increasing, with an increase in members of the public complaining about any breach of their data both directly to the Council and to the Information Commissioner. Some of these complaints are resulting in claims for compensation, which will be covered in a section of this report.

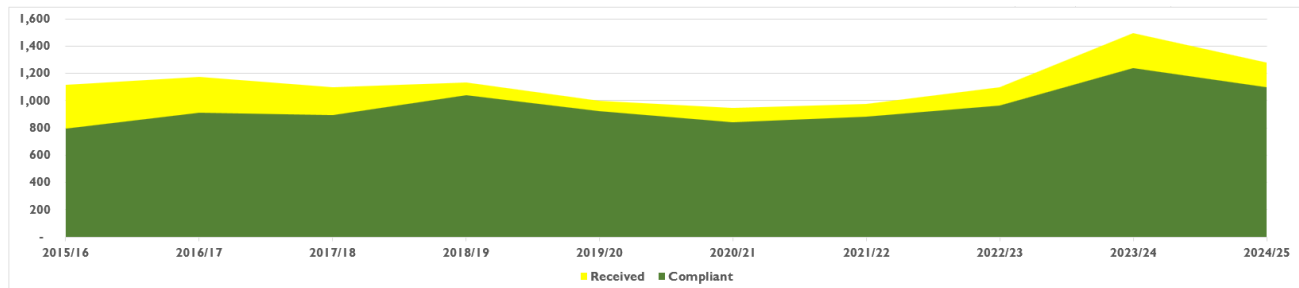
2 Information Access – Freedom of Information

Freedom of Information requests were lower than 2023/24, with a 14% decrease. This is due to the high volume of requests received last year regarding Armada Way. This year 1,281 requests were received, the highest amount recorded for a year, discounting the Armada Way requests.

The Council has experienced an increase in the percentage of requests completed within timescales, which is now 86% compared to 83% in 2023/24.

	Average	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Received	1,122	1,092	1,155	1,061	1,116	996	949	976	1,097	1,494	1,281
Compliant	990	922	1,033	963	1,042	923	839	883	961	1,238	1,097
Compliant %	89%	84%	89%	91%	93%	93%	88%	90%	88%	83%	86%
Non compliant	132	170	122	98	74	73	110	93	136	256	184
Non compliant %		16%	11%	9%	7%	7%	12%	10%	12%	17%	14%

Annual Increase	2 Year	5 year average	5 Yr Av comparison
86%	117%	1,102	116%



Below is a breakdown of requests by department for the last ten years, which shows which departments receive the most requests and the fluctuation in volumes. This year Strategic Planning and Infrastructure experienced the largest decrease, which is directly linked to the Armada Way requests last year. There were large increases for Community Connections, Finance and Public Health.

The table also shows the comparison for each department against a 5 year average, where the majority of departments are experiencing higher than average amount of requests.

Directorate	Department	Average	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	% of total	Annual change	5 yr Av	% Ave
Adults, Health & Communities	Adult Social Care	76	83	88	73	76	73	75	65	73	74	77	6%	104%	72	107%
Adults, Health & Communities	Community Connections	90	55	82	105	79	78	62	87	106	108	137	11%	127%	88	155%
Childrens Services	Children, Young People and Families	74	93	70	44	55	88	62	78	56	112	80	6%	71%	79	101%
Childrens Services	Education, Participation and Skills	99	138	112	88	97	92	68	88	80	113	115	9%	102%	88	130%
Customer and Corporate Services	Customer Services	35	29	47	43	41	38	28	27	47	31	23	2%	74%	34	67%
Customer and Corporate Services	Digital and Customer Experience	20	3	4	11	33	25	23	36	25	27	15	1%	56%	27	55%
Customer and Corporate Services	HR/D	45	35	55	70	72	12	38	30	26	67	48	4%	72%	35	139%
Executive Office	Executive Office	29	11	17	17	13	24	24	22	60	73	30	2%	41%	41	74%
Executive Office	Legal Services	11	11	19	10	4	5	6	13	3	21	22	2%	105%	10	239%
Finance	Finance	128	203	207	164	126	104	109	68	66	98	132	10%	135%	89	148%
ODPH	Public Health	30	37	24	23	34	19	13	18	39	30	58	5%	193%	24	244%
ODPH	Public Protection	89	85	108	87	111	125	100	82	72	56	65	5%	116%	87	75%
Other	Corporate	106	67	99	139	125	116	95	94	113	92	120	9%	130%	102	118%
Other	Delt	22	29	20	10	20	14	22	22	24	31	26	2%	84%	23	115%
Place	Economic Development	35	38	25	33	32	27	42	28	35	46	47	4%	102%	36	132%
Place	Strategic Planning and Infrastructure	109	47	55	53	67	69	69	104	138	360	130	10%	36%	148	88%
Place	Street Services	123	128	123	89	131	86	114	114	134	155	156	12%	101%	121	129%
Total		1,122	1,092	1,155	1,059	1,116	995	950	976	1,097	1,494	1,281		86%	1,102	116%

We have conducted a benchmarking exercise against other Councils in the region this year. On average, we receive less than most other Councils each year, and considerably less than the Unitary and county councils.

Organisation	5 yr Average	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Plymouth	1,112	1,230	1,092	1,155	1,061	1,116	996	949	976	1,097	1,494	1,157
Torbay	1,522	1,130	1,235	1,650	1,880	1,885	1,426	1,484	1,709	1,510	1,647	1,354
Devon	1,497	1,370	1,354	1,388	1,215	1,332	1,426	1,205	1,381	1,419	1,853	1,698
Cornwall	1,729							1,355	1,493	1,608	1,986	2,203
Exeter	745						774	735	685	802	839	635
Teignbridge	821	1,144	804	1,397	1,318	617	646	640	576	635	775	800
North Devon	747	618	536	700	817	873	760	596	731	743	825	828
Average	1,142	1,098	1,004	1,258	1,258	1,165	1,005	995	1,079	1,116	1,346	1,239

If we adjust the figures according to population size compared to Plymouth, we receive far less than all Councils apart from Cornwall.

Adjusted Figures

Organisation	Size Coeff	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Plymouth	1.00	1,230	1,092	1,155	1,061	1,116	996	949	976	1,097	1,494	1,157
Torbay	0.50	2,252	2,462	3,289	3,747	3,757	2,842	2,958	3,406	3,010	3,283	2,699
Devon	1.38	994	983	1,007	882	967	1,035	874	1,002	1,030	1,345	1,232
Cornwall	2.08	-	-	-	-	-	-	651	717	772	954	1,058
Exeter	0.45	-	-	-	-	-	1,729	1,642	1,530	1,791	1,874	1,418
Teignbridge	0.46	2,494	1,753	3,046	2,874	1,345	1,409	1,395	1,256	1,385	1,690	1,744
North Devon	0.34	1,825	1,582	2,067	2,412	2,577	2,244	1,760	2,158	2,194	2,436	2,445
Average		1,773	1,759	1,574	2,113	2,195	1,952	1,709	1,461	1,578	1,611	1,679

3 Information Access – Data Protection

The Council receives 18 different types of information request under the Data Protection Act. Subject Access Requests and Court Orders are the most complex of these request types, most of which are processed by the Information Governance team.

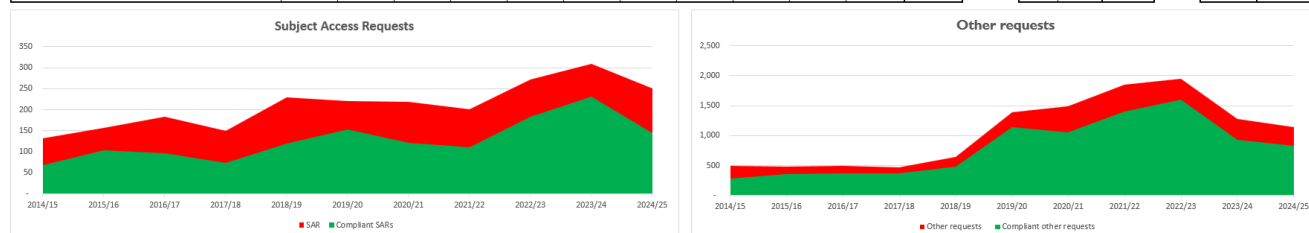
The table below shows the requests received by the whole Council, which overall is experiencing a slight decline in total requests.

Section 3.1 provides details of the requests received by the Information Governance Team, which is experiencing an increase in total requests. This is due to changes in processes within some departments resulting in less requests being recorded corporately.

The figures for Subject Access Requests have been separated into two categories this year, standard requests which need to be completed within 30 days and more complex cases which can be extended to 90 days. The Council has determined that a case will be complex and need to be extended if the volume of pages needed to be processed exceeds the practical amount that can be processed within the 30 days.

The total number of Subject Access requests recorded by the Council has declined in the last year, with a 19% decrease in Subject Access Requests this financial year, a 8% decrease over two years.

Year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total
SAR	132	156	183	150	229	220	218	201	272	309	250	2,889
30 Day SAR	132	156	183	150	228	214	179	163	176	235	223	2,608
30 Day Compliant SAR	68	104	96	74	118	149	108	99	138	187	127	1,597
30 Day %	52%	67%	52%	49%	52%	70%	60%	61%	78%	80%	57%	61%
90 Day SAR	-	-	-	-	1	6	39	38	96	74	27	281
90 Day Compliant SAR	-	-	-	-	1	4	13	12	45	44	17	136
90 Day %	0%	0%	0%	0%	100%	67%	33%	32%	47%	59%	63%	48%
Compliant SARs	68	104	96	74	119	153	121	111	183	231	144	1,358
SAR %	52%	67%	52%	49%	52%	70%	56%	55%	67%	75%	58%	47%
%	81%	92%	102%									
% 2Yr												
% Av												
5 Yr Av												
Av/Mnth												
Other requests	489	485	492	474	650	1,395	1,495	1,855	1,954	1,283	1,145	10,953
Compliant other requests	279	359	366	369	482	1,138	1,056	1,400	1,595	932	835	8,223
Other %	57%	74%	74%	78%	74%	82%	71%	75%	82%	73%	73%	75%
%	89%	59%	72%									
% 2Yr												
% Av												
5 Yr Av												
Av/Mnth												
Total requests	621	641	675	624	879	1,615	1,713	2,056	2,226	1,592	1,395	13,283
Total Compliant requests	347	463	462	443	601	1,291	1,177	1,511	1,778	1,163	979	9,581
Total %	56%	72%	68%	71%	68%	80%	69%	73%	80%	73%	70%	72%
%	88%	63%	76%									
% 2Yr												
% Av												
5 Yr Av												
Av/Mnth												

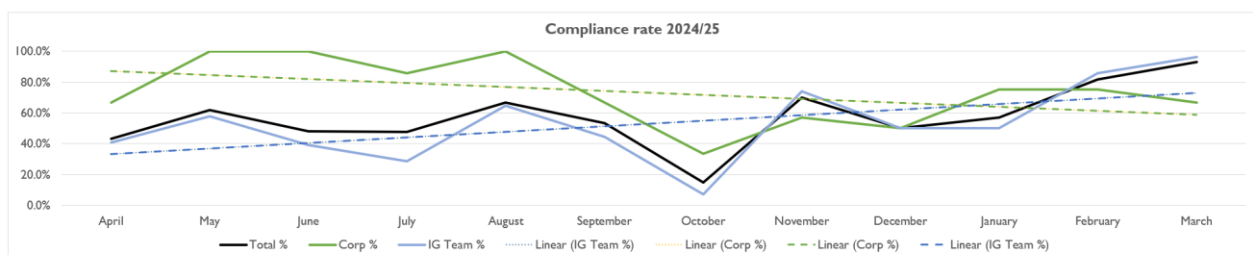


The compliance rate for standard requests is 57%, which is a decrease from last year of 23%, whereas the compliance rate for complex requests has risen from 59% to 63%. The reason for the decline for standard requests is due to a realignment of the definition of a complex request in line with ICO

guidance, resulting in far less requests meeting the criteria, which initially put additional demand on the Council, combined with a decrease in staff processing requests.

Additional capacity was put into the Information Governance Team in the Autumn, which has contributed to an improvement in compliance rates since then, which is shown in the table below, especially in the first three months of 2025, as the new staff have all undergone training and are reaching productivity levels from which we are realising the benefits.

Year	Month	Total	Total Compliant	Total %	Corp	Compliant	Corp %	IG Team	IG Team Compliant	IG Team %	Court Order	Other	30 Day SAR	30 Comp	30 Day %	Ext SAR	Ext Comp	90 Day %
2024/25	April	30	13	43.3%	3	2	66.7%	27	11	40.7%	18	76	18	8	44%	9	3	33.3%
2024/25	May	21	13	61.9%	2	2	100.0%	19	11	57.9%	31	101	16	10	63%	3	1	33.3%
2024/25	June	27	13	48.1%	4	4	100.0%	23	9	39.1%	24	107	23	9	39%	-	-	0.0%
2024/25	July	21	10	47.6%	7	6	85.7%	14	4	28.6%	34	82	14	4	29%	-	-	0.0%
2024/25	August	18	12	66.7%	1	1	100.0%	17	11	64.7%	12	76	17	11	65%	-	-	0.0%
2024/25	September	15	8	53.3%	6	4	66.7%	9	4	44.4%	32	87	9	4	44%	-	-	0.0%
2024/25	October	20	3	15.0%	6	2	33.3%	14	1	7.1%	24	80	14	1	7%	-	-	0.0%
2024/25	November	30	21	70.0%	7	4	57.1%	23	17	73.9%	45	121	23	17	74%	-	-	0.0%
2024/25	December	14	7	50.0%	8	4	50.0%	6	3	50.0%	27	109	4	3	75%	2	-	0.0%
2024/25	January	14	8	57.1%	4	3	75.0%	10	5	50.0%	25	96	7	2	29%	3	3	100.0%
2024/25	February	11	9	81.8%	4	3	75.0%	7	6	85.7%	34	91	5	4	80%	2	2	100.0%
2024/25	March	29	27	93.1%	3	2	66.7%	26	25	96.2%	36	119	18	17	94%	8	8	100.0%
Total		250	144	57.6%	55	37	67.3%	195	107	54.9%	342	1,145	168	90	54%	27	17	63.0%



The trend lines indicate the growing improvement in the Information Governance team, however also a declining trend for the rest of the Council as volumes have increased. This will be addressed by the proposed realignment of the Information request process which will accompany this report.

The table below shows the breakdown of SARs received by department, with the largest drop in requests being experienced by the Place directorate, which had 17 SARs in 2024/25 compared to 61 SARs in 2023/24.

Departmental SAR stats	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Total	%	% 2Yr	% Av	5 Yr Av	Av/Mnth
Childrens Services	-	-	-	-	-	-	-	2	-	-	-	2	0%	0%	0%	0	0
Corporate	-	1	-	3	10	5	3	10	7	7	8	34	114%	80%	125%	6	1
Councillors	-	-	-	-	-	-	-	-	-	-	-	-	0%	0%	0%	-	-
Customer and Corporate Services	2	6	6	1	11	29	11	6	6	8	13	105	163%	217%	108%	12	1
IG Team	98	101	107	106	128	124	165	145	208	205	195	1,391	95%	134%	115%	169	14
Executive Office	22	40	27	-	1	-	2	1	-	2	3	116	150%	300%	300%	1	0
External	-	-	1	-	-	-	-	-	-	-	-	1	0%	0%	0%	-	-
Finance	-	-	-	1	3	1	-	-	-	1	3	5	300%	0%	750%	0	0
ODPH	-	-	-	1	5	1	5	1	3	2	1	14	50%	100%	42%	2	0
People	7	2	20	25	13	8	4	5	9	23	10	106	43%	200%	102%	10	1
Place	3	6	22	13	58	52	28	31	39	61	17	284	28%	55%	40%	42	4
Total	132	156	183	150	229	220	218	201	272	309	250	2,058					

3.1 Data Protection requests processed by the Information Governance team

The majority of the Subject access requests are processed by the Information Governance team. These requests are the most complex requests as they mainly involve Social Care records. The Figures for the Information Governance team are below, which are showing a decrease of 5% in Subject access requests for this financial year, however this is 15% higher than the 5 year average.

This figure varies from the requests recorded for the whole council as the Information Governance Team only processes as subset of the total requests for the Council.

The Information Governance Team also processes the Court orders for Social care records, which experienced an increase due to family breakdowns caused by lockdown. This figure decreased over

the last two years, however has increased by 89% during 2024/25, resulting in 336 court orders being processed, the highest amount recorded to date.

Total requests for the Information Governance Team increased by 25% for the year.

Type	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
SAR	98	101	107	106	128	124	165	145	208	205	195
30 Day SAR	98	101	107	106	127	118	126	107	112	131	168
30 Day Completion	63%	72%	54%	55%	46%	59%	59%	54%	74%	84%	54%
90 Day SAR	-	-	-	-	1	6	39	38	96	74	27
90 Day Completion	0%	0%	0%	0%	100%	67%	33%	32%	47%	59%	63%
Total Compliant	62	73	58	58	59	74	87	70	128	154	107
%	63%	72%	54%	55%	46%	60%	53%	48%	62%	75%	55%

Prediction	%	2 yr %	% of Av
195	95%	94%	115%
168	128%	150%	141%
54%	64%	72%	81%
27	36%	28%	53%
63%	106%	63%	106%
107	69%	84%	104%

5yr Av	Av/Mnth
169	14
119	
66%	0
51	4
48%	
103	9
59%	

Court Orders	59	38	44	52	28	54	132	272	216	178	336
Court Orders Compliant	44	36	36	42	26	47	98	154	136	160	316
%	75%	95%	82%	81%	93%	87%	74%	57%	63%	90%	94%

336	189%	156%	197%
316	198%	232%	266%

170	14
119	10
74%	

Other	241	157	170	190	191	144	211	143	202	214	216
Other Compliant	154	104	105	133	137	89	91	83	123	173	137
%	64%	66%	62%	70%	72%	62%	43%	58%	61%	81%	63%

216	101%	107%	118%
137	79%	111%	123%

183	15
112	9
61%	

Total	398	296	321	348	347	322	508	560	626	597	747
Total Compliant	260	213	199	233	222	210	276	307	387	487	560
%	65%	72%	62%	67%	64%	65%	54%	55%	62%	82%	75%

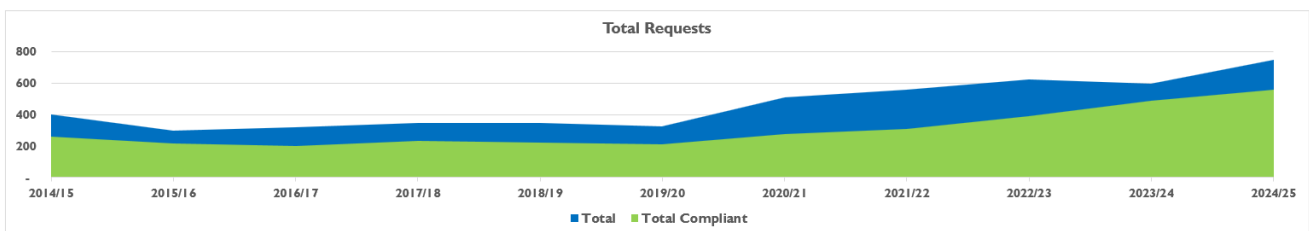
747	125%	119%	143%
560	115%	145%	7%

523	44
333	28
64%	0

Police Disclosures	163	257	231	162	207	259	246	236	178	260	207
Compliant	59	200	203	149	160	161	79	73	43	66	102
%	36%	78%	88%	92%	77%	62%	32%	31%	24%	25%	49%

207	80%	116%	88%
102	155%	237%	121%

236	20
84	7
35%	



This is the first year the number of cancelled requests have been identified, and applied retrospectively. These are requests made by Data Subjects for their own or other people's data, where they have not been able to supply identification or consent for the information they are requesting. Each of these requests require officer time to follow up on the request. The figures show that this type of request is increasing.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
SAR Cancelled	15	11	15	28	38	47	36	56	65	94	103
% Cancelled	13%	10%	12%	21%	23%	27%	18%	28%	24%	31%	35%

4 ICO performance intervention

The work on the ICO audit action plan has progressed with many of the actions closed. Outstanding actions will continue to be tracked on the action plan, and a progress report was shared with the ICO in June 2025.

The Health Determinants Research Collaborative (HDRC) programme in ODPH has provided funding for a post to complete some of the key actions, which has been filled with work underway. Service Directors have been contacted with details of the initial plan, with engagement due to start shortly to gather information about all of the data we hold.

The action around identifying improvements for the Information Access service reflects the Corporate Management Team's request for similar improvements.

5 Information Commissioner's Office (ICO) Escalations

In total, 14 complaints have been received during 2024/25. The Council received 13 complaints from the ICO during 2023/24.

5.1 Freedom of Information / Environmental information Regulations

The Council received 9 complaints regarding Freedom of Information / Environmental information Regulation requests.

- The Council did not respond to a request from July 2023 regarding tenders for Electric Vehicle Charge points (IC-293913-C7Y0)
 - This was an administrative error and the response was sent
 - These types of errors will be reduced with greater centralisation of request management.
- Complaint that the Council withheld information concerning Devon Housing Commission meetings (IC-284465-B8P6)
 - The Council had provided the requested information before the complaint was received
 - The complaint was withdrawn
- Complaint that the Council did not provide still birth rates for areas of the city (IC-287912-C5Z6)
 - This was related to the Energy for Waste plant.
 - The ICO issued a decision notice agreeing that the Council did not hold this information, however found that the Council had responded outside of the statutory time scale.
- Complaint about the Councils response for an explanation about a previous FOI response (IC-289690-L1B0)
 - A response was sent to the ICO by the Head of Legal Services
 - No further correspondence has been received from the ICO.
- Complaint that the Council did not supply information regarding a school, and didn't answer a question which related to an explanation of the response (IC-289690-L1B0)
 - The ICO agreed that the Council did not hold the information and that the Council did not breach the FOIA.

Complaint that the Council withheld information regarding communications with the police regarding campaign group STRAW (IC-323841-R0Z6)

- The ICO is investigating
- Complaint that an internal review for a information requested regarding their strategic boards had not been responded to (IC-360086-S9W5)
 - The response was sent.
- Complaint that an internal review for information requested around redevelopment of Wilmott Gardens had not been completed (IC-370995-W1M4).
 - The response was sent.

5.2 Data Protection

There have been 5 complaints to the ICO regarding Data Protection.

- Sensitive SEN documents sent to the wrong parents (IC-307372-S6T7)
 - The ICO stated that it does appear that the council has infringed the DPA as it inappropriately disclosed personal data to a third party.

- The ICO took no further action as measures had been put in place to prevent further occurrences.
- Subject Access Request was outside timescales (IC-329922-Q0Q1)
 - The Council was asked to respond to the SAR within 28 days, which it did.
- Livewell staff member inappropriately access and shared information from Social Care systems (IC-326854-N7J4)
 - The ICO passed the case over to their criminal investigations team, however they cancelled their investigation as the Police issues a caution under the Computer Misuse Act.

Complaint that the Council did not rectify data in a Local Authority Designated Officer report as requested (IC-333781-X8Z4).

The ICO agreed that the Council did not infringe Data Protection obligations by not rectifying the data.

Complaint that the Council had not responded to a Subject Access Request by an ex-employee, (IC-349188-M7Z6)

- The Council has been asked to respond to the request.

5.3 First-Tier Tribunal escalations

A new first tier tribunal escalation was received in Q3 of 2024/25. These are cases where the complainant is challenging a decision notice issued by the ICO. The latest case is:

- The Council received an Fol requesting an explanation of why a request was responded to on the final day of the timescale and described as an operational issue.
 - The ICO decided that the Council would not have this information, and this decision is being challenged.

There are two other ongoing first tier tribunal cases.

- The Council received a request asking about payment history for a specific grave plot.
 - The Council is confident that all information has been supplied, which the ICO supported.
- The Council received a request for the audit report for the operator of the Energy for Waste plant, MVV.

The Council supplied the copy of the report that it had been provided with, which was only available in the German language as MVV is a German company.

The ICO agreed that the Council did not have an English language version to supply.

6 Data breach statistics

The Council has adopted an approach to managing data breaches where more events are recorded than necessary in order to implement lessons from low impact events in order to reduce the risk of breaches that meet the ICO reporting requirements. Therefore the figures are not published as this would provide a distorted view of the actual picture.

The number of breaches reported for 2024/25 resulted in an increase compared to 2023/24 of 25%. The number of breaches had decreased annually since the Data Protection Act was updated in 2018, however this year reverses that trend.

6.1 Data breach Types

The highest number of breaches this year have been electronic disclosures of information, both sensitive and non-sensitive with the latter increasing by 54%. Sensitive data breaches have a much higher impact on the data subject and a higher risk to the Council of further action from the ICO.

In most of the cases, the department took the appropriate actions to recover any disclosed information, reducing any impact on those affected, and applied appropriate mitigation. This is being done in a very timely manner, and will assist in reducing any referrals to the ICO.

6.2 Breach causes

Human error remains the largest overall cause, however it has increased in 2024/25 to 88%, compared to 2023/25 where 82% of all breaches were caused by human error within the Council.

- Email errors are the largest cause, with 53% of all breaches caused by an error using email, compared to 49% last year. This percentage was expected to decrease with increased use of more secure collaboration tools within Microsoft 365.
- Greater staff education of the use of the new tools will be needed to reduce the risk of breaches, especially as attaching the wrong attachment is the largest cause of breaches. The Microsoft tools we have reduce the need for sending attachments, as the document can be shared with recipients, removing the ability of unauthorised people opening the file.

6.4 Key lessons to reduce breaches

A number of key lessons have been shared with staff as a result of the breaches that have occurred this year. These are:

- If sending emails internally or to federated partners, utilise Microsoft 365 tools to share documents rather than send as attachments
 - This will allow access to the file to be limited to specific people
 - It will prevent access to the file if the email is forwarded onto others
 - It will also allow greater collaboration on the document
- Only access information on systems that you are authorised to access as part of your job role
 - Staff have access to systems with a lot of sensitive data about our citizens, and it is essential that this is not accessed or shared without a specific business purpose.
- Always double-check all aspects of emails before sending.
 - Addresses, including those that have been auto filled.
 - Always delete previous messages in an email trail unless absolutely necessary.
 - Email trails can contain information that should not be shared.
 - Use the BCC function if you're sending emails to multiple external recipients.
 - Email addresses containing a person's name is personal data, and can result in large compensation payments.
 - Autofill should be cleared regularly.
 - Attachments - read before you send.
 - Think first before clicking "reply all".
 - Do all of the previous recipients need to see your reply?
- Only use Council approved systems for processing any Council data.
 - Services known as Shadow IT can easily be used to steal data or compromise Council infrastructure.
- Ensure you and your staff use all messaging services and systems appropriately.
 - Any data in our systems may be subject to disclosure to a data subject.
- Always check that the data you are entering is correct.

- Incorrect data can cause a breach with a major impact.

7 Compensation Claims

There have been three claims for compensation this financial year, due to distress caused by data breaches. All of these were received in Q4.

They are still being processed, so no payments have been made. A decision from our insurers is expected in Q1 of 2025/26.

8 Lost devices

The Council has recorded 13 lost devices this year. 2 laptops and 11 mobile phones. It is believed that this figure is underreported as devices are not being reported lost using the correct channels.

Directorates	Mobile Devices	Laptops	Desktops	Tablet	Other	Total
Councillors	-	-	-	-	-	-
Customer and Corporate Services	-	-	-	-	-	-
Executive Office	-	2	-	-	-	2
External	1	-	-	-	-	1
Childrens Services	4	-	-	-	-	4
EPAS	1	-	-	-	-	1
Corporate	-	-	-	-	-	-
ODPH	-	-	-	-	-	-
People	-	-	-	-	-	-
Place	5	-	-	-	-	5
Finance	-	-	-	-	-	-
Total	11	2	-	-	-	13

We are working with delt to address the gap in reporting, however need staff to raise the appropriate breach report in Firmstep.

9 Records management

The centralised paper-record retrieval service has been running since February 2023 and since the start of 2023/24, has received 258 orders and processed 1,055 files.

With two full years now completed, it is possible to start making comparisons about how the service is being used and by which teams:

	2023-24	2024-25	% Change
Orders received	125	133	+6%
Total files processed (dispatched & returned)	534	521	-2%

Overwhelmingly, the main user of the service remains the Information Access Team, requesting social care files to complete subject access requests, followed by the Adoption and Fostering services:

Team	2023-24	2024-25	Annual Comparison	Total
Information Access Team	78	84	108%	162
Adoption	16	16	100%	32

Fostering	10	20	200%	30
Children's Social Care	6	1	17%	7
MASH	2	-	0%	2
Legal Services	12	7	58%	19
HR	1	1	100%	2
Economic Dev	-	2		2
Livewell	-	1		1
Corporate	-	1		1
Total orders	125	133	106%	258

It is worth noting that 27% of orders have resulted in no files being found. Properly concluding that no paper files are held (as opposed to the file being misplaced or lost) takes time to check both current and historical cataloguing and sometimes to physically check multiple boxes in the record store. This is work that previously would have been done by service teams, including having to travel to the old store locations, and is a clear benefit to the Council of both the centralised paper record store and retrieval service.

In the past year at the record store, we have:

Received and catalogued 500 new boxes of records from across the Council, including completing the movement of child social care, foster carer and personnel records to a larger and more suitable storage facility, meaning we now have all paper social care and foster carer records held in once place for the first time;

Moved legal records to a new location where they are being sorted by the service before being moved into the record store itself;

- Used the record store to house abandoned records the Council took possession of following the closure of the Dewi Sant Care Home, ensuring that sensitive records relating to residents and staff will be kept safe, and if necessary available for inspection, until they can be destroyed;
- Recently started discussions with local GP surgeries with a view to storing some of their patient records, presenting an opportunity to generate income;
- Completed the construction of an office area within the record store, allowing staff and their visitors to view files on site.

In addition to the above, we are currently engaged in work to identify and catalogue all personnel records held at the store, at the end of which we will have for the first time an accurate picture of the files held, helping to facilitate requests for information and reducing the chance of loss.

Away from the record store, the Corporate Records Manager has been involved in discussions around the adoption of SharePoint as a replacement for the S Drive, although the project remains in its early stages.

10 Staff eLearning completions

The eLearning for Data Protection, and IT security have been merged into once course named Data Protection and Information Security @ the Council. 83.2% of staff have completed the course, which

is an increase from last year of 0.1%, however less staff have completed the course as total staff number of staff on our establishment have decreased slightly from 2,144 since last year.

Although the number of established staff has decreased, the number of licensed people using our systems has increased. Because people not listed on our establishment are not tracked in the staff training completion, this causes a risk in increased breaches and other errors.

Directorate	Staff No	Data Protection & Information Security	Completion
Adults, Health & Communities	295	256	86.8%
Children's Services	531	416	78.3%
Customer and Corporate Services	492	440	89.4%
Executive Office	87	78	89.7%
Office Of The Director Of Public Health	92	80	87.0%
Place	608	481	79.1%
Total	2,105	1,751	83.2%

11 Data Protection and Information Security Policies

These policies will be reviewed in Q1 this year.

12 Cyber Security

Over the last 12 months we have been reminded of the cyber threat we face having seen our website targeted and taken offline by a series of denial of service attacks in the run up to Christmas and just after. Plymouth City Council was one of a number of UK local authorities who were targeted by a group of pro-Russian cyber criminals whose aim seemed to be to create disruption and generate some publicity. The first wave of these attacks resulted in our website being briefly taken offline and the news and search features disabled whilst the attack was underway (over a period of around 24 hours). After that we worked to implement cyber defences as recommended by the National Cyber Security Centre. These were in place around a month after the first attack, since then despite being targeted by the same group we have had no disruption to service for our customers.

In May this year we will have been using KnowBe4 for 12 months. KnowBe4 provides bite sized training for all staff each month and also confirm the effectiveness of our “human firewall” with test phishing attempts. KnowBe4 evaluates training uptake and the identification rates of test phishing messages each month to give us a risk score. Over the course of the last 10 months PCC’s assessed risk score has dropped by nearly 10%. We should be pleased with the progress we have made and continue to promote to all staff the requirement to complete training and be alert to the threat from phishing.

Cyber assessments conducted by the Council, Delt and external 3rd parties have helped us identify our key risks and we hold a monthly Cyber Board to oversee actions to mitigate these. Over the course of the next 6 months Delt will be implementing new software to further strengthen a couple of key areas – asset management (knowing where our equipment is and whether it is secure) and user management (ensuring the access rights for joiners, movers and leavers reflect the requirements of their role/employment status). These investments will provide more visibility across our IT estate, helping to counter the threats we face. They also follow on from the work Delt have done in the last 6 months to automate much of the patching of our IT estate. This is vital work, as unpatched software can be exploited by cyber attackers. Investments in this area are keeping us compliant with

best practise. Delt and PCC are committed to ongoing investment in cyber security, responding to new and emerging risk and threat intelligence.

In terms of risk management, PCC recognises the importance of maintaining a robust cyber security posture to protect our information assets, systems, and services. Our position is to hold a low risk appetite for cyber security threats, ensuring that we minimize potential risks to the greatest extent possible while maintaining operational effectiveness. Our risk register will reflect this position.

We are committed to the following principles:

Risk Avoidance: We prioritise avoiding risks that could compromise the confidentiality, integrity, and availability of our information assets. This includes implementing stringent security measures and controls to prevent unauthorized access, data breaches, and other cyber threats.

Risk Mitigation: We actively seek to mitigate risks through continuous monitoring, regular assessments, and timely updates to our security protocols. We invest in advanced technologies and training to enhance our cyber resilience and reduce vulnerabilities.

Compliance: We adhere to all relevant legal, regulatory, and industry standards to ensure our cyber security practices are aligned with best practices. This includes compliance with the General Data Protection Regulation (GDPR), the National Cyber Security Centre (NCSC) guidelines, and other applicable frameworks.

Incident Response: We maintain a comprehensive incident response plan to swiftly address any cyber security incidents. Our goal is to minimize the impact of such incidents and restore normal operations as quickly as possible.

Continuous Improvement: We are committed to continuously improving our cyber security posture by staying informed about emerging threats and adapting our strategies accordingly. We encourage a culture of security awareness and proactive risk management across all levels of our organization.

By holding a low risk appetite, we aim to safeguard our information assets and ensure the trust and confidence of our stakeholders. We will continue to invest in our cyber security capabilities to protect against evolving threats and maintain the highest standards of security.

13 Recommendations

Action	Progress	Next stage	Expected Completion
Key Messages to be distributed to staff	Communications are producing material to distribute to all staff	Communications published as part of the Comms planner	Q1 2025/26
Data Breach Training	Training is available now	Senior Leadership Team to contact Information Governance if they would like a session arranged It is best practise that all departments should have staff trained, with priority given to departments regularly dealing with highly sensitive data	Ongoing

Mandatory training courses recorded for all staff		Engage with HR to produce an action plan to record staff training for those not on our payroll.	
Mandatory training courses	HR have been contacted to determine actions taken for staff who do not complete training	Action plan to be developed to follow up with staff who have not completed mandatory training. Note: this point is wider than IG training.	QI 2025/26
Information Lead Officers Group (ILOG)	Terms of reference and request for new members of the ILOG issued to SLT. Some nominees for ILOG have been received, however there are gaps	Under represented departments will be contacted again to nominate appropriate staff for ILOG	QI 2025/26
KnowBe4 reminders	Message to SLT asking them to continue to promote training on KnowBe4 to staff in all services	Monitor training uptake levels and target teams with low uptake more specifically if required.	QI 2025/26
Records of processing activity (ROPA)	Contractor has been appointed to gather all of the required information	All information required with be gathered with engagement from departments.	QI 2025/26
Information Access Centralisation	Plan has been prepared	CMT to review plan and either approve or ammend.	QI 2025/26

14 Summary

This year has seen additional demands with respect to Information Access, both in volume and complexity of requests. This will lead to a challenging year in 2025/26 where we need to ensure we have enough resources to manage all of the Information Requests and actions resulting from the ICO audit.

We are seeing an increase in data breaches, and there is a concerning increase in the use of Shadow IT services, which will need to be addressed in the coming year. We still need to ensure that staff are continually improving, and not repeating previous errors, and it is recommended that departments take up the offer of bespoke training.

Information Access improvements have been made in the final quarter of 2024/25, with compliance rates for Subject Access Requests increasing, compliance reporting being fine-tuned and progress being made to gather essential information required to understand the data the Council processes.

Further improvements are planned for the coming year which will see greater centralisation of information requests, which is expected to bring greater harmonisation in processes and enhanced responses.

Audit and Governance Committee – Action Log 2025/26

Minute No.	Resolution	Date Due & Progress
Minute 42 Risk Management Monitoring Report November 2023 28 November 2023	A SharePoint page would be created for members of the Committee, to see risk management information in near real time.	Date Due: January 2024 Officer Responsible: Paul Stephens/Ian Trisk-Grove Progress: Request formally made to Ross Jago 1 December 2023. Chased 26 March 2024, 23 April 2024, 12 July 2024, 01 April 2025. Request made to Paul/Ian 19 June 2025 - page is in development.
Minute 59 External Audit – Audit Findings Report 2020/21 12 March 2024	There would be an external review into the pension transaction from October 2019 and as soon as there was information on when the review was to take place, and what its scope would be, David Northey (Service Director for Finance) would let members of the Committee know, as well as any other relevant Councillors.	Date Due: Complete. Officer Responsible: David Northey Progress: Formal request sent 13 March 2024. Update provided to the Committee at the 23 July 2024 and 10 September 2024 meetings. Further updates to be provided when possible. CIPFA review link shared with Committee members on 1 April 2025.
Minute 60 Whistleblowing Policy 12 March 2024	Ross Jago (Head of Governance, Performance and Risk) agreed to provide members with an explanation as to why Councillors, agency workers and contractors were exempt from the Whistleblowing Policy.	Date Due: 27 March 2024 Officer Responsible: Liz Bryant Progress: Response included in Whistleblowing report at July 2025 meeting.

Audit and Governance Committee – Action Log 2025/26

Minute 60 Whistleblowing Policy 12 March 2024	It was suggested that Section 3.4 be considered for re-wording, as it put too much pressure on people to put their name to a whistleblowing report.	Date Due: 27 March 2024 Officer Responsible: Liz Bryant Progress: Response included in Whistleblowing report at July 2025 meeting.
Minute 60 Whistleblowing Policy 12 March 2024	Section 2.2 did not include inappropriate behaviour, so Ross Jago (Head of Governance, Performance and Risk) agreed to provide information to members on how this would be dealt with through existing HR policies, or if it needed to be included in the Whistleblowing Policy.	Date Due: 27 March 2024 Officer Responsible: Liz Bryant Progress: Response included in Whistleblowing report at July 2025 meeting.
Minute 60 Whistleblowing Policy 12 March 2024	It was suggested that Section 6.1 a should be changed to 'any Councillor'.	Date Due: 27 March 2024 Officer Responsible: Liz Bryant Progress: Response included in Whistleblowing report at July 2025 meeting.
Minute 60 Whistleblowing Policy 12 March 2024	It was suggested that 'MP's' be included in Section 6.1.	Date Due: 27 March 2024 Officer Responsible: Liz Bryant Progress: Response included in Whistleblowing report at July 2025 meeting.

Audit and Governance Committee – Action Log 2025/26

Minute 60 Whistleblowing Policy 12 March 2024	Ross Jago (Head of Governance, Performance and Risk) agreed to provide information to the Committee on process if the Service Director was the subject of a Whistleblowing issue.	Date Due: 27 March 2024 Officer Responsible: Liz Bryant Progress: Response included in Whistleblowing report at July 2025 meeting.
Minute 23a & 23l Annual Information Governance Statement 23 July 2024	The Annual Information Governance Statement report was to be split into Part I and Part II. Furthermore, it would include benchmarking figures, if obtained, on numbers of requests.	Date Due: July 2025 Officer Responsible: John Finch Progress: Requested for the July 2025 meeting. Reminder sent 19 June 2025.
Minute 94i Civic Protocol 11 March 2025	Officers would share information on the last investigation into the cost of repairs for the Lady Astor diamonds.	Date Due: Ongoing Officer Responsible: Glenda Favor-Ankersen/Maddie Halifax Progress: Formal request made 11 March 2025. Update provided via email in briefing note on Civic Handbook on 02 April 2025. Asked for further update 19 June 2025.
Minute 94j Civic Protocol 11 March 2025	The officers would discuss points highlighted with the Chair of the Lord Mayor Selection and Advisory Committee and provide an update to the Committee in the future.	Date Due: 02 April 2025 Officer Responsible: Glenda Favor-Ankersen/Maddie Halifax Progress: COMPLETE. Briefing note and revised handbook circulated via email 02 April 2025.

Audit and Governance Committee – Action Log 2025/26

Minute 100 Audit Progress Report and Sector Updates 01 April 2025	A link to the CIPFA review would be shared with Committee members.	Date Due: 01 April 2025 Officer Responsible: Hannah Chandler-Whiting Progress: COMPLETE. Email sent 01 April 2025.
Minute 100 Audit Progress Report and Sector Updates 01 April 2025	A response to a question on the figures for SEND deficits from the statutory overrides, and how they would be accounted for on Council budget sheets would be provided to Committee Members.	Date Due: 16 April 2025 Officer Responsible: David Johnson Progress: Formal request made 01 April 2025. Response shared via email 14 April 2025.
Minute 100 Audit Progress Report and Sector Updates 01 April 2025	The letter with regards to the pension transaction would be shared with Committee members when it was available.	Date Due: 16 April 2025 Officer Responsible: Ollie Woodhams/Ian Trisk-Grove Progress: Request made 01 April 2025.
Minute 102 Data Quality Strategy 01 April 2025	The following points were made with regards to the use of language within the strategy and were sent to officers for response. The use of the word ‘manipulation’ would be reconsidered within the strategy to make the intention more clear, as it could be misconstrued. Forecast could be used instead of estimated data within the strategy. The phrase ‘wherever possible’ referred to third party external contracts and ‘wherever appropriate’ would be considered instead.	Date Due: 16 April 2025 Officer Responsible: Ruth Harrell/John Finch Progress: COMPLETE. Ruth Harrell confirmed via email 07 April 2025 that the points on language had been considered and reflected in an update to the strategy.
Minute 102	A response on whether GDPR had proved problematic, if and how qualitative and quantitative data streams had been separated, and what	Date Due: 16 April 2025

Audit and Governance Committee – Action Log 2025/26

Data Quality Strategy 01 April 2025	was being done to prevent bias being induced into data streams would be provided to Committee Members.	Officer Responsible: Ruth Harrell/John Finch Progress: Response shared via email 03 June 2025.
Minute 104 Tracking Decisions 01 April 2025	The reports provided to the Committee on Adult Social Care Debt Management would be recirculated to Committee members.	Date Due: 30 May 2025 Officer Responsible: Hannah Chandler-Whiting Progress: Complete. Shared via email on 02 June 2025.
Minute 105 Work Programme 01 April 2025	The Committee agreed to do a task and finish on constitution under the name of the "constitutional review group" specifically to look at the way in which a Lord Mayor is elected which would report back to the Committee in 2025/26.	Date Due: December 2025 Officer Responsible: Glenda Favor-Ankersen Progress: Propose for the Constitutional Review Group to be set up after September 2025 City Council meeting.
N/A Email following previous action update 04 April 2025	Following an update on the Lord Mayor protocol further clarification was requested on of medal wearing, when the medals are not owned by the wearer.	Date Due: 07 May 2025 Officer Responsible: Maddie Halifax Progress: COMPLETE. Response shared via email 29 May 2025.

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Audit and Governance Committee

Work Programme 2025/26



Please note that the work programme is a 'live' document and subject to change at short notice. The information in this work programme is intended to be of strategic relevance.

For general enquiries relating to the Council's Committees, including this Committee's work programme, please contact Hannah Chandler-Whiting (Democratic Advisor) on 01752 305155.

Date of Meeting	Agenda Item	Reason for Consideration	Lead Officer(s)
22 July 2025	Role of an Audit Member	Standing Item (Verbal Report)	Barrie Morris/Grace Hawkins
	Plymouth City Council Audit Plan 2024/25		Barrie Morris/Grace Hawkins
	Draft Statement of Accounts 2024/25		Carolyn Haynes
	CIPFA assurance review – findings and response	Verbal Update	Ollie Woodhams/Ian Trisk-Grove
	Annual Governance Statement	Annual Report	Jamie Sheldon
	Armada Way Action Plan Sub-Committee Report	Added following City Council on 02 June 2025	Liz Bryant
	Health, Safety and Wellbeing Annual Report 2024/25	Annual Report	Kirstie Spencer
	Internal Audit End of Year Report 2024/25	Annual Report	Louise Clapton
	Counter Fraud Annual Report 2024/25	Annual Report	Tony Rose
	Treasury Management Outturn Report 2024/25		Wendy Eldridge
	Procurement Strategy	Update every 6 months	Holly Golden
	Risk Management Monitoring Report	Standing Item	Paul Stephens
	Whistleblowing Policy	Annual Report (delayed from March 2025)	Liz Bryant
	Annual Information Governance Statement	Annual Report	John Finch
16 September 2025	External Audit Report		Barrie Morris/Grace Hawkins
	Update on External Audit Actions		Ian Trisk-Grove
	Internal Audit Progress Report		Louise Clapton
	Cost Risk Management of Capital Programme	Identified for consideration at the February 2025 meeting.	Ollie Woodhams/Ian Trisk-Grove

	IFRS16 – Low Value Leases	Identified for consideration at the January 2025 meeting.	Carolyn Haynes
	Risk Management Strategy	Standing Item	Paul Stephens
18 November 2025	Interim Auditor's Annual Report		Barrie Morris/Grace Hawkins
	Update on External Audit Actions		Ian Trisk-Grove
	Draft External Auditor's Annual Report		Barrie Morris/Grace Hawkins
	Counter Fraud Half Year Report	Half Year Report	Tony Rose
	Internal Audit Half Year Report	Half Year Report	Louise Clapton
	Treasury Management Mid-Year Review	Annual Report	Wendy Eldridge
	Risk Management Monitoring Report	Standing Item	Paul Stephens
	Committee Self-Assessment	Added by officers 30 August 2024.	Jamie Sheldon
20 January 2026	External Auditor Findings Report		Barrie Morris/Grace Hawkins
	Update on External Audit Actions		Ian Trisk-Grove
	Capital Finance Strategy	Annual Report	Wendy Eldridge
	Treasury Management Strategy	Annual Report	Wendy Eldridge
	Risk Management Monitoring Report	Standing Item	Paul Stephens
	Audit and Governance Annual Report (Self Assessment)		Jamie Sheldon
10 March 2026	External Auditor Update		Barrie Morris/Grace Hawkins
	Update on External Audit Actions		Ian Trisk-Grove
	Internal Audit Strategy and Charter 2026/27	Annual Report	Louise Clapton
	Internal Audit Plan 2026/27	Annual Report	Louise Clapton
	Treasury Management Practices Principles and Schedules 2026/27	Annual Item	Wendy Eldridge
	Anti-Bribery and Corruption Policy	Annual Report	Tony Rose
	Whistleblowing Policy	Annual Review	Liz Bryant
	Procurement Strategy	Update every 6 months	Holly Golden
	Audit and Governance Annual Report (to include Committee Self-Assessment)	Annual Report	Jamie Sheldon/Glenda Favor-Ankersen
	Update on Adult Social Care Debt Management	Identified for consideration at the February 2025 meeting.	Louise Clapton

	Risk Management Monitoring Report	Standing Item	Paul Stephens
Items to be scheduled for 2025/26			
2025/26	Regulatory Regimes	Identified for consideration at the March 2024 meeting.	Ross Jago
Items to be scheduled for 2026/27			
2026/27			

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The following relates to exempt or confidential matters (Para(s) 3 of Part 1, Schedule 12A of the Local Govt Act 1972). Any breach of confidentiality could prejudice the Council/person/body concerned & might amount to a breach of the councillors /employees codes of conduct.

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