



Oversight and Governance

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AUDIT AND GOVERNANCE COMMITTEE

Tuesday 18 November 2025
2.00 pm
Warspite Room, Council House

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

Councillors will be asked to make any declarations of interest in respect of items on the agenda.

3. Minutes (Pages 1 - 10)

To confirm the minutes of the meeting held on 16 September 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. Interim External Auditor's Annual Report: (To Follow)

6. Update on External Audit Actions: (Verbal Report)

7. Counter Fraud Services Report 2025/26: (Pages 11 - 20)

8. Internal Audit Half Year Report 2025/26 and Management Action Tracking Update Quarter 2: (Pages 21 - 60)

9. 2025-26 Quarter 2 Risk Management Update: (Pages 61 - 84)

10. Treasury Management Mid-Year Report 2025/26: (Pages 85 - 104)

11. Capital Programme Financial Risk Management: (Pages 105 - 112)

12. Armada Way Action Plan Sub- Group Update: (Pages 113 - 118)

13. Action Log: (Pages 119 - 122)

14. Work Programme: (Pages 123 - 126)

15. Exempt Information

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)

Agenda

Members of the Public to Note:

That under the law, the Committee is entitled to consider certain items in private. Member of the public will be asked to leave the meeting when such items are discussed.

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Audit and Governance Committee

Tuesday 16 September 2025

PRESENT:

Councillor Allen, in the Chair.

Councillors P.Nicholson, Raynsford, Sproston and Stevens (substitute for Councillor Cuddihee).

Independent Member Mrs Benny.

Apologies for absence: Councillors Cuddihee and Finn.

Also in attendance: Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development and Communities), Liz Bryant (Service Director for Legal Services), Hannah Chandler-Whiting (Democratic Advisor), Louise Clapton (Devon Audit Partnership), Elinor Firth (Head of Public and Partner Relations), Carolyn Haynes (Lead Accountancy Manager), Bradley Hutton (Devon Audit Partnership), David Johnson (Grant Thornton), Jamie Sheldon (Senior Governance Advisor), Ian Trisk-Grove (Service Director for Finance) and Ollie Woodhams (Head of Finance).

The meeting started at 2.00 pm and finished at 4.56 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.

20. **Declarations of Interest**

No declarations of interest were made.

21. **Minutes**

The minutes of the meeting held on 22 July 2025 were agreed as an accurate record.

22. **Chair's Urgent Business**

There were no items of Chair's urgent business.

23. **External Audit Report**

David Johnson (Grant Thornton) introduced his report and mentioned:

- a) Future reports were due to be on time;

In response to a question, supported by Ian Trisk-Grove (Service Director for Finance), the following was discussed:

- b) Grant Thornton would not be consulted on the options for Plymouth with regards to Local Government Reorganisation (LGR), but once more was clear about the future, it would be discussed around the management of the change and future auditing.

24. **Management response to External Audit actions**

Ollie Woodhams (Head of Finance) introduced the item and highlighted:

The monitoring report covered all outstanding recommendations from external audits;

- a) Recommendations were split into tables by financial year and type;
- b) Tables 1 and 2 related to financial statement audits; tables 3 onwards related to value for money work;
- c) The Council was generally content with progress, though some recommendations were long-term;
- d) Two key areas were highlighted: asset accounting and valuation, and value for money recommendations around the Medium Term Financial Plan (MTFP) process and reserves reporting;
- e) Improvements had been made but work was ongoing;
- f) MTFP recommendations were being addressed in the forthcoming budget cycle.

In response to questions, the following was discussed:

- g) Concerns were raised about recommendations marked as 'ongoing' without clear timelines for completion, and officers acknowledged the need to sharpen reporting and provide clearer closure targets;
- h) Committee members were reassured that work was underway with Devon Assurance Partnership to improve strategic and operational risk management.

The Committee agreed to:

- I. Note the responses to the recommendations and the summary position in relation to actions addressed from previous External Audit reports, as detailed in the report.

25. **CIPFA Financial Management Code Assessment 2025**

Louise Clapton (Devon Audit Partnership) introduced the item, supported by Ian Trisk-Grove (Service Director for Finance) and highlighted:

- a) The assessment was conducted independently by Devon Assurance Partnership;
- b) Previously, the Section 151 Officer had undertaken the assessment;

- c) The Council received a 'reasonable assurance' rating, indicating sound financial governance;
- d) Of 17 standards assessed, 10 were securely met, and four required attention;
- e) Improvement actions were agreed with a target date of 31 March 2026;
- f) The assessment aligned with the Council's commitment to financial sustainability and the corporate plan.

In response to questions, the following was discussed:

- g) The external assessment was broadly consistent with previous self-assessments;
- h) Committee members noted the Council's strong self-awareness of areas needing improvement;
- i) The Council had been assessed against all CIPFA standards;
- j) Clarification was sought on why all improvement actions had the same target date, and it was explained this aligned with the Medium Term Financial Plan (MTFP) cycle;
- k) Savings challenges and growth asks formed part of business plans, that would drive financial planning.

The Committee agreed to:

1. Note the findings of the independent assessment undertaken by Devon Assurance Partnership, which provided reasonable assurance on the Council's compliance with the FM code;
2. Endorse the proposed management actions to address the four standards identified as needing improvement.

26. **Internal Audit Progress Report 2025/26**

Louise Clapton (Devon Audit Partnership) introduced the item and highlighted:

- a) The report covered Q1 progress against the internal audit plan up to 30 June 2025;
- b) 38% of the plan had been completed or was in progress;
- c) 64% of completed audits received reasonable assurance;
- d) Cybersecurity governance and joint-funded care packages received limited assurance;
- e) Advisory support was provided on Eclipse system implementation and Cyber Board, and a range of mandatory grant certifications had been completed;

- f) A new global internal audit standard required annual independent meetings with Committee members;
- g) The management action tracking report showed 50% of actions implemented, 8 were overdue, and 4 on hold.

Supported by Ian Trisk-Grove (Service Director for Finance), in response to questions, the following was discussed:

- h) More detail on debtor actions would be provided in November 2025;
- i) The safety at sports ground had been completed and had been given substantial assurance, the highest rating, and an audit from the Sports Ground Safety Authority was due later in 2025;
- j) Councillors requested clearer timelines for planned audits within the report in future **ACTION**;
- k) Councillors asked for assurance from officers on high-risk areas such as adult social care debt, and it was suggested it was best to ask the relevant Strategic Director which officers were best to attend on a future agenda item;
- l) Alternative ways to present levels of risk and assurance within Audit and Governance Committee reports would be considered;
- m) It was confirmed that limited assurance audits would be prioritised for deeper scrutiny;
- n) Cybersecurity governance was identified as a test case for committee-led assurance for the work programme **ACTION**;
- o) Eclipse system implementation was flagged for further update and clarification on its function and importance **ACTION**.

The Committee agreed:

1. To note the findings presented in the two accompanying internal audit reports;
2. That it had a clear mandate to seek assurance on the implementation of management actions arising from audit recommendations.

27. **Risk Management Update**

This item was introduced by Ian Trisk-Grove (Service Director for Finance) and Bradley Hutton (Devon Assurance Partnership):

- a) Plymouth City Council was working with Devon Assurance Partnership to enhance risk management;

- b) It was important to link risks to strategic objectives;
- c) Two key areas of focus for improvement were developing risk registers and embedding the risk management framework;
- d) Work with the senior leadership team would focus on embedding the risk management framework, focusing on accurate risk language, scoring methodology, and responses to risk;
- e) A risk management group was proposed to support day-to-day risk oversight.

Supported by Ollie Woodhams (Head of Finance), in response to questions, the following was discussed:

- f) Development of the risk register and of risk management would support assessing risks of local government reorganisation (LGR) proposals;
- g) Finance professionals in local government were working together to assess risks of LGR proposals;
- h) Advice was sought on how LGR proposal risks would be considered, whether by Scrutiny or Audit and Governance **ACTION**;
- i) Risks of LGR proposals would be included with reports presented at future committee meetings.

The Committee agreed to:

- I. Note the report and ongoing work on risk management.

28. **IFRS16 Leases**

Carolyn Haynes (Lead Accountancy Manager) introduced the item and highlighted:

- a) IFRS 16 (International Financial Reporting Standards) had replaced IAS 17 (International Accounting Standards) and required leases to be recognised on the balance sheet;
- b) Around 100 assets were added including property, vehicles, and equipment;
- c) PFI (private finance initiative) schemes were remeasured, resulting in a net liability reduction of just under £11 million;
- d) Exemptions applied to short-term and low-value leases (anything less than £10,000 for property, and less than £5,000 for equipment);
- e) Other adjustments had impacted the capital financing requirements, and therefore had impacted the credential indicators;

- f) Training was being provided to procurement teams to explore embedded leases;
- g) The work would be reviewed before the effected accounts were audited.

With support from Ian Trisk-Grove (Service Director for Finance), in response to questions, the following was discussed:

- h) If expired leases were for assets that PCC did not intend on keeping, it would not have been included;
- i) External audit challenge questions with internal responses would be covered within a future report from auditors Grant Thornton and this would also allow PCC to reflect and improve the work in future years;
- j) Officers confirmed that further review and audit feedback would guide future reporting;
- k) Thanks was given to Carolyn and her team for all their hard work.

The Committee agreed:

- I. To note the report.

29. **Pre-referendum Guidance compared to Pre-Election Guidance**

Liz Bryant (Service Director for Legal Services) provided a verbal update:

- a) The Armada Way Independent Learning Review (AW ILR) had recommended that a comprehensive review of the Council's approach to the pre-election period was undertaken.

In response to questions, the following was discussed:

- b) There would be an update on pre-election guidance before the end of 2025, as that was the completion date for the AW ILR action plan;
- c) Pre-referendum guidance differed from pre-election guidance due to stricter regulations;
- d) During the 28-day period, Councils must not publish any material related to the referendum, other than information on where to vote;
- e) Webcasting and public discussion of the referendum were restricted to avoid perceived bias;
- f) Legal advice was sought and followed during the referendum period;
- g) Concerns over the availability and specificity of the list of Council buildings permitted for use for referendum related activities during the pre-referendum period were

discussed;

- h) A lessons learned report relating to the pre-referendum period would be developed and would be shared with the Electoral Commission **ACTION**.

30. **New Engagement and Consultation Framework**

Councillor Chris Penberthy (Cabinet Member for Housing, Cooperative Development and Communities) and Elinor Firth (Head of Public and Partner Relations) presented the report and highlighted:

- a) The framework aimed to improve consistency and quality of public engagement;
- b) Whilst progress had been made through initiatives that supported volunteering, community ownership, and inclusive growth, it was recognized that PCC's approach to engagement and consultation needed to evolve;
- c) There were pockets of excellence across PCC but there were also areas where engagement had been inconsistent;
- d) The new framework was co-developed with over 60 staff, as well as Cabinet Members, and aligned with national best practice;
- e) The framework set out a public charter outlining PCC's values of respect, transparency, inclusion, responsiveness and partnership;
- f) A staff toolkit had been developed;
- g) A new engagement lead role had been proposed;
- h) A separate framework for elected members would be developed.

In response to questions, the following was discussed:

- i) Committee members discussed a unified framework versus separate documents for staff and Councillors;
- j) Concerns were raised about staff awareness of Councillor roles and how this could be covered within the training that was being developed **ACTION**;
- k) Engagement of Ward Councillors, guidance for which could be developed more in the elected members guide;
- l) Expectation management, adaptability and alignment with future legislation.

The Committee agreed unanimously to:

- l. Endorse the Engagement and Consultation Charter and Framework as the Council's corporate approach to engaging with residents, partners, and stakeholders;

2. Support the introduction of a supporting toolkit and training programme to aid implementation of the Framework and Charter;
3. Work with officers to develop a similar framework and training for elected members.

The Committee then agreed to:

4. Note and support that the framework be embedded across all Council departments, with oversight from an Engagement and Consultation Lead and the Community of Practice.

For (5)

Councillors Allen, Raynsford, Sproston, Stevens and Independent Member Mrs Benny.

Abstain (1)

Councillor Nicholson.

Against (0)

Absent/Did not vote (0)

31. **Armada Way Independent Learning Review - Audit and Governance Sub-Committee**

Liz Bryant (Service Director for Legal Services) introduced the item and highlighted:

- a) Committee had previously delegated subcommittee formation to Chair and Vice Chair, but legal advice confirmed that such delegation was not permitted;
- b) Committee was required to formally decide on the subcommittee structure.

In response to questions, supported by Hannah Chandler-Whiting (Democratic Advisor), the following was discussed:

- c) Three options were considered: informal working group, advisory committee, and formal subcommittee;
- d) Clarity that the sub-committee would look at the action plan as a whole;
- e) Co-opted members.

The Committee agreed to:

- I. Establish a politically balanced sub-committee and co-opt members to the Committee who were not currently represented to ensure that all political groups were heard, noting that co-opted members would have the ability to participate in discussions and scrutinise matters before the sub-committee, but would have no voting rights;

2. The draft Terms of Reference for the sub-committee, noting in particular the following points:

- that the membership consists of members of the Audit and Governance Committee (or substitutes put forward by existing members) as well as co-opted members from parties not currently represented under political proportionality;
- that the sub-committee is formally constituted and meets the requirements of the Constitution in relation to notice and access to information requirements;
- that the sub-committee met in accordance with the timetable appended to the Terms of Reference.

32. **Action Log**

The Committee noted its action log.

33. **Work Programme**

The Committee noted its work programme.

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Audit and Governance Committee



Date of meeting:	18 November 2025
Title of Report:	Counter Fraud Services Report 2025/26
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 2025/26 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 Counter Fraud 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 Liz Bryant / LB)

There are no specific legal considerations arising from this report.

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Originating Senior Leadership Team member: Ian Trisk-Grove, Service Director for Finance (S151)											

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

Date agreed: 23/10/2025

Cabinet Member approval: Cllr Lowry, verbal via Service Director for Finance (S151)

Date approved: 05/11/2025

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Counter Fraud Service Report November 2025

Audit and Governance Committee

Plymouth City Council

November 2025

Official



Tony Rose
Head of Devon Assurance Partnership



1. Executive Summary

- 1.1 The following is the [Devon Assurance Partnership](#) (DAP) [Counter Fraud Services Team](#) Half Yearly Report and Update for November 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 Plymouth continues to lead the South West in utilising its own data to prevent and detect fraud and error. This is being undertaken to good effect, and we will look to support and improve this approach across other areas of Council business. This will further improve the added value that DAP provides and increase an integrated assurance opinion that supports the Council and Local people.

2. Introduction

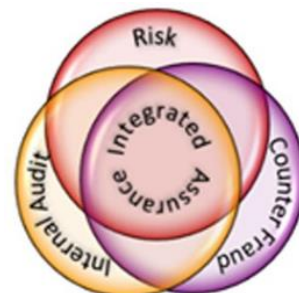
- 2.1 The Counter Fraud Services Team within Devon Assurance Partnership (DAP) continues to support and facilitate the development of the Council's Counter Fraud processes and capability to improve its resilience to fraud and related offences.
- 2.2 The ongoing work will assist all Council staff, management, 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.
- 2.3 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 Council's own Anti-Fraud, Bribery and Corruption Policy and the accompanying Strategy and Response Plan.
- 2.4 It is always worth reiterating that fraud is a crime and should not be tolerated. Any fraud against the 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 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.
- 3.2 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.

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 Regular communication between Devon Assurance Partnership and the Service Director for Finance (Section 151 Officer) ensures that direction, clarity and flexibility take place and continue to improve.
- 4.3 We are looking to assist and support PCC in its effective overall Risk Management processes to ensure that we can provide maximum assurance going forward. This remains an ongoing objective.



5 National Fraud Initiative

- 5.1 The [National Fraud Initiative](#) (NFI) is an exercise run and reported on by the [Cabinet Office](#); it matches electronic data within and between public and private sector bodies to prevent and detect fraud and error.

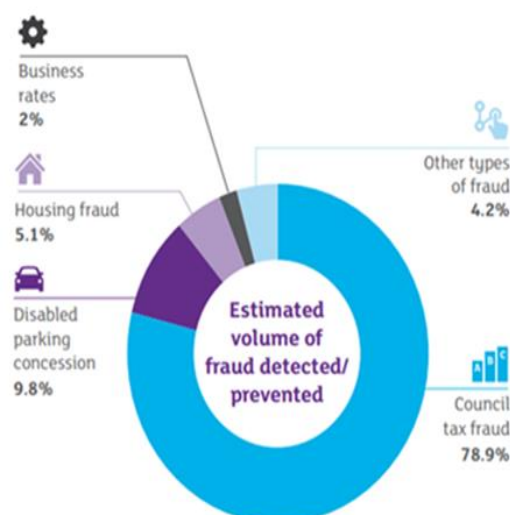


Cabinet Office

- 5.2 Devon Assurance Partnership acts as the 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 NFI has been run, and matches are being investigated at the moment, results from this will be fed back in the end of year report.

- 5.4 Dual Employment / Career Polygamy – There has been a national rise in the awareness of, and investigation into, people holding two different jobs in two different entities – working for both at the same time and not notifying either entity.



- 5.5 The NFI provides a point in time data match for public sector organisations and so allows for Career Polygamy in the public sector to be identified. This has increased due to post pandemic working practices and details of any outcomes linked to Plymouth will be reported back to the committee if identified.
- 5.6 Departments that complete the returned matches show that they are actively involved reducing fraud risk as well making sure that wherever possible their data management is compliant with the Data Protection Act 2018 by ensuring; **Data minimisation** by ensuring that PCC only holds data that is required; **Accuracy** by ensuring that the data held is as accurate as it can reasonably be expected to be; and **Data retention periods**, showing that data is not being held longer than is necessary for its intended use.
- 5.7 New Data Set - Adult Social Care Data. Residential Care Homes and Personal Budget data is now requested following a change in legislation in September 2025. This data needs to be submitted between 20th October 2025 and 14th November 2025. We are working with relevant officers and expect no issue in meeting these deadlines.

6 Investigations and other ongoing work

6.1 So far, this financial year, the Counter Fraud Services (CFS) Team have received and or generated 166 referrals covering the following areas of Council Business.

- ✓ Tenancy Fraud (involving our partner Registered Social Landlords)
- ✓ Blue Badge Fraud
- ✓ Parking Permits
- ✓ Concessionary Travel
- ✓ Council Tax Support / Single Person Discount
- ✓ Business Rates
- ✓ Internal

6.2 The CFS team have 47 live investigations (*details of individual investigations cannot be disclosed due to the sensitive nature of the information*), and we continue to support service areas that require data analysis and monitoring.

6.3 We continue to regularly pro-actively cross check data sets within the Council in order to reduce ongoing fraud and error. To date in 2025/26 we have checked 406 matches, the savings from which are included in overall recordable savings in 7.1 below.

6.4 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.

6.5 We are committed to actively drive the risk assessment for fraud within the Council, to establish where the highest-level threats are and to ensure that wherever possible the Council is able to formally;

- ✓ Acknowledge the threat from fraud.
- ✓ Identify the risks.
- ✓ Develop a strategy of pro-active and responsive counter fraud work that fits with the Councils wider objectives and goals.
- ✓ Assist in assuring correct resources are applied to issues identified.
- ✓ Once the Fraud Risk Management process is embedded, information will be included in future Counter Fraud Report.

7 Recordable savings

7.1 In the current financial year 2025/26 the CFST have identified £357,736.40 savings (calculated using national indicators supplied by the Cabinet Office) across the Council and it is anticipated that further significant savings will continue to be realised in the second half of 2025/26.

- 7.2 In the last decade of recording 'Cashable and Non-Cashable' savings related to fraud it has achieved over £11 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 public that Plymouth City Council is serious about protecting the public purse its assets and its citizens.
- 7.3 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 Further information for Members

- 8.1 As noted previously to the Committee the UK's [failure to prevent fraud \(FTPF\) offence](#), introduced by the [Economic Crime and Corporate Transparency Act 2023](#), creates criminal liability for large organisations if their associated persons commit fraud with intent to benefit the organisation or its clients, and the organisation has not put reasonable fraud prevention procedures in place.
- 8.2 This offence came into effect on 1st September 2025 and aims to encourage a stronger anti-fraud culture within by making it easier to hold entities to account for fraud. Guidance from HM Government has been published [New failure to prevent fraud guidance published - GOV.UK](#). This aims to improve fraud prevention and protect victims.
- 8.3 PCC policies will be updated as a result of this legislation and reported to the Audit and Governance Committee in the annual Counter Fraud Report, the Council's compliance will also be reviewed as part of the annual best practice CIPFA assessment undertaken by DAP.

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. DAP will encourage and support further intelligent data driven initiatives, to save money and deal with potential fraud and error across the Council whilst increasing local resilience and awareness.
- 9.2 With greater integration of the regions counter fraud teams within DAP further intelligent data driven initiatives, to save money and deal with potential fraud and error will be put forwards to senior officers with a view to making Plymouth an area of groundbreaking activity in the Counter Fraud arena.
- 9.3 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.

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.

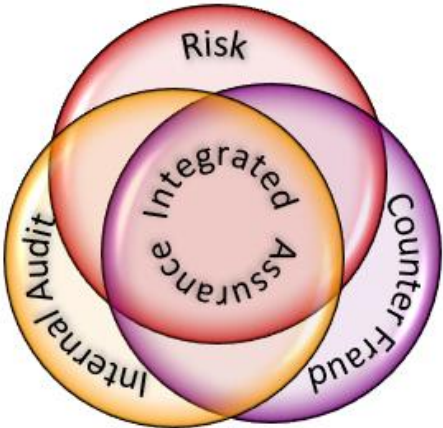
The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at Tony.d.Rose@devon.gov.uk

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.

Appendix 1 - Audit, Risk & Counter Fraud Integration
Support, Assurance and Innovation

Our Vision

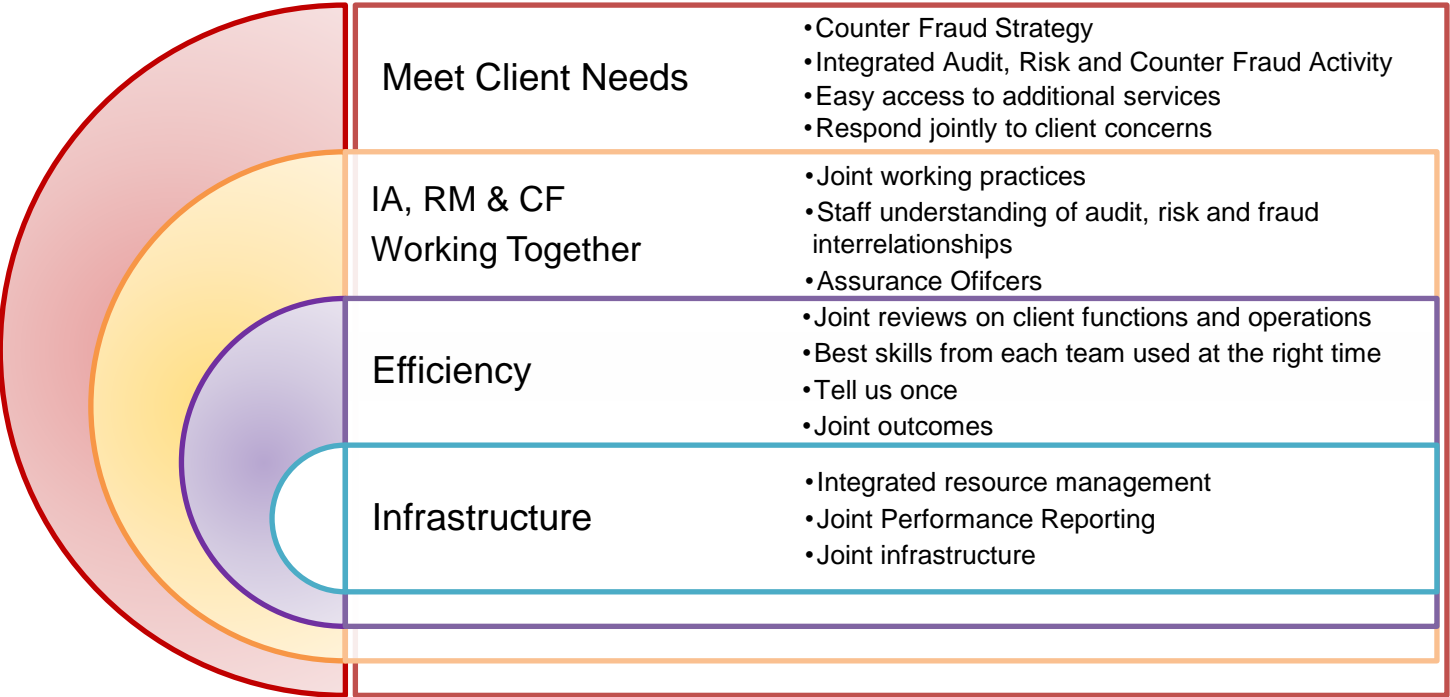
To be the leading provider of assurances services covering internal audit, counter fraud and risk management to public and not-for-profit organisations in the South West and beyond.



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:	18 November 2025
Title of Report:	Internal Audit Half Year Report 2025/26 and Management Action Tracking Update Q2
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 presents two separate internal audit updates, providing Members of the Audit and Governance Committee with a position statement on the audit work carried out since April 2025:

- **Internal Audit Half Year Report 2025–26:** Provides a mid-year position statement on delivery of the Internal Audit Plan, including assurance opinions issued, progress against planned work, and emerging themes that will inform the annual opinion.
- **Management Action Tracking Update Q2 2025–26:** Summarises progress made in implementing management actions arising from Limited Assurance audits, highlighting overdue actions and those on hold.

Together, these reports support the Committee's oversight of internal audit delivery and the effectiveness of management responses to audit findings.

Recommendations and Reasons

Members of the Audit and Governance Committee are requested to consider:

1. The assurance position presented within this report, including progress toward the annual internal audit opinion.
2. The delivery of audit work against the approved plan, including any in-year adjustments.
3. The scope, capacity, and resourcing of the internal audit function to complete its planned work.
4. The key audit findings and any significant issues or themes arising from completed engagements.
5. The performance of the internal audit service.
6. The proposed in-year changes to the audit plan, and whether these remain aligned to organisational risk and priorities.

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.

The implementation of all agreed management actions to address audit recommendations are fundamentally linked to delivering the priorities within the Council's Corporate Plan and assists with ensuring limited resources are allocated to priorities which will maximise the benefits to the residents of Plymouth.

Our work supports delivery of the values and priorities set out in Corporate Plan by ensuring that resources are used wisely, and service areas meet the needs of residents, businesses and communities through the delivery of quality public services.

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

Failure to mitigate risks highlighted by Internal Audit through implementation of agreed management action may have financial consequences.

Legal Implications

(Provided by Liz Bryant / LB)

There are no specific legal considerations arising 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	Internal Audit Half Year Report 2025/26							
B	Internal Audit Management Action Update Q2 2025/26							

Background papers:

*Add rows as required to box below

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

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

Sign off:

Fin	ITG. 25.26 .081	Leg	LS/00 0036 09/43 /LB/0 6/11/ 25	Mon Off	Click here to enter text.	HR	Click here to enter text.	Asset s	Click here to enter text.	Strat Proc	Click here to enter text.
Originating Senior Leadership Team member: Ian Trisk-Grove, Service Director for Finance (S151)											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 23/10/2025											
Cabinet Member approval: Cllr Lowry, verbal via Service Director for Finance S151. Date approved: 05/11/2025											

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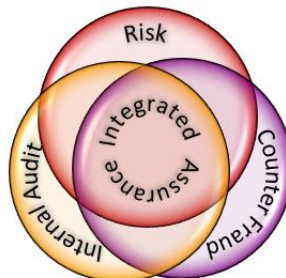


Internal Audit Half Year Report 2025-26

Plymouth City Council Audit & Governance Committee

November 2025

Official



Tony Rose
Head of Devon Assurance Partnership

Jo McCormick
Deputy Head of Devon Assurance Partnership

Louise Clapton
Audit Manager

Introduction

This half-year report provides a position statement on the progress of internal audit work to date and outlines the emerging themes and assurance levels that will inform the annual internal audit opinion. The final opinion will be based on the outcomes of planned audit engagements, risk-based coverage, and the evaluation of the organisation's control environment over the full year.

The key objective of the Devon Assurance Partnership (DAP) is to support the Council and provide assurance on the adequacy, security and effectiveness of the systems and controls operating across the organisation.

The Internal Audit plan for 2025/26 was presented to, and approved by, the Audit and Governance Committee in March 2025. However, with the rapid pace of change in local government, we continue to liaise with the management to "flex and revise" the plan as appropriate to ensure that our work focusses on those areas which add most value to the Council in these challenging times.

In accordance with the Global Internal Audit Standards (GIAS), the Chief Audit Executive (Head of Internal Audit) is required to deliver an annual report that includes an overall opinion on the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes. This opinion serves as a key input into the organisation's governance disclosures, including the Annual Governance Statement.

Expectations of the Audit and Governance Committee from this half year report

Members of the Audit and Governance Committee are requested to consider:

- The assurance position presented within this report, including progress toward the annual internal audit opinion.
- The delivery of audit work against the approved plan, including any in-year adjustments.
- The scope, capacity, and resourcing of the internal audit function to complete its planned work.
- The key audit findings and any significant issues or themes arising from completed engagements.
- The performance of the internal audit service.
- The proposed in-year changes to the audit plan, and whether these remain aligned to organisational risk and priorities.

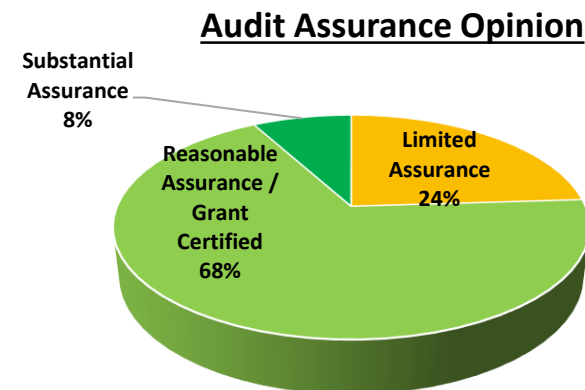
In reviewing the above, the Committee is expected to consider the assurance provided by internal audit alongside that of the Executive, Corporate Risk Management, and other external sources of assurance, including the External Auditor. This collective assurance should inform the Committee's view on the adequacy and effectiveness of the Council's internal control framework and its ability to mitigate risks and support sound governance.

Opinion Statement

Overall, based on work performed to date during 2025/26 and our experience from the current year progress and previous years' audit, the Head of Internal Audit's mid-year assurance opinion is "Reasonable Assurance" on the adequacy and effectiveness of the Authority's internal control framework.

Work included in the 2025/26 audit plan includes assurance, risk, governance and advisory engagements which, together with prior years audit work, provide a framework and background within which we assess the Authority's control environment. Should any significant weaknesses be identified in specific areas, these would need to be considered by the Authority when preparing its Annual Governance Statement later in the year.

When undertaking reviews, we assess whether key, and other, controls are operating satisfactorily and that exposure to risk is minimised. An opinion on the adequacy of the control environment is provided to management as part of the audit report. All audit reports include an action plan detailing the management responses to be taken to address any risk and control issues identified during a review. Progress with the implementation of 'Limited Assurance' audit action plans are tracked by Internal Audit, the outcomes of the implementation of management actions at the end of Quarter two are presented to this Audit and Governance Committee in an accompanying report.



Substantial Assurance	A sound system of governance, risk management and control exists 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.

Review of Audit Progress

Reasonable progress continues to be made in delivering the 2025/26 Internal Audit Plan. At the half-year point, 59% of planned work is either in progress or completed, with 76% of final reports providing Substantial or Reasonable Assurance (including certified grants). Several changes to the original plan have been agreed with management this is due to corporate/strategic improvement programmes currently in progress; to address findings of external reviews; and/or external reviews being undertaken in year and so it has not been appropriate or possible to undertake the audits as planned.

Whilst it is recognised that these areas may be ready to audit in Q4 the number of audits that we have been asked to schedule in Q4 exceeds the capacity available. Furthermore the strategic nature of these audits require higher level knowledge and experience and as a result we will need to roll these forward into 2026-27. This will be reviewed as part of 2026-27 audit planning to ensure that the council's risks are understood and audit needs remain appropriate.

Audits completed and in progress have taken longer than planned due to an increase in scope and/or the time taken to obtain information and explanations from the auditee.

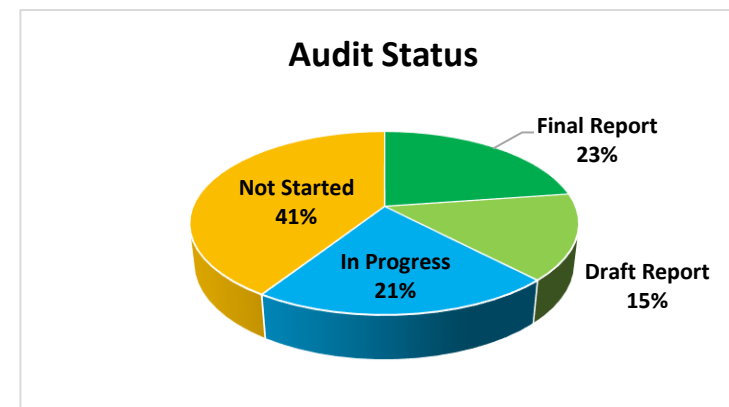
Audit resources will be allocated across the ongoing and planned work, full details of these changes are set out in the table in Appendix 1 and include:

- the replacement of the planned Commercial Waste audit with advisory input to the South West Devon Waste Partnership (SWDWP), following delays in the implementation of a new commercial waste system. Audit resource has been reallocated to SWDWP, with attendance at the Executive Board and a risk-based review planned to support future assurance needs.
- Deferral of several audits to 2026/27, including; Programme and Project Management, Direct Payments, Connect to Work Programme, MTFS – Delivering Savings and Transformation Plans, Plymouth Children's Homes and Fuel Cards Follow-Up. These deferrals are required due to ongoing developments, such as the implementation of new programme management arrangements or scheduling to ensure real value is delivered through the timing of the audit.

Assurance work has been completed with 15 final audit reports issued and 10 draft audit reports issued. It is taking longer to obtain management responses to audit findings and agree management actions, this can be difficult for complex areas such as Children's Independent Placements and ASC Joint Funding Arrangements which remain at draft stage having been issued in May 2025 and July 2025 respectively. Ideally we look to finalise reports with agreed management actions within 3 weeks. Ongoing delays in obtaining management responses require audit resources to be diverted to bring to conclusion.

Core assurance audits of key financial systems commenced in quarter two with draft audit reports issued for the Main Accounting, Business Rates and Council Tax with reasonable assurance opinions and Treasury Management issued with a substantial assurance opinion. Remaining key financial system audits are in progress and due to be completed in Q3.

We continue to work closely with management to ensure audit coverage remains aligned with organisational risk and priorities, and that assurance is delivered in a timely and responsive manner. A full list of audits and their current status is provided in Appendix 1.



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 runs a national data matching exercise, The National Fraud Initiative (NFI), every two years. The latest national data matching exercise is currently in progress and Devon Assurance Partnership continue to be the point of contact between the Cabinet Office and the Council for this mandatory biannual exercise in fraud prevention and detection. Data matches from the latest data matching exercise are being actioned by both PCC and DAP staff to provide maximum assurance and minimise potential fraud losses. Details of this and other fraud prevention and detection work undertaken in 2025/26 are reported in the Counter Fraud 2025/26 updates to the Committee.

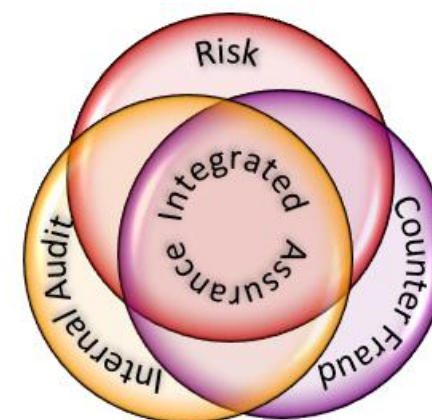
Integrated Assurance

The collaboration between the Audit and Counter Fraud Teams continues with auditors attuned to fraud risks and investigators gaining insights into systems and controls. This integrated approach enhances our ability to identify, assess, and respond to organisational risks effectively.

This year has also seen a significant development in our integrated assurance model with the Devon Assurance Partnership (DAP) being formally engaged to support the delivery and further embedding of the Council's Risk Management Framework. DAP's experienced Risk Management Team is delivering a structured, three-phase programme to support risk management across the Council through:

- Strategic Engagement, working with the Senior Leadership Team to refine risk language, scoring methodologies, and mitigation strategies, while identifying and articulating key corporate risks.
- Operational Integration, collaborating with service areas to build risk awareness and capability, enabling staff to confidently identify, assess, and manage risks.
- Framework Development, enhancing the existing framework through the establishment of a Corporate Risk Management Group, development of operational risk registers, updated training materials, and engagement strategies to embed a risk-aware culture.

This integrated approach ensures that risk, audit, and counter fraud functions are aligned, reinforcing governance and assurance across all levels of the organisation.







Partnership working with other auditors


We continue to develop and maintain effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We participate in a range of internal audit networks, both locally and nationally which provide for a beneficial exchange of information and practices with the aim of improving the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work.


Internal Audit Progress 2025/26 - Audit Status and Assurance Opinion

Appendix 1

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
IR35 Follow Up	Assurance	Final 03/06/2025	Limited	Previously reported to Committee in July 2025. 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 the risk of non-compliance therefore remains. However, work is ongoing to strengthen processes and training to support compliance with employment and tax regulations.	5	3	2	0	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Debtors	Assurance	Final 01/07/2025	Limited	Previously reported to Committee in July 2025. 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. Some weaknesses remain in the internal control framework; however, management is actively addressing these through targeted actions to	8	1	6	0	1
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									



Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				improve communication, compliance, record-keeping, and policy updates that support effective debt management.					
Cyber Security - Governance (Risk Management) 2025-26	Assurance	Final 01/08/2025	Limited	<p>Previously reported to Committee in September 2025, whilst at draft report. Effective IT and cyber risk management is essential to safeguarding the Council's operations, data, and reputation, yet current practices show significant gaps.</p> <p>Key issues include an outdated IT Risk Management Policy, lack of defined roles and responsibilities, limited reporting to senior leadership, and the absence of a formal IT/cyber risk register. These weaknesses hinder the Council's ability to understand and mitigate cyber threats.</p> <p>Establishing a dedicated risk register and aligning reporting with the corporate risk strategy would strengthen oversight and resilience, as highlighted by a recent external review.</p>	7	4	0	1	2
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Garage Commercial Financial Management 2025-26	Assurance	Final 13/08/2025	Limited	<p>Previously reported to Committee in July 2025, whilst at draft report. Plymouth City Council's Garage Service maintains the Council's fleet and also offers MOTs and servicing to local businesses, the public, and council staff. While the service generated approximately £126k in commercial income in 2024/25, an internal audit found that the governance, risk management, and internal control frameworks are underdeveloped, providing only limited assurance. Key-risks were identified and focussed intervention is required to ensure management actions address these issue.</p>	12	12	0	0	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									



Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
CIPFA Financial Management Code 2025	Assurance	Final 18/08/2025	Reasonable	Previously reported to Committee in September 2025. The CIPFA Financial Management Code (FM Code) sets out principles to support sound financial management and sustainability in local authorities. Plymouth City Council has engaged Devon Assurance Partnership to conduct its independent assessment, which concluded with Reasonable Assurance that the Council meets the standards expected for its size and responsibilities. Strong practice was identified in three of the 17 standards, with effective arrangements in place across a further ten.		N/A for self-assessment purpose			
Budget Management 2025-26	Assurance	Final 10/10/2025	Reasonable	This audit of Plymouth City Council's budget management arrangements concluded with a Reasonable Assurance opinion. The Council has established a generally sound governance framework for budget planning, monitoring, and reporting, underpinned by Financial Regulations and strategic alignment with the Medium-Term Financial Plan. Budget holders and finance staff are actively engaged in financial oversight, and statutory requirements are being met. The audit identified several areas for improvement, including inconsistent training for budget holders, outdated supplementary guidance, gaps in financial risk escalation, and non-compliance with virement approval protocols. Addressing these findings will support more robust financial control, improve consistency across services, and help the Council maintain confidence in its financial sustainability during a period of ongoing fiscal pressure.	7	0	4	2	1
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Safety at Sports Grounds 2025-26	Assurance	Final 08/10/2025	Substantial	This audit provided Substantial Assurance over the governance and control arrangements supporting the Council's responsibilities for safety at sports grounds. The Safety Advisory Group (SAG) operates effectively and is largely	11	0	5	5	1

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				compliant with statutory duties and Sports Grounds Safety Authority (SGSA) expectations. Improvements have been made since the last SGSA audit, with further enhancements recommended in areas such as business continuity planning, inspection documentation, and formalisation of governance processes. These actions will strengthen oversight and ensure continued alignment with best practice and regulatory standards.					
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
PCC Single Homelessness Accommodation Programme (SHAP)	Grant Certification	Final 10/04/2025	Certified	In accordance with the Ministry of Housing, Communities and Local Government Single Homelessness Accommodation Programme 2024-2025 grant determination conditions No's. 31/7416, 31/7455, 31/7537, 31/7640 and 31/7642 we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have been complied with. Grant funding of £2.450m was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
PCC DFE Childcare Expansion Capital Grant 31/6960	Grant Certification	Final 13/06/2025	Certified	In accordance with the Secretary of State for Education's Childcare Expansion Capital grant determination conditions No. 31/6960 we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have been complied with. Grant funding of £435k was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
PCC Local Net Zero Capacity Development Fund - Local Capacity Grant LCG12	Grant Certification	Final 08/07/2025	Certified	In accordance with the West of England Combined Authority, South West Net Zero Hub, Local Net Zero Capacity Development Fund, LCG12 conditions we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have been complied with. Grant funding of £1.360m was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
BEIS Home Upgrade Grant Phase 2 2023/24	Grant Certification	Final 14/08/2025	Certified	In accordance with the Secretary of State for Business, Energy & Industrial Strategy's Home Upgrade Grant Phase 2 Determination (2023/24) conditions we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, the conditions have been complied with. Grant funding of £20,379 was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
Regulators Pioneer Fund 3	Grant Certification	Final 30/07/2025	Certified	In accordance with the Science, Innovation and Technology Regulators' Pioneer Fund 3 grant determination we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, confirmed the conditions have been complied with. Grant funding of £916,922 was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
Transforming Cities Fund – Tranche 2	Grant Certification	Final 31/07/2025	Certified	In accordance with the DFT Transforming Cities Fund: Tranche 2 Grant Determination 2019-20 No. 31/4042 we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, confirmed the conditions have been complied with. Grant funding of £51.264m was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
PCC UK Shared Prosperity Fund	Grant Certification	Final 14/08/2025	Certified	In accordance with the Secretary of State for Levelling up, Housing and Communities UK Shared Prosperity Fund 2022-2025 grant determination conditions we undertook the audit of the statement of grants usage and provided an audit opinion that in all significant respects, confirmed the conditions have been complied with. Grant funding of £3.131m was awarded to Plymouth City Council.		N/A Mandatory Grant Certification Audit			
DFT Local Transport Capital Block Grant	Grant Certification	Final 29/09/2025	Certified	In accordance with: <ul style="list-style-type: none"> DFT Integrated Transport Block DFT Highways Maintenance Needs Element 		N/A Mandatory Grant Certification Audit			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<ul style="list-style-type: none"> DFT Highways Maintenance Incentive Element 2023/24 DFT Highways Maintenance Additional Element grant conditions we undertook the annual audits of the statements of grant usage. Grant funding of £5.228m was awarded to Plymouth City Council for 2024/25.					
ASC Income - Joint Funded Care Packages	Assurance	Draft 17/07/2025	Limited	<p>Joint funding arrangements between Plymouth City Council and Devon ICB are currently managed through multiple pathways, leading to inconsistent practices and challenges in financial reconciliation.</p> <p>The absence of standardised procedures and governance has resulted in fragmented decision-making, unclear protocols, and no formal mechanism for resolving disputes. These issues increase the risk of financial errors and miscommunication, particularly as PCC acts as the paying authority and must recover costs from partner organisations. We concluded that the current governance, risk management, and internal control arrangements provide only Limited Assurance.</p>	10	4	5	1	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Income Collection	Assurance	Draft 07/08/2025	Limited	This internal audit reviewed Plymouth City Council's arrangements for income collection, focusing on governance, policy, operational controls, and risk management. The audit concluded with a Limited Assurance opinion, reflecting several areas where improvement is needed to strengthen oversight and support financial sustainability. While foundational structures such as Financial Regulations and annual fee reviews are in place, there are a number of areas where focussed improvement are needed to reduce gaps in visibility,	9	6	3	0	0

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<p>accountability, and compliance. Action to be taken include updating key policies, improving reporting of actual income performance, enhancing controls around payment methods and introducing a RACI framework for income-related roles.</p> <p>A risk-based assessment of income streams was undertaken, supported by tools such as the Income Collection Heat Map and Risk Log, which management is encouraged to adopt for ongoing monitoring.</p>					
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Children's Independent Placements	Assurance	Draft 22/05/2025	Reasonable	<p>Previously reported to Committee in July 2025, at draft report stage. 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.</p> <p>The audit confirmed that strong financial controls are in place, supported by collaborative working between Brokerage, CYPF managers, and Finance. However, operational risks were identified that may impact the efficiency and accuracy of placement management. These include process delays, inconsistent documentation practices, and underutilisation of available systems. A Limited Assurance opinion was issued, with recommendations aimed at improving policy clarity, system usage, and process consistency to reduce financial risk and enhance data reliability.</p>	11	1	9	0	1
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
School Transport	Assurance	Draft 24/07/2025	Reasonable	<p>Plymouth City Council is experiencing significant budget pressures related to home-to-school transport, with increasing demand placing strain on service delivery and finances. This risk is recognised on the Organisational Risk Register and referenced in the 2025/26 Budget Report, with additional funding allocated to help mitigate the impact. The audit aimed to assess the governance, risk, and internal control framework supporting this service.</p> <p>This audit provided Reasonable Assurance, confirming that policies, processes, and financial controls are generally effective. However, several areas for improvement were identified that may impact operational efficiency, compliance, and resilience. Strengthening governance, system utilisation, and performance oversight will support more robust risk management and help ensure value for money in service delivery.</p>	17	0	8	6	3
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									
Purchasing Card Compliance 2025-26	Assurance	Draft 26/06/2025	Reasonable	<p>Our audit provided Reasonable Assurance, confirming that Plymouth City Council's purchasing card arrangements are broadly effective and supported by sound financial controls and governance. The system offers appropriate segregation of duties and facilitates oversight of transactions. While the overall framework is operating well, the audit identified areas for improvement in compliance practices, including receipt retention, VAT coding, and timely transaction authorisation. These improvements will help ensure continued accountability, reduce financial risk, and support the Council's commitment to spending public money wisely.</p>	6	0	5	1	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
									

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
Adult Social Care Governance 2025-26	Assurance	Draft 27/08/2025	Reasonable	This audit provided Reasonable Assurance that Plymouth City Council's governance arrangements for Adult Social Care are generally sound and aligned with statutory duties under the Care Act 2014. Strategic intent and integrated partnership working are evident, supported by established oversight structures. However, areas for improvement were identified in governance documentation, commissioning arrangements, performance monitoring, and stakeholder engagement. Strengthening these elements will enhance transparency, accountability, and service sustainability.	4	1	3	0	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Main Accounting System 2025-26	Assurance	Draft 24/09/2025	Reasonable	This audit provided Reasonable Assurance over the governance and control environment supporting Plymouth City Council's Main Accounting System. Core financial processes, including journal processing, reconciliations, and system access controls, are generally effective and support accurate financial reporting. However, several areas for improvement remain, particularly around documentation standards, user access governance, and the implementation of previously agreed actions. Strengthening these controls will enhance financial oversight, reduce risk exposure, and support the Council's financial sustainability.	9	0	6	3	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Business Rates 2025-26	Assurance	Draft 30/09/2025	Reasonable	This audit provided Reasonable Assurance over the governance and control arrangements for the administration of Business Rates. Core processes such as billing, income reconciliation, and debt recovery are generally well-managed and compliant with statutory requirements. However, improvements in the timeliness of data updates, documentation of reconciliations, and consistency in arrears reporting would enhance financial accuracy, accountability, and	4	2	0	2	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
Council Tax 2025-26	Assurance	Draft 22/09/2025	Reasonable	the Council's ability to maximise revenue collection in line with its financial objectives. This audit of Plymouth City Council's Council Tax arrangements concluded with a Reasonable Assurance opinion. The Council continues to demonstrate sound financial management and operational control in key areas. Suggested improvements to strengthen governance and ensure consistency with published procedures will help improve transparency, reduce financial risk, and ensure fair and effective Council Tax collection practices aligned with statutory and policy expectations.	9	1	6	2	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Treasury Management	Assurance	Draft 09/09/2025	Substantial	This audit provided Substantial Assurance over the governance, risk management, and control arrangements supporting Treasury Management. The Council has established a robust framework for managing cashflow, borrowing, and investments, with effective oversight, clear delegation, and sound operational practices. Minor areas for improvement were identified, including the need to strengthen risk register coverage and update business continuity planning. Addressing these will further enhance resilience and assurance in this critical financial function.	6	0	2	4	0
						No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
SEND Follow Up	Assurance	In Progress	-	To provide an assurance opinion on the adequacy and effectiveness of the governance, risk management, and internal control arrangements supporting SEND Governance, Decision Making, Commissioning and Contracting and Monitoring and Evaluation following a period of management action to address findings made in internal audit reports issued in 2023 that provided only Limited Assurance opinions.	Currently in progress.				

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
Virtual School - including extended offer	Assurance	In Progress	-	<p>To provide an assurance opinion on the adequacy and effectiveness of the governance, risk management, and internal control arrangements supporting the delivery of the Plymouth Virtual School.</p> <p>Specific objectives are to assess whether:</p> <ul style="list-style-type: none"> The governance structure is clear, accountable, and effective. Strategic objectives align with statutory responsibilities and are adequately monitored. Risks are identified, assessed, and managed appropriately. Data quality, performance monitoring, and reporting are effective. Funding is used appropriately, and financial controls are in place. Roles and responsibilities are clearly defined and adhered to. 		Currently in progress.			
School Effectiveness and School Improvement Offer	Assurance	In Progress	-	<p>To provide an assurance opinion on the adequacy and effectiveness of the governance, risk management, and internal control arrangements supporting School Effectiveness and School Improvement Offer. The scope of the audit will consider:</p> <ul style="list-style-type: none"> Governance arrangements, including roles of elected members, senior leadership and school improvement officers. Risk management and planning processes for the School Effectiveness and Improvement Plan (SEIP). Mechanisms for engagement with schools, early years and other stakeholders. 		Currently in progress.			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<ul style="list-style-type: none"> Monitoring and reporting arrangements, including use of performance indicators and outcomes data. Financial management and resource allocation processes. Compliance with relevant statutory responsibilities (e.g. Ofsted expectations, DfE guidance). <p>The audit will cover the current SEIP cycle and relevant activities over the past 12–18 months.</p>					
Mitigation of fraud, corruption & collusion risk in contract awards -use of Directors Waivers	Assurance	In Progress	-	<p>To provide assurance that the use of waivers within procurement and contracts is in accordance with public sector procurement legislation and Council policy. The audit objectives will assess if:</p> <ul style="list-style-type: none"> Waivers are issued in accordance with public sector procurement legislation and Council policy; Non-compliance with Council policy is identified, highlighted and necessary actions undertaken if required; Where waivers are granted a robust governance process has been followed; Where high levels of non-compliance exist within the Council and where the highest levels of waivers are to be found. 		Currently in progress.			
Bereavement Service "The Park" - Financial Management	Assurance	In Progress	-	<p>To provide assurance on the effectiveness of The Parks financial management arrangement to ensure service financial resilience and sustainability by:</p> <ul style="list-style-type: none"> Assessing the robustness of financial management within Bereavement Services, including budget setting, income forecasting, cost control, and financial reporting. 		Currently in progress.			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<ul style="list-style-type: none"> Reviewing governance arrangements, including oversight, decision-making, and alignment with corporate priorities. Assessing the adequacy of internal controls, including income collection, IT systems and data protection. Reviewing risk management practices, including identification, mitigation, and escalation of key risks affecting the service. 					
Housing Benefits 2025-26	Assurance	In Progress	-	<p>To provide assurance on the adequacy and effectiveness of the internal control framework for the administration of Housing Benefits. The scope of the audit will consider:</p> <ul style="list-style-type: none"> Input accuracy and timeliness of Housing Benefit and Council Tax Support assessments, with sample testing to include claims with occupational pensions. Exception report/data error checking. Overpayment identification and recovery processes. Pro-active fraud prevention and identification. Reconciliation between the Revenue and Benefits system and the Main Accounting System. Follow up on last year's audit observations/recommendations. Assessment of system administration and user management controls. 		Currently in progress.			
Creditors 2025-26	Assurance	In Progress	-	<p>To provide assurance on the effectiveness of the wider creditor payment system by conducting walkthrough testing of key controls that underpin the processing of payments, as well as an in depth focus on the adequacy and effectiveness of the council's arrangements for</p>		Currently in progress.			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				the management, control, and use of bulk uploads and petty cash.					
Cyber Security - Access Controls (External Users) 2025-26	Assurance	In Progress	-	<p>The objective of this review is to provide assurance on the effectiveness of the internal control framework for controlling digital access of external users to the PCC network, applications and data.</p> <p>The scope of this audit will include the following:</p> <ul style="list-style-type: none"> Establishing the types of external users that are provided access to the Council's network, Establishing the oversight and governance arrangements for external user access, Establishing the user lifecycle management processes for external users (i.e., establishing the process and controls that govern the approval, creation, and management of external user accounts), Reviewing the monitoring and audit logging held / reviewed relevant to external user activity. 		Currently in progress.			
Cyber Security - Vulnerability (Inc. Patching) Management 2025-26	Assurance	In Progress	-	<p>The objective of this audit is to provide assurance that, vulnerabilities (regarding out of date software/applications) are known and where available patches/updates are applied in a timely manner, and that known vulnerabilities that cannot be updated/patched do not represent an unacceptable risk to the Council's corporate network, systems and it's information assets.</p> <p>The scope of audit work will include reviewing the following areas:</p>		Currently in progress.			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<ul style="list-style-type: none">Governance & oversight (i.e., vulnerability / patch management strategy, policies, roles & responsibilities, reporting and risk ownership),Technical controls (i.e., identification, classification, testing, and deployment of security patches across both servers and end-points),Asset Management (i.e., accuracy, completeness, and use of the IT asset system to support patching activities),Vulnerability identification (i.e., how vulnerabilities are detected, prioritised, and tracked),Patch Management processes (i.e., scheduling, testing, deployment, exceptions, and rollback procedures),Third-party risk (i.e., establishing how PCC gain assurance over supplier patching practices where reliance is placed on external vendors or managed services),Compliance & monitoring (i.e., reviewing performance metrics, and escalation of overdue or critical patches).					
Eclipse Project Phase 3 2025-26	Consultancy and Advice	In Progress	Advisory	To attend Eclipse Project Board, to provide advice and assurance as appropriate as the Eclipse Finance module is implemented.	N/A Consultancy and Advice				
Advice (All Directorate) 2025-26	Consultancy and Advice	In Progress	Advisory	Provision of ad hoc real time advice throughout 2025/26 to support governance, internal control, transformational change and/or associated risk mitigation, this has included: <ul style="list-style-type: none">Nolan Principle TrainingBetter Care Finance system implementation.	N/A Consultancy and Advice				

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				<ul style="list-style-type: none"> • ASC debt management meetings. • ASC Business Support, domiciliary care batching. • Annual Governance Statement. • Warm Homes Local Grant delivery agreements. • Street lighting contract. • South West Devon Waste Partnership Board. • Commercial waste recycling claims. • Reserves policy. • Programme and project management. • Polygamous working. • Financial scenario planning. • Grant assurance risk assessment. 					
Improvement and Assurance Framework 2025/26	Consultancy and Advice	In Progress	Advisory	<p>We are supporting the development of a robust and forward-looking self-assessment model that aligns with the principles of the Local Government Association's Improvement and Assurance Framework (2024).</p> <p>Work is ongoing to triangulate evidence from diverse sources, and ensure that both qualitative and quantitative insights inform the Council's understanding of its performance and governance. This is currently being pulled together with a front end dashboard to be developed. Questionnaires have been developed to enable Senior Leadership Team members to self-reflect, this will feed into the Improvement and Assurance model and support the AGS preparation process.</p> <p>The aim is to create a reflective, evidence-based process that enables early identification of risks and opportunities, helping the Council demonstrate to residents, partners, and</p>		N/A Consultancy and Advice			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				regulators its commitment to proactive management, transparency, and delivering best value.					
Grant Certification advice, planning and management 2025-26	Consultancy and Advice	In Progress	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support grant funding, management and assurance.		N/A Consultancy and Advice			
IT / Cyber Security / AI Advice 2025-26	Consultancy and Advice	In Progress	Advisory	Attendance at Cyber Board and provision of real time input and advice to support the council in mitigating the risk of a successful Cyber-attack.		N/A Consultancy and Advice			
Risk Management	Consultancy and Advice	In Progress	Advisory	Revised risk management arrangements continue to be developed in response to Risk Management 2024/25 IA report, with management actions agreed and the report finalised in September 2025. Anticipated target date for completion is June 2026. There would be limited value from an internal audit this year, our opinion will therefore take into account the management action taken to address audit findings and the real-time development of risk management arrangements.		N/A Consultancy and Advice			
Better Care Finance	Assurance	Not Started	-	Planned Q3.		Not Started			
ASC Debt Management – Follow Up	Assurance	Not Started	-	Planned Q4		Not Started			
Homelessness	Assurance	Not Started	-	Delayed due to Peer Review rescheduled for Q4.		Not Started			
PCC Deprivation of Liberty Safeguarding	Assurance	Not Started	-	TBC		Not Started			
Deputyships	Assurance	Not Started	-	TBC		Not Started			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
Adult Brokerage 2025-26	Assurance	Not Started	-	TBC		Not Started			
Housing Standards and Housing Solutions Systems and Data	Assurance	Not Started	-	TBC		Not Started			
C&YP Finance Team	Assurance	Not Started	-	Planned Q3		Not Started			
Legal Care proceedings Follow Up	Assurance	Not Started	-	Planned Q3		Not Started			
South West Devon Waste Partnership (SWDWP) Commercial Waste	Consultancy and Advice Assurance	Not Started	-	Change: In consultation with the Head of Commercial Waste it was agreed that an audit would not be of value this year as the anticipated implementation of a new commercial waste system has been delayed and is unlikely to be implemented until 2026-27. Audit resource will be allocated to SWDWP following consultation with the SWDWP Contract Manager as audit input would be appreciated, this will include attendance at SWDWP Executive Board and a risk based review to develop a plan to meet the partnerships audit need requirements going forward. Planned Q3.		Not Started			
Payroll	Assurance	Not Started	-	Planned Q3		Not Started			
DBS and Overseas Workers Checks	Assurance	Not Started	-	Planned Q3		Not Started			
Corporate Establishment	Assurance	Not Started	-	Planned Q3		Not Started			
Procurement Act	Assurance	Not Started	-	Planned Q3		Not Started			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
Tree Management Policy and Procedures	Assurance	Not Started	-	Planned Q4		Not Started			
Transparency in Decision Making	Assurance	Not Started	-	Planned Q4– this is reliant on delivery of the PCC work currently underway.		Not Started			
Debtors (including debt management)	Assurance	Not Started	-	Planned Q4		Not Started			
Facilities Management - Asset Management Plan	Assurance	Not Started	-	Planned Q4 – this is reliant on delivery of the PCC work currently underway.		Not Started			
Information Governance	Assurance	Not Started	-	Planned Q4 – to include Data Asset Management and follow up of ICO Report.		Not Started			
People Plan - Work Force Strategy and succession planning	Assurance	Not Started	-	Planned Q4 – this is reliant on delivery of the PCC work currently underway.		Not Started			
Programme and Project Management	Assurance	Deferred to 2026-27	-	In consultation with the Service Director for Finance it was agreed that the appropriate time to conduct this audit would be following the implementation of the new Programme / Project Management Office arrangements, developed during the 2025-26 financial year in response to the Armada Way Review, therefore this audit will be rolled forward into quarter one of 2026-27.		Defer to 2026-27 Q1			
Direct Payments	Assurance	Deferred to 2026-27	-	In consultation with Strategic Director for People and Head of ASC and Retained Functions it was agreed that the appropriate time to conduct this audit would be following the transfer in of Direct Payment administration into PCC, therefore this		Defer to 2026-27 Q1			

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions Audit Opinion Scale			
						H	M	L	O
				audit will be rolled forward into quarter one of 2026-27 .					
Connect to Work Programme	Assurance	Deferred to 2026-27	-	The Connect to Work and Get Working Plan went to Cabinet in October 2025, it is therefore considered that audit coverage this year will not be of value as it will be too early. In consultation with the Strategic Director for Children's Services it was agreed that this would be deferred and considered as part of 2026-27 audit planning.					
MTFS-Delivering savings & transformation plans	Assurance	Deferred to 2026-27	-	In consultation with the Service Director for Finance it was agreed that the appropriate time to conduct this audit would be following completion of the latest budget setting process, therefore this audit will be rolled forward into quarter one of 2026-27.					
Plymouth Children's Homes	Assurance	Deferred to 2026-27	-	In consultation with the Strategic Director of Children's Services it was agreed that there would be limited value from an audit this year and will be considered as part of 2026-27 audit planning.					
Fuel Cards Follow Up	Assurance	Deferred to 2026-27	-	In consultation with the Service Director for Finance it was agreed that the appropriate time to conduct this audit would be once management action has been completed. Progress to implement management action will continue to be tracked and report to Committee with a follow up audit undertaken on completion, this audit will be considered as part of 2026-27 audit planning.					
Commercial Services	Assurance	Deferred to 2026-27	-	To be considered as part of ongoing audit planning. Audit work carried out under Commercialisation and Income Collection provides sufficient coverage this year.					

Audit Area	Audit Type	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
						Audit Opinion Scale			
						H	M	L	O
				Following management response commercial services will be included in ongoing audit plans.					

Devon Assurance Partnership

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 and the Devon and Torbay Combined County Authority. 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.

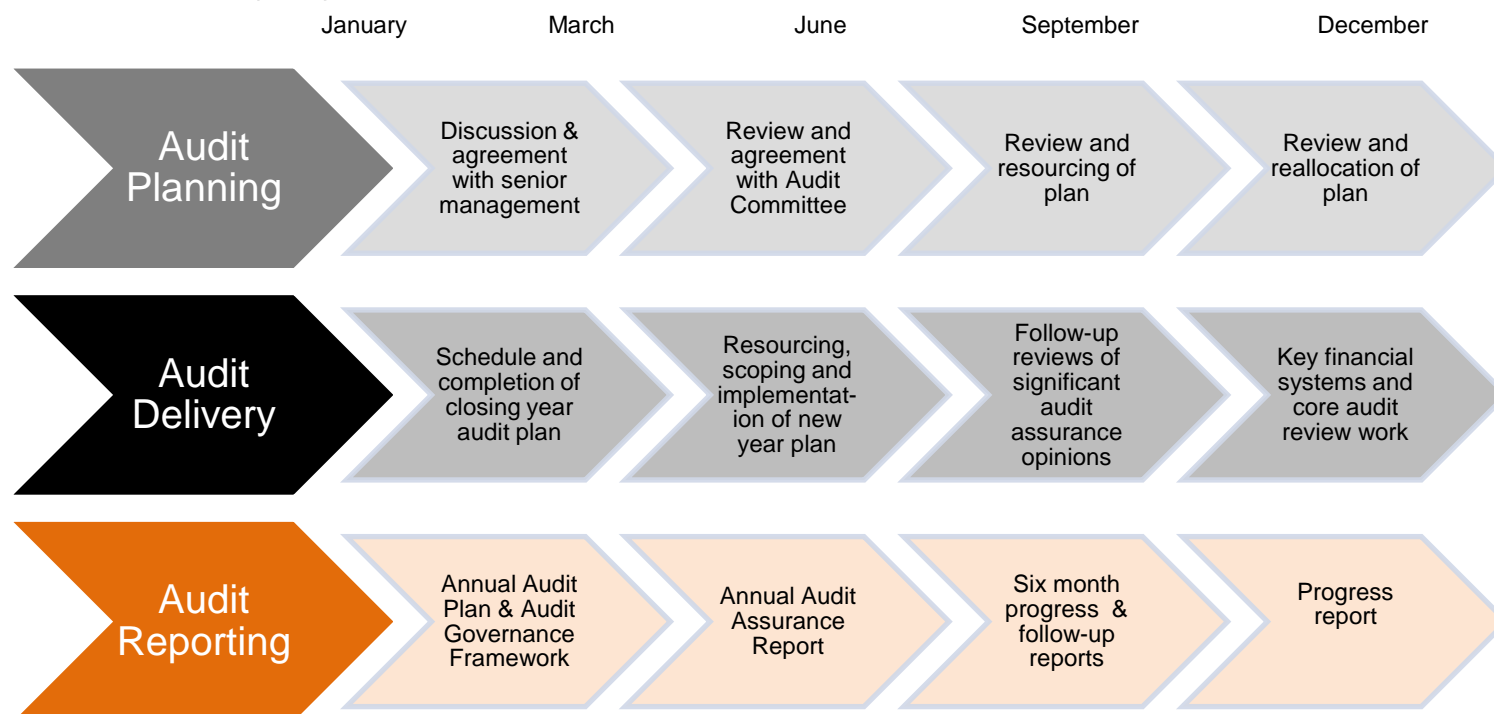
The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk.

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.

Audit Delivery Cycle



PSIAS / GIAS Conformance - Devon

Assurance Partnership (DAP) continues to conform to the requirements of the Public Sector Internal Audit Standards (PSIAS) for its internal audit activity. The purpose, authority, and responsibility of the Internal Audit function are defined in our Internal Audit Charter, which remains consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The Charter was approved by senior management and the Audit Committee in March 2025.

On 1st April 2025, the new Global Internal Audit Standards (GIAS) came into force. These revised standards, issued by the Institute of Internal Auditors (IIA), represent a significant evolution in the global framework for internal auditing, with a stronger emphasis on governance, risk management, and performance improvement. In response, during 2025/26, DAP will undertake a comprehensive gap analysis of its existing internal audit processes against the new GIAS requirements. This exercise will identify areas where enhancements are needed to ensure full compliance with the revised standards.

It is anticipated that achieving full conformance with the new standards will require actions from both DAP and its partners, particularly in relation to revised governance arrangements, stakeholder engagement, and the broader assurance environment. This proactive approach ensures that the internal audit function continues to deliver high-quality, professional, and standards-compliant assurance services across all partner organisations.

[IIA Document – Draft Standards.](#)

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Management Action Tracking Q2 Report 2025-26

Plymouth City Council Audit & Governance Committee

November 2025

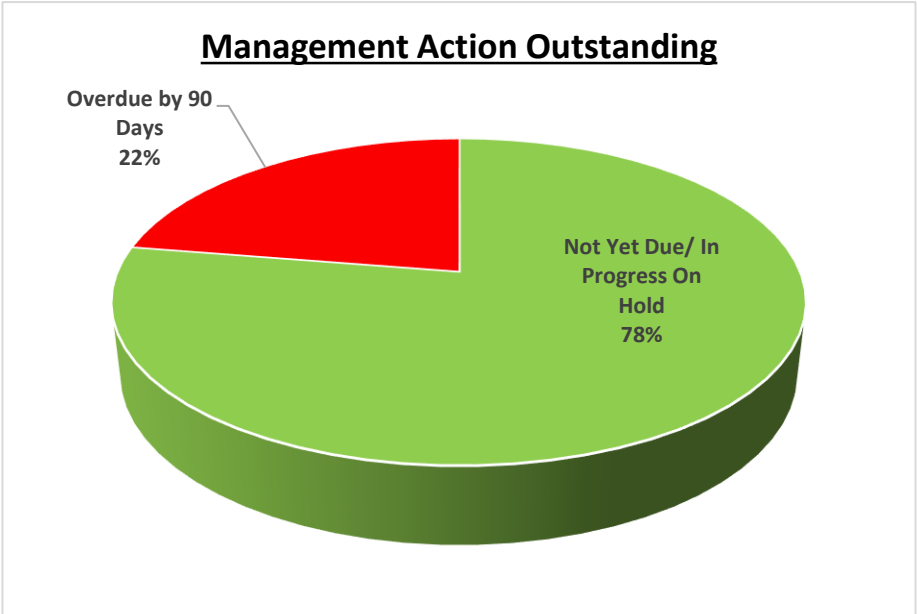
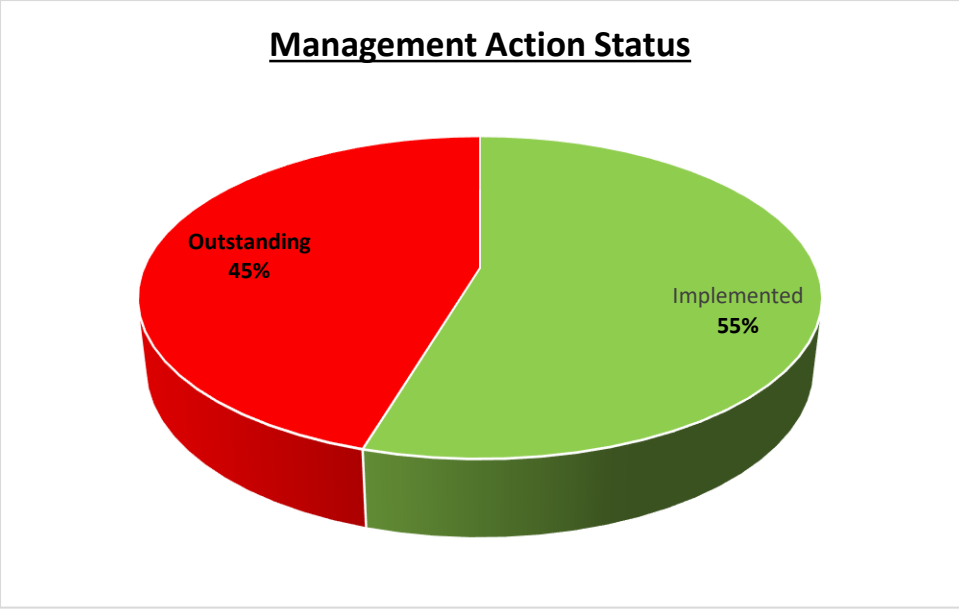
Official



devonassurancepartnership
Support, Assurance and Innovation

Plymouth City Council Audit Recommendation – Management Action Progress to 30/09/2025

In accordance with Global Internal Auditing Standards, GIAS, the chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented. As of 30th September 2025 there were 13 agreed ‘Limited Assurance’ audits that had management action outstanding. Of 108 management actions agreed 59 (55%) have been implemented, 49 (45%) remain outstanding, of which 11 (22%) are now overdue and four (8%) are on hold due to a significant control change, analysis on page 7. A management update was not provided for the one outstanding management action for SEND Commissioning and Contracting, therefore no change is reported.



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 await a significant control change 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.

Internal Audit Management Action Position to 30/09/2025										
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 target date revised or audit due.		Management Action overdue by 90 days+	
			High	Medium	High	Medium	High	Medium	High	Medium
Adults Health and Communities	ASC Debt Management (27/11/2024)	Limited Assurance	5	5	1	-	-	-	1	-
Adults Health and Communities	ASC Service Provider Viability (05/11/2024)	Limited Assurance	3	1	3	1	-	-	2	-
Adults Health and Communities	Client Financials Services (CFS) (20/04/2023)	Limited Assurance	4	6	-	2	-	1	-	1
Adults Health and Communities	CSC to ASC Social Care Transitions (22/04/2025)	Limited Assurance	3	3	3	3	-	-	3	1
Children's Services	CYPF Additional Spend (22/01/2022)	Limited Assurance	2	5	1	2	-	2	1	-
Children's Services	SEND Commissioning and Contracting (20/03/2024)	Limited Assurance	9	4	1	-	-	-	1	-
Executive Office	Fuel Cards (27/06/2025)	Limited Assurance	12	3	12	3	-	-	-	-
Growth	PC Garage (Street Service) Financial Management (30/07/2025)	Limited Assurance	8	-	5	-	-	-	-	-
Resources	Cyber Governance and Access Management (13/10/2023)	Limited Assurance	1	8	1	-	-	-	1	-
Resources	Hand Arm Vibration Syndrome (02/03/2023)	Limited Assurance	3	6	-	1	-	1	-	-

Internal Audit Management Action Position to 30/09/2025

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 target date revised or audit due.		Management Action overdue by 90 days+	
			High	Medium	High	Medium	High	Medium	High	Medium
Resources	Debtors 01/07/2025	Limited Assurance	1	6	-	3	-	-	-	-
Resources	IR35 Off Payroll Working Follow Up 03/06/2025	Limited Assurance	3	4	3	2	-	-	-	-
Resources	PCC Cyber Security Governance (Risk Management) (01/08/2025)	Limited Assurance	3	-	2	-	-	-	-	-
Total			108		49		3		11	

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.

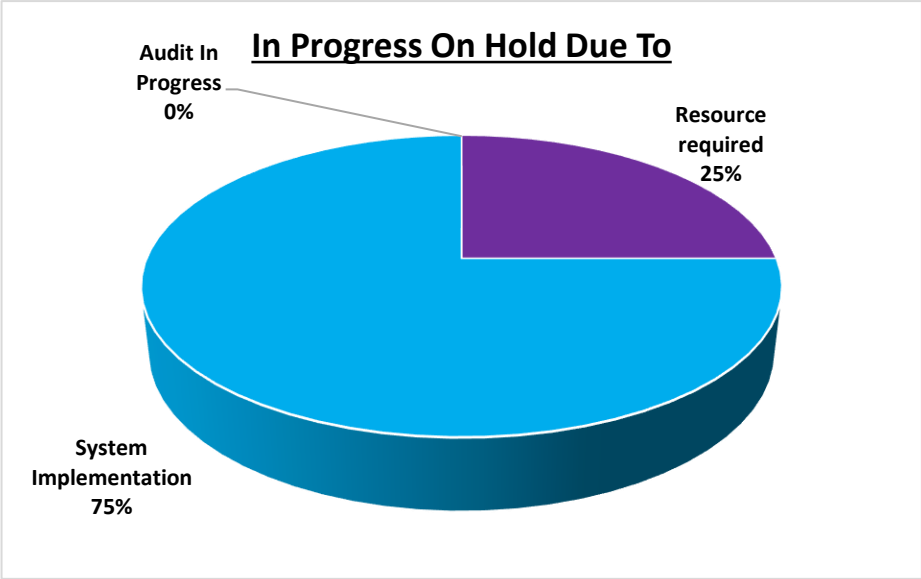
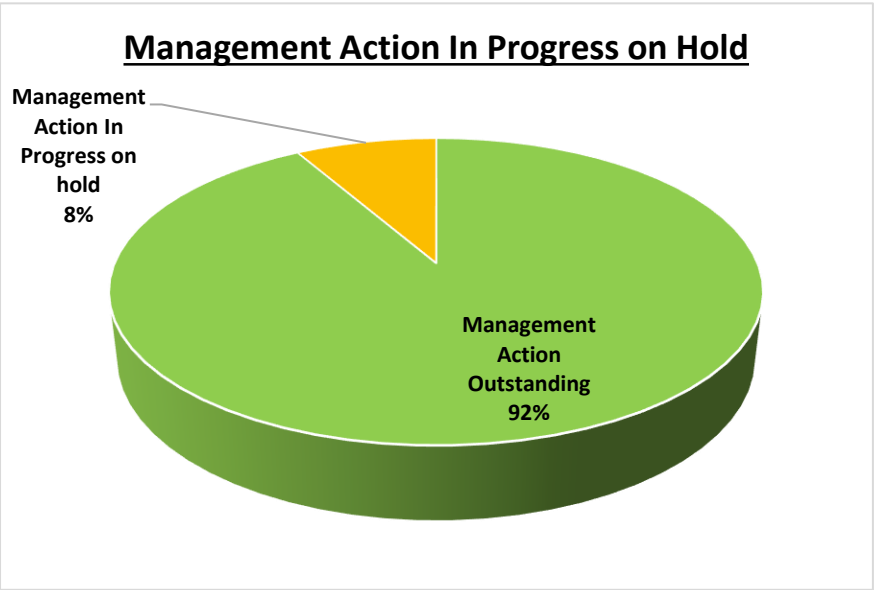
Directorate	Audit Area	Assurance Opinion	Status of Progress for Management Action overdue by 90 days+				Latest Management Update / Comment
			High		Medium		
			Management Action Not Yet Taken	Partially Implemented	Management Action Not Yet Taken	Partially Implemented	
Adults, Health and Communities	ASC Debt Management (27/11/2024)	Limited Assurance	-	1	-	-	Target Implementation Date: 30/04/2025 All development work was halted for CQC preparation and was picked up again at the beginning of August where new reports are being developed.
Adults, Health and Communities	Client Financial Services (20/04/2023)	Limited Assurance	-	-	-	1	Target Implementation Date: 30/11/2023 Management action also reliant on implementation of Eclipse phase three and training.
Adults Health and Communities	ASC Service Provider Viability (05/11/2024)	Limited Assurance	-	2	-	-	Target Implementation Dates: 28/02/2025 and 30/06/2025 A Commissioning for Quality policy has been put in place which sets out how to monitor providers and the actions PCC will take. PCC are checking that there are explicit references to financial checks in the document. Development is ongoing. A Data Source for Provider Financial Status has been identified and work is underway.
Adults Health and Communities	CSC to ASC Social Care Transitions 2024/25	Limited Assurance	-	3	-	1	Target Implementation Dates: 30/06/2025 All development work was halted for CQC preparation and was picked up again at the beginning of August. A new process is being drawn up and centred on the new transition referral form.
Children's Services	CYPF Additional	Limited Assurance	-	1	-	-	Target Implementation Date: 31/01/2022 CareFirst capability needs to be maximised as the finance module is not transferring to Eclipse until 2026. Action to reissue guidance, integrate into the financial

Directorate	Audit Area	Assurance Opinion	Status of Progress for Management Action overdue by 90 days+				Latest Management Update / Comment
			High		Medium		
			Management Action Not Yet Taken	Partially Implemented	Management Action Not Yet Taken	Partially Implemented	
	Spend (22/01/2022)						scheme of delegation for managers in CYPFS (HOS QA and Safeguarding) and develop regular reporting capability in CareFirst to ensure QA of sign offs is possible and incorrect authorisations are monitored has currently been put on hold for CQC Preparations. However scoping out how the changes brought about by the move to Eclipse (Abolition of Low Cost Activity) impact on the Reporting.
Children's Services	SEND Commissioning and Contracting (20/03/2024)	Limited Assurance	-	1	-	-	Target Implementation Date: 31/05/2024 A working group is in place. There is now a framework with amendments being made and the process is being refined with the new Head of Service. There are monthly transition meetings underway with partnership representation to continue to improve in this area.
Resources	Cyber Governance and access management (13/10/2023)	Limited Assurance	-	1	-	-	Target Implementation Date: 30/06/2024 Improvement plan in development by Delt for Joiners, Movers and Leavers. To be discussed with PCC Client. iTrent went live in June 2025 will need some time for this to embed and will then be looking to define digital identities, IT characteristics for role/position linked to systems, hardware, licences required to do their job.
			-	9	-	2	
Total management actions outstanding 90 days +			11				

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

Of the 49 management actions outstanding 4 (8%) are currently in progress on hold the charts below summarise the reason for this position:

- Three management actions are on hold due to awaiting the implementation of the Eclipse Financial Module, expected to be implemented in 2026.
- One management action is on hold due to service restructure that includes dedicated HSW resource.



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Audit and Governance Committee



Date of meeting:	18 November 2025
Title of Report:	2025-26 Q2 Risk Management Update
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Brad Hutton, Devon Assurance Partnership
Contact Email:	bradley.hutton@devon.gov.uk
Your Reference:	
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To provide an update to the Audit & Governance Committee on the current risks included on the Strategic Risk Register. This quarterly report analyses the strategic risks facing Plymouth City Council as of Q2 (September 2025).

Recommendations and Reasons

- I. To note the report.

Reason: To provide visibility of the Strategic Risk Register.

Alternative options considered and rejected

- I. None identified

Relevance to the Corporate Plan and/or the Plymouth Plan

Monitoring of control and mitigations for strategic risks contributes to the delivery of the council's core objectives.

Implications for the Medium Term Financial Plan and Resource Implications:

None arising specifically from this report, but control measures identified in the Strategic Risk Register could have financial or resource implications.

Financial Risks

None arising specifically from this report, but control measures identified in Strategic Risk Register could have financial or resource implications.

Legal Implications

The Accounts and Audit Regulations 2015 require Local Authorities to ensure that their systems of internal control include effective arrangements for the management of risk. Presenting a quarterly update to Audit & Governance Committee is one of the ways in which this requirement is met by the Council.

Carbon Footprint (Environmental) Implications:

There are no impacts directly arising from this report.

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

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

The Strategic Risk Register specifically supports the council's overall governance arrangements.

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	2025-26 Q2 Risk Management Update Report							

Background papers:

*Add rows as required to box below

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

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

Sign off:

Fin	ITG.25. 26.083	Leg	LS/00 0036 09/48 /LB/I 0/I I/ 25	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: 03/11/2025											
Cabinet Member approval: Cllr Mark Lowry approved by email											
Date approved: 03/11/2025											

Risk Management Update

Audit & Governance Committee

Plymouth City Council

November 2025

Official



Brad Hutton

Senior Assurance Manager



1. Introduction.

Plymouth City Council (PCC) like all public sector organisations, cannot be risk averse and still be successful. Risk Management enhances the ability to achieve the council's objectives, deliver its services and be successful, it strengthens the ability to respond to change and challenge, be more resilient and improve decision-making across the council.

PCC has an existing Risk Management framework that it uses to ensure that there is a consistent approach to Risk Management, this was approved by the Audit & Governance committee in November 2023.

Following the issue of central government's [English Devolution White Paper - GOV.UK](#) senior leadership resource has been reassigned to ensure PCC is best prepared to deal with the challenges and opportunities that Devolution will create. This has meant that active support around Risk Management was reduced, therefore PCC leadership utilised its relationship with Devon Assurance Partnership (DAP) to help support the continued support and development of the Risk Management framework, ensuring that the risks accurately reflect PCC's position and that risks are managed in line with the risk management framework that PCC has set out. DAP has qualified and experienced staff to help assist with this and work has begun in further embedding the framework and accurate risk definition.

This paper is intended to provide members of the Committee with a comprehensive update on the Council's ongoing focus on risk management activities. It outlines the planned actions, work commenced, and risk information to support members in fulfilling their oversight responsibilities.

By offering clear and relevant information, this paper enables members to have awareness on the risks associated with the strategic priorities of the Council.

2. Risk Identification.

Initial work by the Senior Leadership team, supported by DAP, has identified fourteen strategic risks that PCC faces.

A strategic risk is defined as: *“Potential events that could impact the long-term strategic objectives of the organisation.”* The risks, a brief description and the assessed current risk score for each of these risks is detailed below. A full copy of the Strategic Risk Register is included as Appendix B to this report.

01 Failure of financial planning and delivery undermining long term sustainability.	<i>Current risk score:</i>
Without effective financial management, governance, and control, the Council faces a significant risk of financial unsustainability. This could lead to substantial and potentially long-term consequences, severely undermining its ability to deliver statutory services and achieve its strategic objectives.	10-19. Medium
02 Failure of cyber security protection framework to prevent data breaches, service disruption or loss of sensitive data.	<i>Current risk score:</i>
The Council faces a constant risk of being targeted by cyberattacks or data breaches involving its protected information. Without having specialist expertise and robust mitigation strategies, it is vulnerable to the loss of extremely sensitive data, disruption to statutory service delivery, and potentially severe financial consequences.	20-25. High
03 Failure to leverage strategic data effectively, resulting in poor decisions.	<i>Current risk score:</i>
Without effective processes and procedures for collecting, storing, presenting, and utilising data, the Council risks being unable to respond to emerging trends, operate efficiently, and make informed decisions. This could result in increased costs, reduced service effectiveness, and poor strategic outcomes.	3 > 9. Low
04 Failure to recruit, retain and support workforce capability and capacity, impacting service delivery and organisational performance.	<i>Current risk score:</i>
Unless the Council actively maintains and supports its existing workforce, it risks losing critical skills and knowledge essential for delivering statutory services and achieving strategic objectives. An additional risk lies in the Council's ability to position itself effectively to attract and retain individuals with the right skills, expertise, and behaviours needed to drive organisational success.	3 > 9. Low
05 Failure to nurture and develop our key relationships leading to a breakdown affecting service delivery.	<i>Current risk score:</i>
Without sufficient attention to building, maintaining, and evolving strategic relationships with key partners, stakeholders, and service providers may lead to a breakdown in effective collaboration. This could result in fragmented service delivery, reduced effectiveness of joint initiatives and missed opportunities for innovation. The impact may be particularly acute in areas requiring multi-agency coordination, such as health, social care, and community safety.	3 > 9. Low

06 Failure to maintain and develop a robust and successful supply chain.	<i>Current risk score:</i>
There is a risk that the Council may not adequately sustain or evolve its supply chain arrangements, including procurement frameworks, supplier relationships, and market engagement strategies. This could lead to service disruption, reduced value for money, delays in project delivery, and increased vulnerability to external shocks such as market volatility or supplier insolvency. A weakened supply chain may also hinder the Council's ability to respond flexibly to emerging needs and strategic priorities, impacting overall service quality and public outcomes.	3 > 9. Low
07 Failure to safeguard vulnerable adults from neglect and harm.	<i>Current risk score:</i>
The Council holds a critical responsibility for safeguarding vulnerable adults from harm, abuse, and neglect. Without the implementation of high-quality care standards and robust safeguarding controls, there is a significant risk of failing to protect the wellbeing of vulnerable individuals. This includes shortcomings in coordinating safeguarding support mechanisms, developing effective procedures and processes, and responding appropriately to safeguarding enquiries.	3 > 9. Low
08 Failure to safeguard vulnerable children from neglect and harm.	<i>Current risk score:</i>
The Council has a statutory duty to protect children from harm, abuse, and neglect. Failure to deliver this responsibility may result from inadequate early intervention, poor multi-agency coordination, insufficient training for professionals working with children, or ineffective safeguarding procedures. Such failures could lead to serious physical or emotional harm, long-term developmental consequences, legal liability, reputational damage, and a loss of public trust in the Council's ability to protect children. Ensuring timely and appropriate responses to safeguarding concerns, alongside strong governance and oversight, is essential to maintaining the safety and wellbeing of children across the city.	3 > 9. Low
09 Failure to maintain effective business continuity and prevention strategies hindering response to major disruptions	<i>Current risk score:</i>
There is a risk that the Council may not sustain or adapt its business continuity arrangements to effectively respond to significant internal or external disruptions. This includes risks arising from climate-related challenges, severe weather events, cyber incidents, infrastructure failures, or other emergencies. Inadequate planning, testing, or resourcing of continuity strategies could lead to service disruption, delayed recovery, financial loss, and reputational damage. Ensuring resilient systems, clear response protocols, and cross-departmental coordination is essential to maintaining critical service delivery during periods of disruption.	10-19. Medium
10 Failure to respond effectively to emergencies or disasters, undermining community support.	<i>Current risk score:</i>
Unless the Council establishes effective procedures to support response and recovery efforts following an emergency or local disaster, it risks undermining its ability to support the community and maintain continuity in service delivery.	3 > 9. Low

11 Failure to effectively support and maintain local infrastructure.	<i>Current risk score:</i>
Failure to maintain effective business continuity strategies may result in an inability to respond to significant internal or external disruptions, including climate-related challenges or severe weather events, potentially impacting service delivery.	3 > 9. Low
12 Failure of strategic asset management to support service delivery and value for money.	<i>Current risk score:</i>
Without effective management of its assets, the Council risks a decline in asset value, reduced revenue from leased properties, increased maintenance and repair costs, and potential health and safety hazards affecting both staff and the public. Additionally, poor asset oversight may expose the Council to legal and liability issues.	10-19. Medium
13 Failure to effectively implement devolution and local government reorganisation, undermining support for Plymouth communities.	<i>Current risk score:</i>
The Council faces significant risks related to both the preparation for and implementation of devolution and local government reorganisation. If not proactively managed through effective governance and mitigating controls, these changes could impact all aspects of the Council's operations including funding, service delivery, housing provision, education services, and the preservation of a strong sense of local community in Plymouth.	0 > 2. Very Low
14 Failure to comply with statutory and regulatory requirements, and broader governance frameworks.	<i>Current risk score:</i>
The potential failure to meet statutory and regulatory obligations that underpin key governance functions, including the lawful administration of elections and referendums, and adherence to procurement legislation. Such failures may arise from insufficient capacity, inadequate oversight, or pressures to accelerate decision-making and delivery. A breach could result in legal challenge, financial penalties, reputational harm, and erosion of public trust. It may also undermine democratic processes and compromise the integrity of governance arrangements, particularly where decisions are made without due process or transparency.	3 > 9. Low

To assist the Committee understanding of the updates made to this register, a copy of the Quarter 1 Risk Monitoring report is included as Appendix C to this report.

Whilst these legacy risks offered coverage across the organisation, this improved position of clearly clarifying the risks and an assigned risk lead at senior management level will improve the overall ownership and accountability of managing and controlling the risks to acceptable levels for the organisation.

3. Planned actions.

Following extensive discussion with Senior Leadership at PCC, the proposed work supporting risk management has commenced, we detail below what will be delivered;

1. Working with the Senior Leadership team to further embed the current Risk Management framework, this work will focus on accurate risk language and definitions, scoring methodology and appropriate response. Additionally, work with Senior Leadership will focus on identifying the key corporate risks that the council faces, describing these risks accurately and designing mitigating controls that are effective and efficient.
2. Collaborating with operational staff to embed the Risk Management framework, increasing the knowledge, and understanding around risk language giving staff the confidence to accurately describe, score and respond to a risk.
3. Further development of the Risk Management framework, including establishing a Corporate Risk Management Group to actively manage risk, creation of operational risk registers, updating training materials and designing risk engagement strategies that support identification and management of risk across the organisation.

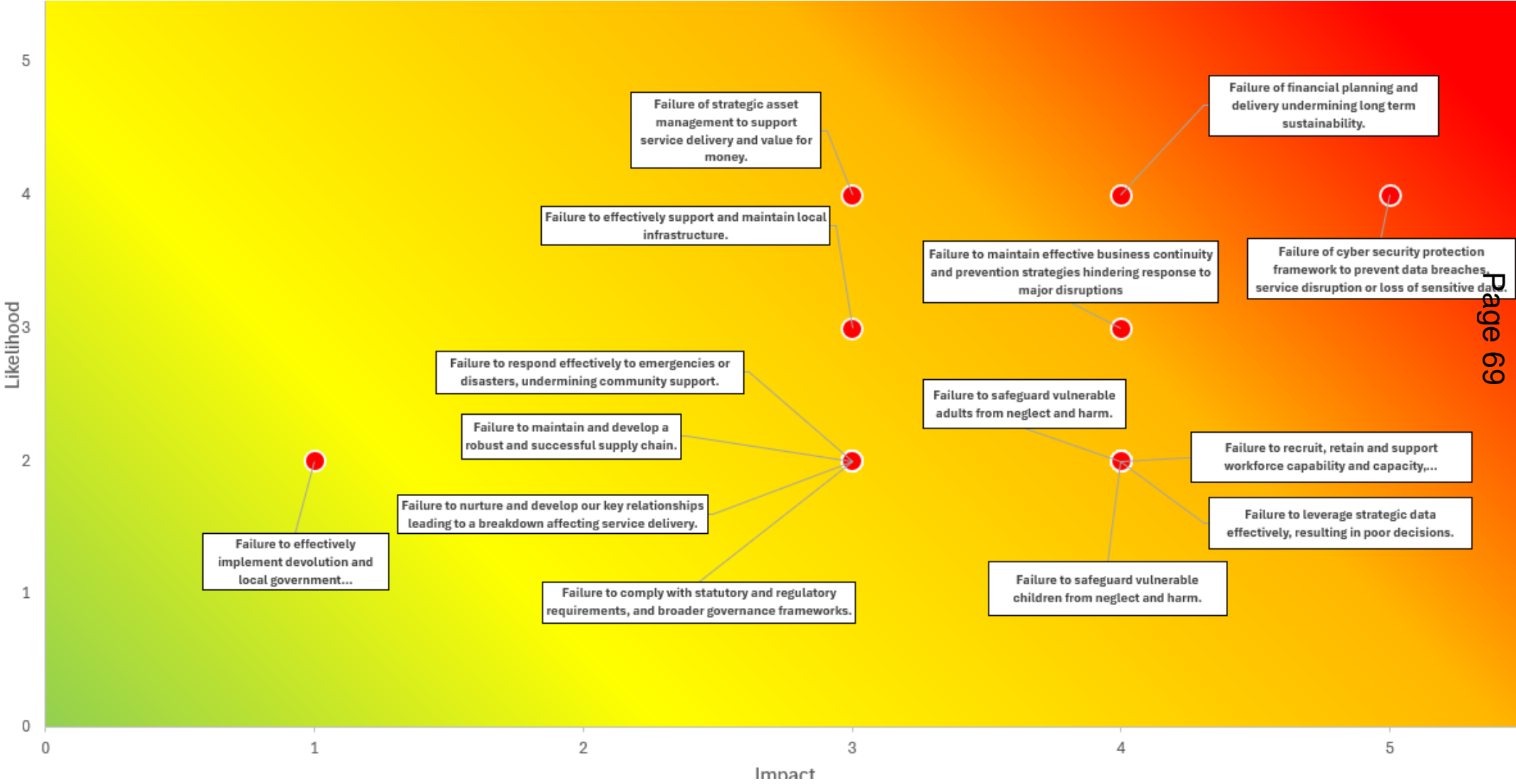
Work has already commenced and nearing its final stages on the first phase of the work, whereby a risk workshop, CMT discussion and significant risk identification work has been completed.

The work supporting the second and third phase are due to be completed in the remainder of 2025. Further updates will be provided to each committee providing progress against the work outlined above.

Brad Hutton – Senior Assurance Manager, Devon Assurance Partnership. October 2025.



Appendix A – Strategic Risk Register Heat Map



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APPENDIX B - Strategic Risk Register

RISK ID	RISK EVENT	RISK STATEMENT	OVERALL INHERENT SCORE	RISK OWNER	CAUSE CONTROLS	MITIGATING CONTROLS/PROGRESS CAUSE CONTROLS	MITIGATING CONTROLS/PROGRESS IMPACT CONTROLS	CURRENT LIKELIHOOD SCORE	CURRENT IMPACT SCORE	OVERALL CURRENT SCORE
01	Failure of financial planning and delivery undermining long term sustainability.	Without effective financial management, governance, and control, the Council faces a significant risk of financial unsustainability. This could lead to substantial and potentially long-term consequences, severely undermining its ability to deliver statutory services and achieve its strategic objectives.	20-25. High	Service Director for Finance (s151 Officer)	Preventative controls: <ul style="list-style-type: none">• Medium-Term Financial Plan (MTFP) aligned with corporate priorities• Annual budget setting process with member scrutiny• Financial Regulations and Scheme of Delegation• Pervasive system of financial control as considered and assured through the Annual Governance Statement and self-assessment in line with CIPFA Financial Mgt Code• Reserves policy and review of financial resilience indicators• Strategic alignment between finance and service planning• Annual Governance Statement Detective controls: <ul style="list-style-type: none">• Monthly budget monitoring and variance analysis• Quarterly financial reporting to Cabinet and Scrutiny• Internal audit programme covering financial controls• External audit of financial statements and value for money	<ul style="list-style-type: none">• Financial recovery plans and in-year budget adjustments• Targeted support and training for budget holders• Action plans following audit recommendations• Use of contingency and earmarked reserves	4. Likely	4. Major	10-15. Medium	
02	Failure of cyber security protection framework to prevent data breaches, service disruption or loss of sensitive data.	The Council faces a constant risk of being targeted by cyberattacks or data breaches involving its protected information. Without having specialist expertise and robust mitigation strategies, it is vulnerable to the loss of extremely sensitive data, disruption to statutory service delivery, and potentially severe financial consequences.	20-25. High	Chief Operating Office	The Council continues to invest and support Delt to implement cost effective technology to protect our systems and networks, recent improvements include: <ul style="list-style-type: none">• ES data loss protection• ES end point detection• Asset management software tracking devices connecting to our network• Real time vulnerability scanning across our estate• 3rd party specialist monitoring and response to suspicious activity and threat analysis We also work to strengthen our "human firewall" with continued emphasis on: <ul style="list-style-type: none">• Staff training and awareness, including our annual cyber security awareness week• Strong password rules• Multi factor authentication on accounts• Blocking of international access	The Council is implementing a strategy of diversification of our key systems across different hosting arrangements in order to minimise the chances of all systems being compromised simultaneously. Additionally the Council works closely with Delt to exercise business continuity plans and disaster recovery routines within Delt. We have a process to support and protect individuals whose accounts have been compromised to help them rebuild relationships and trust with 3rd parties that might have been sent infected messages. Delt have limited insurance cover for a cyber attack.	4. Likely	5. Catastrophic	20-25. High	
03	Failure to leverage strategic data effectively, resulting in poor decisions.	Without effective processes and procedures for collecting, storing, updating, presenting, and utilising data, the Council risks being unable to respond to emerging trends, operate efficiently, and make informed decisions. This could result in increased costs, reduced service effectiveness, and poor strategic outcomes.	10-19. Medium	Chief Operating Office	The Council has recently created a new record store for physical files. The new store provides the right conditions to maintain paper files and has been catalogued to be clear about what data is contained there. Over the course of the next 18 months or so the Council will be seeking to migrate digital records from the locally hosted (by Delt) S: and F: drives to the Microsoft hosted Sharepoint and One Drive. This migration will give an opportunity to consider what data we are currently storing and remove the Duplicates, Redundant records, Obsolete data and Trivial (DROT). The Council is also refreshing its Record of Processing Activity (ROPA), this provides an index of all the data entities accessed and processed by the Council. Maintaining this index will provide a sound platform for exploiting our data in future.	Creating a Data, Insight and AI Service (DIAS) required to support both our City Help and Support (delivering prevention) and operational efficiencies across the Council will focus the organisation on data cleansing and management requirements as well as bringing the right skills to bear on opportunities to create single view and predictive models to help identify how and where interventions could be targeted to avoid residents falling into crisis.	2. Unlikely	4. Major	3 > 9. Low	
04	Failure to recruit, retain and support workforce capability and capacity, impacting service delivery and organisational performance.	Unless the Council actively maintains and supports its existing workforce, it risks losing critical skills and knowledge essential for delivering statutory services and achieving strategic objectives. An additional risk lies in the Council's ability to position itself effectively to attract and retain individuals with the right skills, expertise, and behaviours needed to drive organisational success.	10-19. Medium	Service Director for HR/D	<ul style="list-style-type: none">• Use of pay mechanisms e.g. R&R premia, MFS• Promotion of benefits – key part of work at PCC• Update and attractive recruitment materials• Targeted advertising through e.g. LinkedIn• Analysis & benchmarking• Local training budgets, use of apprenticeship levy• Team conversations through charters• Review of support mechanisms• Workforce planning tools• Corporate training programmes - Management & Leadership Development, Digital Academy	<ul style="list-style-type: none">• Apprenticeship/early careers strategy, development programmes, pay supplements• Developed skills using e.g. LinkedIn & similar• Workforce planning toolkits• Workforce planning in those areas• Quality Assurance of services• Updated People Strategy• Developing links with schools, colleges, universities• Work experience programmes, outreach to schools• Work with other agencies e.g. Armed Forces, DWP	2. Unlikely	4. Major	3 > 9. Low	
05	Failure to nurture and develop our key relationships leading to a breakdown affecting service delivery.	Without sufficient attention to building, maintaining, and evolving strategic relationships with key partners, stakeholders, and service providers may lead to a breakdown in effective collaboration. This could result in fragmented service delivery, reduced effectiveness of joint initiatives and missed opportunities for innovation. The impact may be particularly acute in areas requiring multi-agency coordination, such as health, social care, and community safety.	3 > 9. Low	Strategic Director Adults, Health and Communities	<ul style="list-style-type: none">• Investment in key partner relationship development and maintenance• Effective and clear governance arrangements that include escalation and resolution approaches• Safeguarding roles and responsibilities are clearly defined across services to ensure accountability and coordination.• Regular communication and engagement with key partners along with clearly established communication channels.• Quality assurance processes are in place to monitor the effectiveness of safeguarding interventions and care standards.	<ul style="list-style-type: none">• A response framework is in place to escalate and address safeguarding concerns or issues, including established resolution process.• Internal audit and case review mechanisms help identify gaps and drive continuous improvement.• Use of wider partnerships to support navigation of issues	2. Unlikely	3. Moderate	3 > 9. Low	

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06	Failure to maintain and develop a robust and successful supply chain.	There is a risk that the Council may not adequately sustain or evolve its supply chain arrangements, including procurement frameworks, supplier relationships, and market engagement strategies. This could lead to service disruption, reduced value for money, delays in project delivery, and increased vulnerability to external shocks such as market volatility or supplier insolvency. A weakened supply chain may also hinder the Council's ability to respond flexibly to emerging needs and strategic priorities, impacting overall service quality and public outcomes.	10-19. Medium	Service Director for Finance (s151 Officer)	<ul style="list-style-type: none">• Procurement Strategy explicitly identifies contract and supplier relationship management as a vital enabler to the successful delivery of public services.• Subject matter experts must be engaged at the earliest opportunity within a procurement process to provide advice and guidance on any risks and mitigations relevant to their area of expertise. Where appropriate subject matter experts should continue to be consulted at appropriate times throughout the procurement process and during the delivery of the contract. Any gaps in the Council's internal expertise must be noted in the business need analysis and plans for the appropriate mitigation of any associated risks put in place.• Business cases are required for all contracts valued over £50K to justify investment, ensure alignment with Council priorities and identify risks to be considered as part of procurement processes.• A sourcing strategy is required for all contracts valued over £50K to identify the procurement route to market which represents best value taking into consideration the value, nature and risk profile of the contract in question. This includes consideration of supplier diversification to reduce reliance on single providers and improve resilience.• Pre-procurement early market engagement is strongly encouraged to inform the contract specification and sourcing strategy and warm up potential suppliers including the encouragement to form partnerships to ensure resilience.• Procurement processes are standardised and subject to regular review to ensure transparency, consistency, compliance, and the incorporation of good practice.• Contracts are awarded based on 'Best Value' defined as the optimum combination of price, quality and social value. What is optimum is defined on a procurement-by-procurement basis according to the nature, value and risk profile of the contract.• Contracts are awarded on the Council's standard terms and conditions wherever possible to ensure consistent management and adherence to key risk areas such as Data Protection.• The setting of contract KPIs and related contract management requirements is a standard consideration within procurement processes and is mandatory for contracts subject to the Procurement Act above ESM (ex VAT).• Contract management and monitoring arrangements must be undertaken in a manner that is relevant and proportionate to the benefits and the risks associated with the specific requirement. Any Officer who is appointed a Contract Manager must have the appropriate skills and experience to ensure delivery of the Council's requirement in accordance with the contract.• Contract awarded under the Procurement Act must be monitored in accordance with legislation including the publication of mandatory notices.• Contract extensions, variations and novation cannot be executed without the engagement of Procurement and obtaining the necessary authorisations.	<ul style="list-style-type: none">• In the event that a supplier breaches or fails to perform in accordance with their contract, the matter should be brought to the attention of the supplier at the earliest opportunity. Where the failure(s) is not serious or material in nature all reasonable steps should be taken to agree an improvement or performance management plan.• Where a failure is serious or material in nature, or a supplier has been given proper opportunity to improve performance and failed to do so discussion must take place with Legal Services and Procurement on next steps.• Service business continuity and contingency plans must be in place to ensure delivery of critical and statutory services during supplier disruption.• Financial oversight mechanisms, including cost tracking and contract reviews, help manage recovery costs and prevent unexpected increases.• Advice should be sought from Legal Services and Procurement prior to any contract being terminated.• Contracts must be terminated in accordance with the terms and conditions of contract and in accordance with the Legislation where applicable.• Consideration can be given to the use of the 'emergency' procurement procedure and use of 'waivers' to put in place alternative arrangements.	2. Unlikely	3. Moderate	3 > 9. Low
07	Failure to safeguard vulnerable adults from neglect and harm.	The Council holds a critical responsibility for safeguarding vulnerable adults from harm, abuse, and neglect. Without the implementation of high-quality care standards and robust safeguarding controls, there is a significant risk of failing to protect the wellbeing of vulnerable individuals. This includes shortcomings in coordinating safeguarding support mechanisms, developing effective procedures and processes, and responding appropriately to safeguarding enquiries.	10-19. Medium	Strategic Director Adults, Health and Communities	<ul style="list-style-type: none">• Development and maintenance of a social work practice model setting out the standards of practice in this area.• Training and Development Programme for staff delivering mandatory safeguarding and protection services and ensure attendance compliance.• Maintain the Plymouth Safeguarding Partnership for Adults, independently chaired, that brings all partners together to support ensuring people are safe in our City.• Deliver early intervention and prevention services• Promote Adult Safeguarding across our city and its provider including the community and voluntary sector• Strong Governance and Performance Management and quality assurance is in place, including by elected members and external challenge partners. Sector Led Improvement Partners are in place and performance management and quality assurance information is scrutinised regularly at all levels of management to drive practice.	<ul style="list-style-type: none">• Robust referral and safeguarding processes in place.• Robust safeguarding arrangements in place across the Plymouth Safeguarding Partnership; safeguarding escalation process in place and effective emergency response.• Effective quality safeguarding practice.• Build and maintain effective relationships within the service and with service users; receive and act on feedback and learning from incidents.• Maintain good relationships with regulators; including Ofsted and ensure the service meets Ofsted standards.• Positive communication with stakeholders and public.	2. Unlikely	4. Major	3 > 9. Low
08	Failure to safeguard vulnerable children from neglect and harm.	The Council has a statutory duty to protect children from harm, abuse, and neglect. Failure to deliver this responsibility may result from inadequate early intervention, poor multi-agency coordination, insufficient training for professionals working with children, or ineffective safeguarding procedures. Such failures could lead to serious physical or emotional harm, long-term developmental consequences, legal liability, reputational damage, and a loss of public trust in the Council's ability to protect children. Ensuring timely and appropriate responses to safeguarding concerns, alongside strong governance and oversight, is essential to maintaining the safety and wellbeing of children across the city.	10-19. Medium	Director Children's Services	<ul style="list-style-type: none">• Implement Training and Development Programme for staff delivering mandatory safeguarding and protection services and ensure attendance compliance.• Implement values and behaviours framework, receive and act on staff feedback and deliver the Achieving Excellence 3 Year Improvement and Transformation Plan.• Deliver early intervention and prevention services and the Family First for Children Programme to reduce demand for statutory services and maintain caseloads at manageable levels.• Active permanent recruitment campaigns in place to fill staffing gaps and maintain manageable workloads that reduces staff turnover and sickness and maintains good staff morale.• Strong Governance and Performance Management and quality assurance is in place, including by elected members and external challenge partners. Sector Led Improvement Partners are in place and performance management and quality assurance information is scrutinised regularly at all levels of management to drive practice.	<ul style="list-style-type: none">• Robust referral and safeguarding processes in place.• Well-functioning Partnership Integrated Front Door to Children's Services.• Robust safeguarding arrangements in place across the Plymouth Safeguarding Partnership; safeguarding escalation process in place and effective emergency response.• Effective quality safeguarding practice.• Build and maintain effective relationships within the service and with service users; received and act on feedback.• Maintain good relationships with regulators; including Ofsted and ensure the service meets Ofsted standards.• Positive communication with stakeholders and public.	2. Unlikely	4. Major	3 > 9. Low
09	Failure to maintain effective business continuity and prevention strategies hindering response to major disruptions	There is a risk that the Council may not sustain or adapt its business continuity arrangements to effectively respond to significant internal or external disruptions. This includes risks arising from climate-related challenges, severe weather events, cyber incidents, infrastructure failures, or other emergencies. Inadequate planning, testing, or resourcing of continuity strategies could lead to service disruption, delayed recovery, financial loss, and reputational damage. Ensuring resilient systems, clear response protocols, and cross-departmental coordination is essential to maintaining critical service delivery during periods of disruption.	10-19. Medium	Chief Operating Office	<ul style="list-style-type: none">• Introduce resource to ensure effective business continuity plans are in place across the organisation (BCP Officer); testing of plans at CMT and S11 level; ensure appropriate council response plans to mitigate against the causes is in place (e.g. response to adverse weather etc).	<ul style="list-style-type: none">• The mitigation for impact is predominantly around implementing a multi-layered approach that addresses both preparedness and resilience.• Assign clear ownership and accountability for continuity planning across directorates.• Integrate BCM into corporate risk management and strategic planning processes.• Use scenario planning to test responses to disruptions like floods, heatwaves, cyber incidents, or supply chain failures.• Deliver regular training and exercises for staff, including tabletop and live simulations.• Promote a culture of resilience through awareness campaigns and leadership engagement.• Continuous improvement through schedule annual reviews of BCPs and update them after any incident or exercise.	3. Possible	4. Major	10-19. Medium
10	Failure to respond effectively to emergencies or disasters, undermining community support.	Unless the Council establishes effective procedures to support response and recovery efforts following an emergency or local disaster, it risks undermining its ability to support the community and maintain continuity in service delivery.	3 > 9. Low	Director Of Public Health	<ul style="list-style-type: none">• Emergency Planning: Comprehensive emergency response plans are developed and maintained, including site-specific arrangements for statutory sites like Devonport Dockyard and Cattedown Fuel Depots. These plans are regularly reviewed and tested against the Community Risk Register to ensure they remain relevant and effective.• Coordination: Multi-agency collaboration is strengthened through active participation in the Local Resilience Forum (LRF), which supports joint planning and exercises. Roles and responsibilities are clearly defined under the Civil Contingencies Act to ensure all stakeholders understand their emergency functions.• Resources: Resource and capacity limitations are managed through the Council's business continuity framework, which prioritises critical services. Mutual aid agreements with neighbouring authorities provide additional support when needed.• Training: Staff capability is enhanced through ongoing training and development programmes. Regular involvement in regional and national resilience exercises helps maintain a high level of preparedness.• Infrastructure: Infrastructure risks are addressed through targeted risk assessments and strategic investment planning. This ensures that critical infrastructure remains resilient and supported by appropriate emergency arrangements.• Communication: Internal and external communication challenges are mitigated through established protocols and multi-channel emergency notification systems. These enable timely and effective information sharing with staff, partners, and the public.• Awareness: The Civil Protection Service promotes awareness of business continuity planning by offering guidance and support to departments and local businesses. Online resources help integrate continuity planning into broader emergency preparedness efforts.• Continuity Planning: The risk of poor or absent continuity planning is reduced through regular audits and scenario-based exercises. A Council-wide framework ensures continuity arrangements are embedded across all services.	<ul style="list-style-type: none">• Public Safety: Emergency plans coordinate with emergency services, health partners, and voluntary agencies for rapid support and safeguarding.• Environmental Protection: Site-specific plans and ecological risk assessments guide containment and remediation in sensitive areas.• Community Support: Resource mobilisation protocols and collaboration with VCSE and LRF ensure access to essential services and welfare.• Economic Stability: Business continuity and recovery coordination help local businesses resume operations and stabilise the economy.• Financial Management: Contingency funding, service prioritisation, mutual aid, and access to Bellwin scheme reduce financial strain.• Regulatory Compliance: Adherence to statutory duties (Civil Contingencies Act, REPPR 2015, COMAH 2015); regular audits and risk register reviews.• Recovery Planning: Pre-identified recovery leads and frameworks support structured service restoration, guided by the Major Incident Recovery Plan.• Stakeholder Engagement: Transparent communication maintained via LRF's Warning and Informing Cell and Corporate Communications Team.• Reputational Risk: Managed through proactive communication, media protocols, and clear public messaging to shape accurate narratives.	2. Unlikely	3. Moderate	3 > 9. Low

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11	Failure to effectively support and maintain local infrastructure.	Failure to maintain effective business continuity strategies may result in an inability to respond to significant internal or external disruptions, including climate-related challenges or severe weather events, potentially impacting service delivery	10-19: Medium	Strategic Director for Growth	<ul style="list-style-type: none"> PCC aligns with the Well-Managed Highway Infrastructure Code of Practice, adopting a risk-based asset management approach to ensure continuity and resilience. Policies and strategies are signed off by the Portfolio Holder, regularly reviewed, and shared with the Department for Transport to ensure transparency and accountability. Funding applications to DfT and Corporate are fully developed, risk-based, and supported by clear business cases that reflect a managed decline scenario. Spend profiling is managed dynamically throughout the budget cycle to optimise resource allocation and delivery. A robust data-driven approach is used for planned works, including detailed condition data, timely intervention, asset sweating, and prioritisation. PCC prioritises its classified network, with red condition rates benchmarked favourably, and targets investment to address challenges in the unclassified network. Preventative works are undertaken to slow or halt infrastructure decline, reducing vulnerability to climate-related events. Strategy delivery is informed by national guidance and industry best practice, including the Highways Management Efficiency Programme. Cross-departmental coordination is embedded in planning and delivery to ensure integrated responses to disruption. Regular strategy reviews and updates ensure alignment with evolving regulations and policy requirements. 	<ul style="list-style-type: none"> Continuity considerations are built into asset management and procurement processes to address third-party dependencies. Communication protocols and data systems support consistent messaging and informed decision-making during disruption events. 	3. Possible	3. Moderate	3 > 9. Low
12	Failure of strategic asset management to support service delivery and value for money.	Without effective management of its assets, the Council risks a decline in asset value, reduced revenue from leased properties, increased maintenance and repair costs, and potential health and safety hazards affecting both staff and the public. Additionally, poor asset oversight may expose the Council to legal and liability issues.	10-19: Medium	Chief Operating Officer	<ul style="list-style-type: none"> Underperformance – lack of generated income. A maintenance strategy is being developed to benchmark against industry standards for achieving legal compliance, a full planned preventive maintenance schedule is being developed to ensure all assets are serviced in line with that developing strategy Inadequate financial planning. Full condition and asset surveys are planned or have been undertaken, this data will inform a planned preventative maintenance programme to inform annual capital investment requirements. Lifecycle data will lead to a better short, medium and long term plan for known lifecycle asset replacement and better ability to budget and plan accordingly. Depreciation/Market conditions. Developing a maintenance strategy and planned preventative programme will mitigate (where possible) accelerated asset depreciation. Budgetary constraints restricting investment. A prioritisation matrix is being developed to assess items requiring investment against safety, financial, reputational and service delivery impacts. FM Governance Boards adds an additional layer of scrutiny to assess conflicting needs and agree those items requiring investment against a limited financial position. Lack of/poor maintenance records/plans. Audits are being undertaken to identify and asset tag all serviceable assets. Risk assessments are being undertaken or updated and compliance documentation being sought if gaps are highlighted. The Civica Property asset management system is being developed to retain compliance documentation and will be a more controlled and auditable system than in place currently. Neglect of safety protocols. Training on key compliance areas to be refreshed. Responsible persons to be identified, trained and appointed. Person in Control (PIC) system to be reviewed to ensure only those with the necessary competencies carry out relevant tasks. Lack of communication to stakeholders. Staffing gaps and revised structure with new positions will better enable FM to deal with the workload and manage incoming tasks (including creation of a dedicated helpdesk). Review of procedures including developing the Civica system will enable clear communication protocols to be established. FM Governance Board acts at a higher level and can be used as a route to inform or consult with wider stakeholders where required. 	<ul style="list-style-type: none"> Asset Management Strategy is an essential mitigation measure that is yet to be addressed but will form part of mitigation of impact - to address areas of greatest risk. Benchmarked assets, full maintenance schedule, prioritisation Preventative maintenance programme, plan for lifecycle asset replacement. FM Governance Board, including Communication representation. Capital Programme Group Development of Civica system for control and oversight FM improvement programme, compliance audits and checks Relationship with Cabinet members & senior officers 	4. Likely	3. Moderate	10-19: Medium
13	Failure to effectively implement devolution and local government reorganisation, undermining support for Plymouth communities.	The Council faces significant risks related to both the preparation for and implementation of devolution and local government reorganisation. If not proactively managed through effective governance and mitigating controls, these changes could impact all aspects of the Council's operations including funding, service delivery, housing provision, education services, and the preservation of a strong sense of local community in Plymouth.	3 > 9. Low	Chief Executive Officer	<ul style="list-style-type: none"> Political consensus - Cross-Party Advisory Leadership Group (R001, R016) addresses undefined devolution preferences by creating structured political engagement and regular briefings, converting political uncertainty into managed consensus-building. Structural clarity - Programme Board with defined governance (R004) tackles unclear structures and ambiguous responsibilities by establishing clear accountability lines and dedicated Programme Manager, transforming organisational confusion into structured delivery. Inter-authority collaboration - Regular Lead Officer meetings and coordination protocols (R010) counter the lack of collaboration through systematic partnership working and task groups, replacing ad-hoc relationships with structured cooperation. Resource management - Core team designation and subject matter experts (R011) addresses resource gaps by allocating dedicated expertise whilst maintaining BAU operations, ensuring adequate skills and capacity. Financial planning - Prudent financial modelling with transparent assumptions (R006, R029) tackles budget inadequacy through realistic cost planning, benchmarking, and continuous review processes. Data quality - Central data repository (R003) addresses poor data quality by establishing validated information sources and systematic data collection, enabling evidence-based decisions. 	<ul style="list-style-type: none"> Communication management: Multi-channel strategy with FAQs and social media (R007) prevents transition uncertainty cascading into public confusion by providing reliable information sources. Service continuity: Clear separation of BAU and transformation activities with performance monitoring (R031) addresses service disruption risks whilst Employee Assistance Programme (R033) maintains staff morale. Stakeholder confidence: Extensive engagement protocol with Parish Councils (R013) and cross-party consensus building manages public dissatisfaction and reputational risks by ensuring communities feel involved. Quality assurance: Programme Board oversight aligned to government criteria (R020) prevents delivery failures through systematic milestone reviews and quality processes. Legal/financial protection: Legal Services involvement (R024) and continual financial modelling review (R029) protects against compliance failures and budget overruns. 	2. Unlikely	1. Negligible	0 > 2. Very Low
14	Failure to comply with statutory and regulatory requirements, and broader governance frameworks.	The potential failure to meet statutory and regulatory obligations that underpin key governance functions, including the lawful administration of elections and referendums, and adherence to procurement legislation. Such failures may arise from insufficient capacity, inadequate oversight, or pressures to accelerate decision-making and delivery. A breach could result in legal challenge, financial penalties, reputational harm, and erosion of public trust. It may also undermine democratic processes and compromise the integrity of governance arrangements, particularly where decisions are made without due process or transparency.	10-19: Medium	Service Director for Legal (Monitoring Officer)	<ul style="list-style-type: none"> Governance and Oversight 1. Maintain and regularly review the local authority's constitution, standing orders, and scheme of delegation to ensure clarity of roles, responsibilities, and decision-making authority. 2. Audit and Governance Committee provides independent oversight by reviewing compliance, governance frameworks, and risk management. 3. Monitoring Officer ensures lawful decision-making and compliance with statutory requirements. 4. Section 151 Officer ensures sound financial management and compliance with the Local Government Finance Act 1988 and CIPFA standards. In-house legal advisors to review decisions, contracts, and policy updates for compliance. Implementation of clear procedures for key statutory functions (planning, housing, environmental health, finance, social care, etc.) and reviewed regularly. Provision of regular mandatory training for councillors and staff on governance, ethics, data protection, health & safety, and equalities. Internal and external assurance through audit, performance monitoring and risk recording. Maintenance of statutory policies and procedure framework eg: whistleblowing policy; equalities and diversity policy etc 	<ul style="list-style-type: none"> Implement clear process for promptly reporting, logging, and escalating compliance breaches to the Monitoring Officer, Chief Executive, or Audit and Governance Committee to ensure swift limitation of damage and remediation. Communication plan for managing legal, regulatory, or reputational incidents, including media handling and member/officer briefings. Swift referral to legal team to advise on potential remedies actions to rectify any breach; Ability to easily convene urgent committee/governance meetings to approve necessary actions; Become familiar with external relevant regulators such as ICO, Local Government Ombudsman etc to be able to liaise and deal with external investigations easily; Commissioning of independent or external reviews following significant governance breaches to ensure transparency and credibility. Updating internal policies and procedures based on feedback received from any breaches/incidents. Insurance policies and financial contingencies in place to limit impact. 	2. Unlikely	3. Moderate	3 > 9. Low

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Appendix C – 2025-26 Quarter I Risk Monitoring Report

for information purposes only

Directorate	Category	Title	Existing Key Controls	Pre Mitigation Risk Score (gross)	Mitigation	Post Mitigation Risk Score (net)	Direction of travel	Previous quarter Risk Score
Customer and Corporate Services	Financial	Delivery of financial sustainability through Medium Term Financial Plan	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.	25	<p>Close monitoring of spend with mitigations for any forecast pressures. Build constant dialogue with DMTs through finance partnering, and extend with updates to SLT and Team Plymouth. MTFS developed over summer and presented to full Council in early Autumn, with clear plan set out to produce a balanced budget and MTFP by February 2026.</p> <p>CIPFA Financial Self-Assessment undertaken annually, with action plan developed for improvements.</p>	20	◀ ▶	20
Children's Services	Operational/Service Delivery	Social Care Sustainability (Children's)	Regular robust review of demand and capacity across children's services, informing trend analysis, future projections and resource requirements Early introduction of Families First Partnership to strengthen Partnership working and early intervention to help more children and families receive services at the lowest level of intervention and prevent children from coming into the Council's Care. Strong Governance processes in place to support children and families at the lowest level of intervention. The delivery of a work programme called Family Homes for Plymouth Children to reduce the number of children in residential and un-regulated placements and increase the number of in-house foster carers.	25	<p>Delivery of Children's Services 'Achieving Excellence' 3-year Improvement and Transformation Strategy to March 2027. Development of in-house residential children's home provision run and managed by the Council. A focus and continued investment in early intervention and prevention. Collaborative commissioning with health partners and challenge to the level of health funding to individual packages of care.</p>	20	▲	16
Adults, Health and Communities	Operational/Service Delivery	Social Care Sustainability (Adult's)	Regular review of demand and capacity across adults' services and trend analysis informing projections and workforce planning. Strong Reablement offer for hospital discharge routes maximising independence, provider failure and mutual aid process,	25	<p>The key mitigations are monitored through our integrated transformation and business as usual governance including:</p> <ul style="list-style-type: none"> A Focus on early intervention and prevention Operational performance oversight and capacity planning Development of Reablement pathways through our social care front door Collaborative commissioning with health partners Provider of concern oversight and active support Care zoning approach in adult services Wider system workforce capacity planning supported by our Caring Plymouth initiative 	16	◀ ▶	16

Directorate	Category	Title	Existing Key Controls	Pre Mitigation Risk Score (gross)	Mitigation	Post Mitigation Risk Score (net)	Direction of travel	Previous quarter Risk Score
Customer and Corporate Services	Cyber	Digital and Data Resilience	IT Security Policy, Business Continuity plans, Infrastructure patching, IT provider assessment, Information Audits, Staff training	25	<p>Implement clearly defined risk ownership model for IT risks</p> <p>Develop consistent Risk Appetite statement specific to IT and Cyber Security</p> <p>Investments in tracking assets connecting to our networks and managing and detecting threats on laptops and other user devices are being implemented.</p> <p>Mandatory staff and Member training around information and cyber security provided each month via KnowBe4.</p> <p>Proposals to improve technical vulnerability scanning being finalised</p> <p>Improved controls over staff joining, moving roles and leaving PCC to ensure we provide the least privileges required to perform any given role.</p> <p>Implement strengthened data protection capabilities included with latest Microsoft licencing deal.</p> <p>2025 PSN certificate just issued to PCC based on sample testing of systems in March.</p> <p>Update the Councils record of data processing activity (ROPA) to track where and how data is being used across the organisation</p> <p>Work to continue to strengthen and test business continuity plans</p>	16	◀ ▶	16
Adults, Health and Communities	Operational/Service Delivery	Homelessness	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, with availability of long-term housing below required levels and legislation changes (Renters Reforms) also creating some short-term demand growth.	25	<p>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.</p> <p>The Homelessness Recovery Board is managing / delivering operational elements of the recovery plan, and reports onto the Taskforce.</p>	12	◀ ▶	12

Directorate	Category	Title	Existing Key Controls	Pre Mitigation Risk Score (gross)	Mitigation	Post Mitigation Risk Score (net)	Direction of travel	Previous quarter Risk Score
Chief Executive Office	Strategic Change	Local Government Reorganisation Uncertainty	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	◀ ▶	12
Growth	Development and Regeneration	Climate Adaptation and Environmental Resilience	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	◀ ▶	12

Directorate	Category	Title	Existing Key Controls	Pre Mitigation Risk Score (gross)	Mitigation	Post Mitigation Risk Score (net)	Direction of travel	Previous quarter Risk Score
Public Health	Operational/Service Delivery	Failure to reduce Health Inequalities	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	◀ ▶	12
Customer and Corporate Services	Compliance, Regulation and Safeguarding	Risk Culture and Capability	Risk and Opportunity Management Strategy Risk app for reporting CMT quarterly reviews Risk Management site with accessible guidance on risk management.	16	Devon Audit Partnership commissioned to deliver enhanced risk management approach, including a planned updated to risk strategy, appetite and internal escalation management. Initial engagement during summer 2025 to develop refreshed strategic risk register alongside risk management action plan for delivery in second half of year.	12	◀ ▶	12
Public Health	Operational/Service Delivery	Pandemic or high impact disease outbreak	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; COVID19 and flu seasonal vaccination programme/ Corporate emergency response plans / business continuity plans / regular meetings ODPH and UKHSA	12	Incident response and recovery plans are agile and are up to date, and business continuity plans are being reviewed. All plans incorporate key learning from covid and are tested regularly. There are national alerting systems for new potential threats and the plans to manage them. The Council is a proactive Local Resilience Forum partner and pandemic exercising is undertaken.	12	◀ ▶	12

Directorate	Category	Title	Existing Key Controls	Pre Mitigation Risk Score (gross)	Mitigation	Post Mitigation Risk Score (net)	Direction of travel	Previous quarter Risk Score
Growth	Development and Regeneration	Insufficient economic performance	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	◀ ▶	9
Chief Executive Office	Compliance, Regulation and Safeguarding	Legislative Change Implementation	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	◀ ▶	9

Directorate	Category	Title	Existing Key Controls	Pre Mitigation Risk Score (gross)	Mitigation	Post Mitigation Risk Score (net)	Direction of travel	Previous quarter Risk Score
Customer and Corporate Services	Compliance, Regulation and Safeguarding	Insufficient workforce	Workforce data. Employee Assistance Programme. Organisational Restructure toolkit. Workforce Planning Toolkit Management & Leadership Development Programs	15	Targeted support for Children Services – resourcing and capacity / Introduction of new assistant social worker positions Review of People Strategy for 2025 Improving recruitment & induction/onboarding processes. Implementing program of workforce planning Collaborative work with ADEPT on national campaign for Place recruitment Implementation of Apprenticeships & Early Careers Strategy Management & Leadership Development Programs	9	◀ ▶	9
Growth	Financial	Major projects - capacity and cost inflation	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 Mark 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	◀ ▶	9
Adults, Health and Communities	Operational/Service Delivery	Adult Social Care - funding for National Living Wage increase	Budget planning in hand to ensure that the cost of the increase is covered.	9	Market engagement and communications plan with providers around the process in place to determine fee rates. Use Low Pay Commission data to inform budget and MTFP planning BAU commissioning activity with providers to understand pressures. Providers who approach us with concerns will be asked to submit financial information so we can assess the risk to sustainability to allow mitigation if needed.	9	◀ ▶	9

Directorate	Category	Title	Existing Key Controls	Pre Mitigation Risk Score (gross)	Mitigation	Post Mitigation Risk Score (net)	Direction of travel	Previous quarter Risk Score
Executive Office	Trust and Confidence	Governance Arrangements for the Family of Companies	<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 has been established to define clear roles, responsibilities, and accountability mechanisms for effective oversight. This includes a Shareholder Committee (a sub-committee of Cabinet) to provide guidance and oversight to the family of companies, with provisions for involving scrutineers. 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 2025.</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	◀ ▶	6
Adults, Health and Communities	Operational/Service Delivery	Commissioned providers - workforce recruitment and retention	Caring Plymouth Partnership - working with providers, schools and colleges and those seeking work to match people to careers and job opportunities.	6	<p>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.</p> <p>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.</p>	6	◀ ▶	6

I. 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	Management 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: 18 November 2025

Title of Report: **Treasury Management Mid-Year Report 2025/26**

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: Finance/WE/TMMY 25-26

Key Decision: No

Confidentiality: Part I - Official

Purpose of Report

The Local Government Act 2003 requires the Council to set out its Treasury Management Strategy for borrowing and to prepare an Annual Investment Strategy. The Council's Strategy for 2025/26 was approved by full Council at its budget meeting on 24 February 2025.

This report provides an update on the progress and outcomes against the Treasury Management Strategy for the six-month period ended 30 September 2025. It is a requirement of the CIPFA Code of Practice on Treasury Management that a mid- year report, as a minimum, should be presented to Full Council.

Recommendations and Reasons

1. To endorse the Mid-Year Treasury Management Report 2025/26 to Full Council.
2. To note impact created by borrowing for SEND deficit and liability benchmark exposure to high borrowing exceeding capital financing requirement.
3. To note non-compliance with the Treasury Management indicator for interest rate exposure through upper limit on fixed interest rate exposure, explained in paragraph 12.3 of this report.

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

4. To endorse the following recommendations to Full Council:
 - a. Increasing the upper limit for fixed interest rate exposure to 100%
 - b. Increasing the counterparty limit from £12m to £15m for investment in Money Market Funds

Reason: This is to support operational delivery by enabling more flexible investment and borrowing decisions in response to market conditions, while maintaining compliance with the Council's Treasury Management Strategy.

Alternative options considered and rejected

- I. None - It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

Relevance to the Corporate Plan and/or the Plymouth Plan

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

Implications for the Medium Term Financial Plan and Resource Implications:

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

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 investment strategy, and keeping the counterparty list under constant review.

Legal Implications

Compliance with the CIPFA Treasury Management code is legally required under the Local Government Act 2003

Carbon Footprint (Environmental) Implications:

No direct implications

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

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

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

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Treasury Management Mid-Year report 2025/26							

Background papers:

*Add rows as required to box below

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

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

Sign off:

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Originating Senior Leadership Team member: Ian Trisk-Grove											
Please confirm the Strategic Director(s) has agreed the report? Yes Date agreed: 06/11/2025											
Cabinet Member approval: Councillor Lowry (Cabinet Member for Finance) Date approved: 06/11/2025											

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TREASURY MANAGEMENT

MID-YEAR REPORT 2025/26



1. Introduction

- 1.1 This report is to provide the Audit and Governance Committee and the Council with a mid-year review of the Council's treasury management activities for the first 6 months of the financial year (to 30 September 2025).
- 1.2 The Council continues to hold cash investments and maintains a range of fixed rate loans 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 Council's treasury management strategy.
- 1.3 The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end).
- 1.4 The report includes the requirement in the 2021 Code to regularly report on the treasury management prudential indicators. The non-treasury prudential indicators will be reported in the Authority's normal quarterly budget monitoring reports.
- 1.5 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy and the Council's Treasury Management Strategy for 2025/26 were approved by full Council on 24 February 2025.
- 1.6 The Council contract with Arlingclose to provide Treasury Management advice which has been incorporated with external contexts below.

2. External Context October 2025

commentary provided by TM advisors Arlingclose

- 2.1 **Economic background:** The first quarter was dominated by the fallout from the US trade tariffs and their impact on equity and bond markets. The second quarter, still rife with uncertainty, saw equity markets making gains and a divergence in US and UK government bond yields, which had been moving relatively closely together.
- 2.2 The UK economy expanded by 0.7% in the first quarter of the calendar year and by 0.3% in the second quarter. In the final version of the Q2 2025 GDP report, annual growth was revised upwards to 1.4%. However, monthly figures showed zero growth in July, in line with expectations, indicating a sluggish start to Q3.
- 2.3 Labour market data continued to soften throughout the period, with the unemployment rate rising and earnings growth easing, but probably not to an extent that would make the more

hawkish MPC members comfortable with further rate cuts. In addition, the employment rate rose while the economic inactivity rate and number of vacancies fell.

- 2.4 The BoE's Monetary Policy Committee (MPC) cut Bank Rate from 4.5% to 4.25% in May and to 4.0% in August after an unprecedented second round of voting. The final 5-4 vote was for a 25bps cut, with the minority wanting no change. In September, seven MPC members voted to hold rates while two preferred a 25bps cut. The Committee's views still differ on whether the upside risks from inflation expectations and wage setting outweigh downside risks from weaker demand and growth.
- 2.5 The August BoE Monetary Policy Report highlighted that after peaking in Q3 2025, inflation is projected to fall back to target by mid-2027, helped by increasing spare capacity in the economy and the ongoing effects from past tighter policy rates. GDP is expected to remain weak in the near-term while over the medium term outlook will be influenced by domestic and global developments.
- 2.6 Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would be cut further as the BoE focused on weak GDP growth more than higher inflation. One more cut is currently expected during 2025/26, taking Bank Rate to 3.75%. The risks to the forecast are balanced in the near-term but weighted to the downside further out as weak consumer sentiment and business confidence and investment continue to constrain growth. There is also considerable uncertainty around the autumn Budget and the impact this will have on the outlook.
- 2.7 **Financial markets:** After the sharp declines seen early in the period, sentiment in financial markets improved, but risky assets have generally remained volatile. Early in the period bond yields fell, but ongoing uncertainty, particularly in the UK, has seen medium and longer yields rise with bond investors requiring an increasingly higher return against the perceived elevated risk of UK plc. Since the sell-off in April, equity markets have gained back the previous declines, with investors continuing to remain bullish in the face of ongoing uncertainty.
- 2.8 Over the period, the 10-year UK benchmark gilt yield started at 4.65% and ended at 4.70%. However, these six months saw significant volatility with the 10-year yield hitting a low of 4.45% and a high of 4.82%. It was a broadly similar picture for the 20-year gilt which started at 5.18% and ended at 5.39% with a low and high of 5.10% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.19% over the six months to 30th September.
- 2.9 **Credit review:** Arlingclose maintained its recommended maximum unsecured duration limit on the majority of the banks on its counterparty list at 6 months. The other banks remain on 100 days.
- 2.10 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.
- 2.11 After spiking in early April following the US trade tariff announcements, UK credit default swap prices have since generally trended downwards and ended the period at levels broadly in line with those in the first quarter of the calendar year and throughout most of 2024.

2.12 Overall, at the end of the period credit default swap prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

3. Impact of SEND (Special Educational needs and Disabilities) deficits on council borrowing and financial stability in the UK

3.1 National SEND deficits are projected to reach £5-8 bn by 2026/27, with current estimates already exceeding £3bn. These deficits are largely driven by:

- Rising numbers of children with Education, Health and Care Plans (EHCPs)
- High costs of specialist school placements.
- Insufficient government funding to match demand growth.

3.2 There is a statutory override allowing councils to exclude SEND deficits from their balance sheets. Originally set to expire in March 2026, this has now been extended to March 2028, thereby allowing Councils with significant SEND deficits to set legally balanced budgets for this period. However, councils are increasingly borrowing to cover day-to-day spending (not just capital projects) due to SEND-related cash flow pressures. This borrowing is unsustainable and presents risks to the long-term financial health of councils.

3.3 The government has promised reforms to the SEND system, including a white paper and funding formulae changes. Announcements on SEND system reforms are currently expected early in 2026.

4. Local Context

4.1 Plymouth City Council's projected SEND Deficit is currently forecast to reach £54m by 31 March 2026. In order to recognise the impact Plymouth's growing SEND deficit has on Treasury Management activities, the City Council's liability benchmark is being presented in two formats (including and excluding the estimated SEND Deficit) for the first time in this report, see charts presented under paragraph 12.7, below.

- 4.2 On 31st 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. These factors are summarised in Table I below.

Table 1a: Balance Sheet Summary

	31/03/25 Actual £m	31/03/26 Forecast £m
General Fund CFR	870	911
Less: Other debt liabilities *	(93)	(87)
Borrowing CFR	777	824
Less: Usable reserves	(54)	(54)
Less: Working capital	(20)	11
Net borrowing	703	781

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt

CFR represents the total amount of capital expenditure that has not yet been financed by capital receipts, grants, or contributions. CFR is not the same as the actual amount of borrowing (loans) held by the authority. Instead, it is an accounting measure that shows the cumulative value of capital expenditure that has been financed by borrowing or other temporary means. It is a way of tracking the long-term impact of capital decisions on the authority's balance sheet.

- 4.3 At 31 March 2025 the Council's underlying need to borrow for capital purposes as measured by the CFR was £870m, with usable reserves of £54m broken down in table below:

Table 1b: Usable Reserve Summary

	£m
General Fund Balance	(60)
Earmarked General Fund	61
Capital Receipts reserve	16
Capital Grants Unapplied	37
Balance as at 31 March 2025	54

- 4.4 The treasury management position on 30th September 2025 and the change over the six months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.25 Balance £m	Movement £m	30.9.25 Balance £m	Average Rate %
PWLB – Fixed Rate	551	25	576	3.47
Short-term borrowing	80	40	120	2.25
LOBO Loans	54	(10)	44	4.50
Long Term Borrowing	18	0	18	4.37
Total borrowing	703	55	758	3.36
Short-term Money Market funds	23	71	94	4.02
Other Pooled Funds	50	0	50	5.46
Other investments	5	(1)	4	5.46
Cash, and cash equivalents	1	0	1	1.38
Total investments	79	70	149	4.40
Net borrowing	624	(15)	609	

- 4.5 The Council has an increasing CFR over the next 5 years due to spending on the capital programme, but will maintain its level of investments. We estimate that Plymouth City Council will require additional borrowing to finance its capital programme of up to £58m over the current year based on the capital monitoring as at 30th September 2025. This figure does not include borrowing required to fund the DSG deficit, or to re-finance loans that are due for repayment.

5. Borrowing Strategy and Activity

- 5.1. As outlined in the treasury strategy, the Authority's chief objective when borrowing has been to strike an appropriate 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.
- 5.2. After substantial rises in interest rates since 2021 central banks have now begun to reduce their policy rates, albeit slowly. Gilt yields however have increased over the first half of the year amid concerns about inflation, the UK government's fiscal position and general economic uncertainty.
- 5.3. Plymouth City Council does the majority of its borrowing through the Public Works Loans Board (PWLB), and is able to take advantage of the 'certainty rate'. The PWLB certainty rate for 10-year maturity loans was 5.38% at the beginning of the period and 5.53% at the end. The lowest available 10-year maturity certainty rate was 5.17% and the highest was 5.62%. Rates for 20-year

maturity loans ranged from 5.71% to 6.30% during the period, and 50-year maturity loans from 5.46% to 6.14%. The cost of short-term borrowing from other local authorities has been similar to the Base Rate during the period at 4.0% to 4.5%. To date in 2025/26, Plymouth have predominately borrowed in short term markets (Other Local Authorities and other lenders) at an average rate of 4.25%.

- 5.4. 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 new plans to borrow to invest primarily for financial return.
- 5.5. The Authority currently holds a portfolio of property investments within its Property Regeneration Fund (PRF) portfolio, acquired over a number of years at a total cost of c. £240m. Primarily this portfolio has been developed and is held to support the economic development and regeneration of the City, however some historic assets within the portfolio (purchased prior to the change in the CIPFA Prudential Code) were acquired primarily for commercial returns. In line with CIPFA guidance, we have carried out a review of the PRF portfolio to assess options for selling assets to raise finance, as an alternative to borrowing. At this stage we have concluded that disposal of assets at this time is unlikely to deliver best value for the council; however, the position will be kept under review during the second part of the year.
- 5.6. **Loans Portfolio:** At 30 September the Authority held £758m of loans, an increase of £55m compared to 31st March 2025. At 1 April 2025 the Council had £140m of PWLB borrowing due to mature in 2025/26, mainly in last quarter of year. Outstanding loans on 30th September totalled £758m are summarised in Table 2 above.
- 5.7. Following Arlingclose advice, and in consultation with the council's internal Treasury Management Board, during 2025/26 the Council is moving to a borrowing strategy focussing on utilising medium term PWLB Equal Instalment of Principal (EIP) loans rather than continued short term borrowing, or PWLB maturity loans. The key benefits of this approach are reduced interest costs over time, lower refinancing risk and improved cash flow management. In the current market, our Treasury Management advisors are recommending EIP structures for their balance of affordability and risk management, given the relatively volatile interest rate environment.
- 5.8. Overall, the Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short, medium and long-term borrowing is maintained. We will continue to explore diversified funding sources, particularly where rates below the PWLB certainty rate can be achieved.
- 5.9. **LOBO loans:** On 31st March 2025 the Authority held £54m 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.

5.10. £10m of LOBO loans had annual/semi-annual call option dates during the six-month period to September 2025, lenders exercised options on the following loans:

Table 3: LOBO's Called In

	Amount £m	Rate %	Final Maturity	New Rate Proposed %	Action Taken by PCC
Dexia Credit Local	5	3.65	05/04/2078	6.33	Repaid
Dexia Bank	5	4.20	27/05/2065	6.47	Repaid

5.11. The Authority has £10m LOBO loans with call dates within the next 12 months. The Authority has liaised with treasury management advisors Arlingclose over the likelihood of the options being exercised. If the option is exercised and an increased rate proposed, the Authority plans to repay the loan at no additional cost as accepting the revised terms would mean the Authority would still have refinancing risk in later years. If required, the Authority will repay the LOBO loans with available cash or by borrowing from other local authorities or the PWLB over an appropriate loan term.

6. Treasury Management Budget 2025/26 and Latest Forecast

- 6.1 The Authority measures the financial performance of its treasury management activities in terms of its impact on the revenue budget as show in table 4 over.
- 6.2 During the first half of 2025/26 the Council took PWLB EIP loans to secure borrowing within the rate threshold set in the Treasury Management Strategy to cover refinancing for short and long term maturing debt, and to mitigate against interest risk. The cashflow benefit created from this action was invested in Money Market Funds with interest cost being offset by additional interest receivable.

Table 4: Treasury Management revenue position

Month 6 Table	2025/26 Budget	2025/26 Latest Forecast	Year End Variance
	£m	£m	£m
LOBO and other long term loans	3.128	2.802	(0.326)
PWLB (Public Works Loan Board)	20.136	20.358	0.222
Temporary loans	0.923	2.288	1.366
Other Interest and charges	0.811	0.699	(0.112)
Collateral Interest	1.324	1.247	(0.078)
Recharge to Departments for Unsupported Borrowing (in accordance with business cases)	(19.581)	(19.609)	(0.028)
Total Interest Payable	6.741	7.785	1.044
Pool Funds	(2.611)	(2.822)	(0.210)
Money Market Fund	(1.500)	(2.380)	(0.880)
Other Interest	(0.431)	(0.462)	(0.032)
Total Interest Receivable	(4.542)	(5.664)	(1.122)
Other Payments	0.552	0.634	0.082
Debt Management	0.160	0.160	0.000
Amortised Premiums	0.544	0.544	0.000
Total Other Charges	1.256	1.338	0.082
Minimum Revenue Provision	20.504	20.504	0.000
TOTAL	23.959	23.963	0.004

Favourable variances shown in (brackets)

7. Treasury Investment Activity

- 7.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the half year, the Authority's investment balances ranged between £26.3m and £125.3m due to timing differences between income and expenditure. The investment position during the half year is shown in table 2 above.
- 7.2 Both the CIPFA Code and government guidance requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 7.3 As demonstrated by the liability benchmark (see paragraph 12.6) in this report, the Authority expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different asset classes and boost investment income.

Externally Managed Pooled Funds:

- 7.4 £50m of the Authority's investments are invested in externally managed strategic pooled bond, equity, multi-asset and property funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability.
- 7.5 Most asset classes achieved positive performance over the first half of the 2025/26 financial year, although conditions remained volatile and heavily influenced by political and macroeconomic developments. The gradual improvement in UK commercial property continued. Property fund capital values recorded marginal gains, while total returns were driven largely by rental income.
- 7.6 The combination of the above has had a positive effect on the combined value of the Authority's strategic pooled funds since March 2025. The current capital value as at 30 September 2025 is calculating an unrealised capital loss since purchase of £0.198m; this has been more than offset over the period by income yields above the rate that would have been secured through cash interest rates.
- 7.7 Income returns remained above budget at 5.46%. The Authority had budgeted £2.611m income from these investments in 2025/26 and we are now forecasting £2.822m.
- 7.8 Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's medium- to long-term investment objectives are regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three- to five-year minimum period total returns will exceed

cash interest rates.

7.9 Statutory override: Further to consultations in April 2023 and December 2024 MHCLG wrote to finance directors in England in February 2025 to confirm that the statutory override on accounting for gains and losses in pooled investment funds will be extended up until the 1st April 2029 for investments already in place before 1st April 2024. The override will not apply to any new investments taken out on or after 1st April 2024. Whilst this mitigates against the risk of having to account for unrealised losses (with a consequential impact on the council's revenue position), the authority is currently reviewing options for the future, looking towards a different risk profile from 2029/2030 onwards.

7.10 Money Market Funds: Although there is no overall cap on investments in Money Market Funds, the Council's approved Treasury Management Strategy for 2025/26 sets a £12m limit per counterparty. A comparison with similar councils shows the average limit is £16m. Raising the Council's limit to £15m would enable better returns from higher-interest investments and support early borrowing for debt maturing in 2025/26 – whilst remaining within the strategy and medium-term financial forecasts. Following a review of this position in conjunction with our advisors Arlingclose, and considering the relative volatility of interest rates, we are recommending an increase to the counterparty limit (to £15m per counterparty) in this mid-year report.

8. Non-Treasury Investments

8.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. This is replicated in the Government's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return.

8.2 As noted in paragraph 5.5 above, the Council also holds direct investments property within its Property Regeneration Fund.

8.3 The Authority's income from commercial and service investments as a proportion of its net revenue stream has been and is expected to be as indicated below.

Table 5: Net Income from Commercial and Service Investments to Net Revenue Stream

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m
Total net income from service & commercial investments (£m)	(11.281)	(12.092)	(12.303)	(13.016)
Proportion of net revenue stream	4.77%	4.78%	4.81%	4.92%

9. Other Debt Activity

- 9.1 Although not classed as borrowing, the Council also raises capital finance via Private Finance Initiative (PFI), finance leases and other financing. As at 30 September 2025, total other debt was £93m including £71m of PFI, joint committee debt relating to the Tamar Bridge and Torpoint Ferry (PCC's share being £18m) and Finance leases totalling £4m. The Council has raised no additional PFI borrowing during the period to 30 September 2025.

10. MRP Regulations

- 10.1 On 10th April 2024 amended legislation and revised statutory guidance was published on Minimum Revenue Provision (MRP). Most of the changes take effect from the 2025/26 financial year, although there is a requirement that for capital loans given on or after 7th May 2024 sufficient MRP must be charged so that the outstanding CFR in respect of the loan is no higher than the principal outstanding less the Expected Credit Loss (ECL) charge for that loan. The council expects to meet this requirement during the 2025/26 financial year.

11. Compliance with Prudential Indicators

- 11.1 The Service Director of Finance (S151 Officer) reports that all treasury management activities undertaken during the half year complied fully with the principles in the Treasury Management Code and the Authority's approved Treasury Management Strategy, with the exception of the Treasury Management Indicator set relating to interest rate exposure, which is explained in paragraph 12.3 below. Compliance with specific investment limits is demonstrated in table 6 below.

Table 6: Investment Limits

	30.9.25 Actual	2025/26 Limit	Complied
Any group of funds under the same management	£25m	£25m	✓
Investments held in a broker's nominee account	£0m	£25m	✓
Foreign countries	£0m	£0m	✓
Registered Providers	£0m	£10m	✓
Unsecured investments with Building Societies	£0m	£10m	✓
Loans to unrated corporates	£0m	£20m	✓
Money Market Funds (maximum held across all funds)	£94m	unlimited	✓

- 11.2 Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 7 below.

Table 7: Debt & Authorised Limit and Operational Boundary

Operational Boundary	30.09.25 Actual £m	2025/26 Limit £m	Complied
Borrowing	758	788	✓
Other long-term liabilities	93	217	✓
Total Debt	851	1005	✓

Authorised Limit	30.09.25 Actual £m	2025/26 Limit £m	Complied
Borrowing	758	838	✓
Other long-term liabilities	93	217	✓
Total Debt	851	1055	✓

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

12. Treasury Management Indicators

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

- 12.1 **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.

Table 8: Security of investments

	30.09.25 Actual	2025/26 Target	Complied
Portfolio average credit rating	A	A	✓

- 12.2 **Liquidity:** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments.

- 12.3 Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures are set out in table 9 below, expressed as the proportion of net principal borrowed.

Table 9: Interest rate exposures

	Target	31/03/2025 Actual	30/09/2025 Actual	31/03/2026 Forecast
Upper limit on fixed interest rate exposure over 365 days	80%	77%	73%	79%
Upper limit on fixed interest rate exposure at 365 days		12%	11%	6%
Upper limit on variable interest rate exposure below 365 days	20%	11%	16%	15%

Under this Prudential Indicator, any borrowing with a term of less than one year must be classified as 'variable rate' borrowing, even where the interest rate is fixed for the duration of the loan. This classification primarily applies to borrowing from Other Local Authorities (OLAs), which is typically secured on a 364-day term.

When setting the limit within the Treasury Management Strategy last year, it was anticipated that preferential rates would be available through the OLA market. Accordingly, an upper limit of 80% was set for the fixed rate exposure indicator.

However, at the financial year end, the availability of OLA lending was limited. As a result, the interest rates offered included a market premium, making them more expensive than the one-year rate available from the PWLB. To secure better value, refinancing was undertaken through PWLB on a one-year term, which - due to its 365-day duration - was categorised as 'fixed rate exposure', despite being only one day longer than the typical OLA term.

As at 30 September 84% of borrowing was classified as fixed interest rate exposure, however of this 11% was represented by PWLB loans on a one-year fixed term. The percentage of fixed borrowing with a term of greater than one year was 73% and complied with the 80% upper limit boundary.

Both PWLB and OLA borrowing are taken on a fixed rate basis for the term of the loan, and the strategy employed was used to minimise interest rate burden without introducing any downside or upside risk. This instance of non-compliance has highlighted the need to revisit the Prudential Indicator, with a recommendation to increase the upper limit for fixed rate exposure as set out below.

Considering market conditions and the strategic refinancing undertaken to secure better value through one-year PWLB loans, it is recommended that the upper limit for fixed rate borrowing be increased to 100% (from the 80% currently set). This adjustment reflects the practical classification of PWLB one-year fixed term borrowing as 'fixed rate exposure', despite its minimal variance from the typical 364-day OLA term. Increasing the limit will ensure continued

compliance with the Prudential Indicator while enabling the Authority to implement its interest rate risk mitigation strategy effectively and without constraint.

- 12.4 Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing have been met during the year to date – the actual maturity structure of borrowing at the mid-year point is shown in table 10 below.

Table 10: Maturity Structure of borrowing

Remaining time to maturity	31/03/2025 Actual £m	30/09/2025 Actual £m	31/03/2026 Forecast
Under 12 months	245.0	243.3	16%
12 months and within 24 months	22.6	59.3	15%
24 months and within 5 years	67.2	92.2	23%
5 years and within 10 years	23.3	23.3	3%
10 years and above	344.4	339.4	43%
	702.5	757.5	100%

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.

- 12.5 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 will be.

Table 10: Principal invested longer than 365 days

	30.09.25 Actual	Maximum Target	Complied
Limit on principal invested beyond year end	£0m	£10m	✓

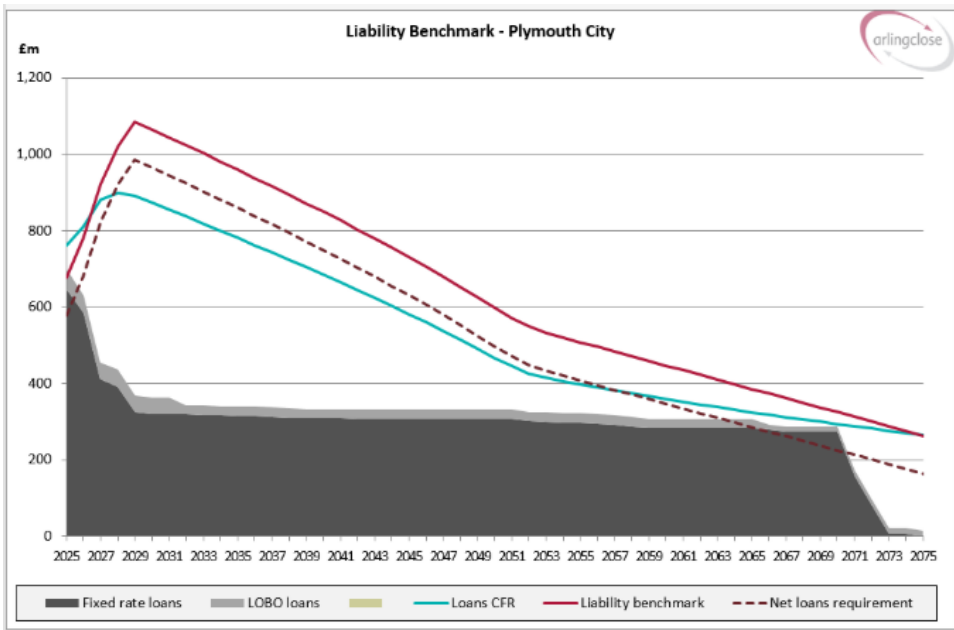
The Council does, however, has £27m invested in the CCLA Pooled Funds, and £25m in other pooled investment funds which the Council is holding the investment for the long term. However, these investments are classified as a short-term investment because they can be called upon at any point.

- 12.6 Liability Benchmark:** This 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 shape its strategic focus and decision making. It represents an estimate of the cumulative amount of external borrowing the

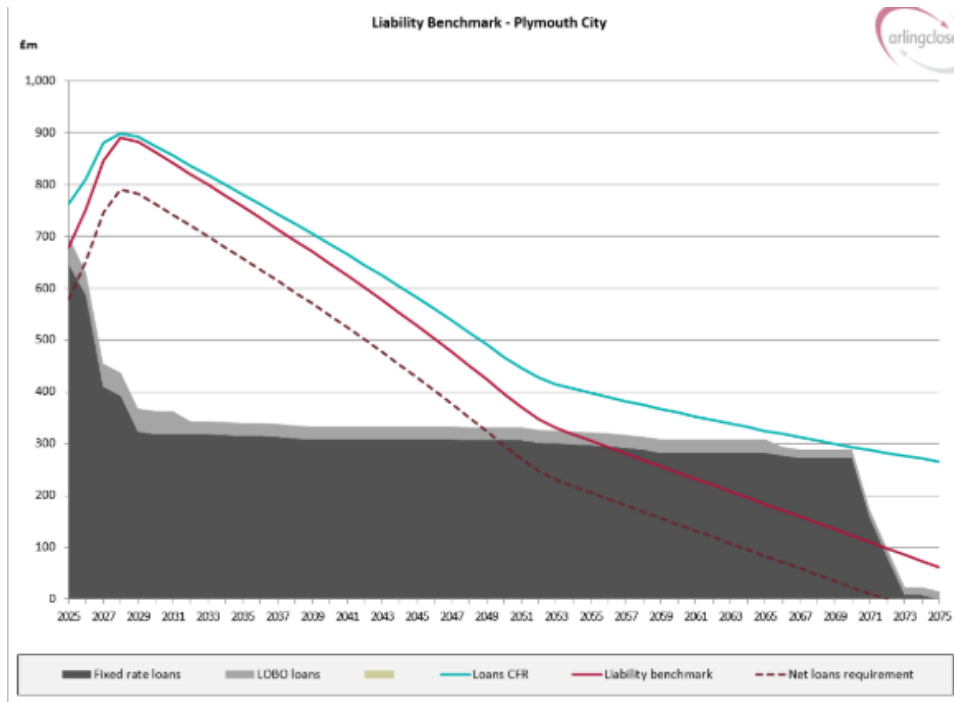
Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level of £50m required to manage day-to-day cash flow.

12.7 In this mid-year update, we have shown a liability benchmark curve including the SEND deficit, and excluding the SEND deficit. This illustrates the impact of including the projected SEND deficit on our borrowing profile, with the SEND deficit pushing the council’s borrowing requirement above its Capital Financing Requirement (CFR). The longer term impact of SEND deficits is unknown – we await government guidance (due in early 2026) which will inform how SEND deficits are likely to be dealt with following the end of the statutory override in March 2028. This being the case, the liability benchmark curve including the SEND deficit should be considered as illustrative only for the medium and longer term.

Liability Benchmark chart with the SEND deficit



Liability Benchmark chart without the SEND deficit



13. Investment Training

During the period to 30 September 2025 officers attended the following Treasury Management training:

- a. Arlingclose Meetings – including the Council's Treasury Management Board Meetings with members, officers and Treasury Management advisors.
- b. Grant Thornton – Statement of Accounts closedown workshop
- c. Arlingclose in person seminar October 2025
- d. Arlingclose weekly Treasury Management seminars.

14. Arlingclose's Economic and Interest rate Forecast

as at 24 September 2025

14.1 In line with Arlingclose's forecast, the MPC held Bank Rate at 4% in September.

	Current	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
Official Bank Rate													
Upside risk	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	4.00	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Downside risk	0.00	-0.25	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

14.2 The MPC is forecast to continue to cut rates to stimulate the UK economy but will initially be cautious given lingering domestic inflationary pressure. Arlingclose predict another rate cut in 2025 (Q3), before balancing around 3.75%.

Recommendations:

1. To endorse the Mid-Year Treasury Management Report 2025/26 to Full Council.
2. To note impact created by borrowing for SEND deficit and liability benchmark exposure to high borrowing exceeding capital financing requirement.
3. To note non-compliance with the Treasury Management indicator for interest rate exposure through upper limit on fixed interest rate exposure, explained in paragraph 12.3 of this report.
4. To endorse the following recommendations to Full Council:
 - a. Increasing the upper limit for fixed interest rate exposure to 100%.
 - b. To endorse increasing the counterparty limit from £12m to £15m for investment in Money Market Funds.

Audit and Governance Committee



Date of meeting:	18 November 2025
Title of Report:	Capital Programme Financial Risk Management
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	Ian Trisk-Grove (Service Director for Finance)
Author:	Oliver Woodhams
Contact Email:	Oliver.woodhams@plymouth.gov.uk
Your Reference:	Finance/OW/CPFRM
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

The purpose of the report is to update Committee on the financial risk management of the capital investment programme.

Recommendations and Reasons

1. To note briefing report on the capital programme financial risk management.

Alternative options considered and rejected

1. Alternative options have not been considered because this is an update report for information only, following a request from the Committee.

Relevance to the Corporate Plan and/or the Plymouth Plan

The effective financial management of the Council's capital programme is fundamental to the delivery of corporate improvement priorities and is a key factor in facilitating the delivery against a number of corporate priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan (MTFP). Financial implications are reported quarterly to full council together with associated prudential indicators. Capital financing must align with a medium-term financial plan.

Financial Risks

Financial risks are set out and reviewed in detail in the attached briefing report.

Legal Implications

The Council has a statutory obligation to maintain a balanced budget and the monitoring process includes updates on the Council's financial performance to Cabinet and full Council.

Carbon Footprint (Environmental) Implications:

No direct implications

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

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

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

Appendices

*Add rows as required to box below

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

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	<u>ITG.2</u> <u>5.26.0</u> <u>84</u>	Leg	LS/00 0036 09/49 /LB/I 0/11/ 25	Mon Off	Click here to enter text.	HR	Click here to enter text.	Asset s	Click here to enter text.	Strat Proc	Click here to enter text.
Originating Senior Leadership Team member: Ian Trisk-Grove											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 06/11/2025											
Cabinet Member approval: Councillor Lowry (Cabinet Member for Finance) <i>Approved verbally</i>											
Date approved: 06/11/2025											

BRIEFING REPORT: CAPITAL PROGRAMME FINANCIAL RISK MANAGEMENT



1. Introduction

- 1.1 Plymouth City Council has a significant capital investment programme, reflecting its ambitions to develop and grow the city, and the Council's responsibility for a wide range of assets and statutory services. This report provides the Audit and Governance Committee with an overview of how the financial risks associated with the council's capital programme are managed. Committee are invited to note the arrangements for managing financial risk and the areas of review currently in progress and consider any comments or recommendations they wish to make.
- 1.2 The main areas of financial risk associated with operating a significant and complex capital programme can be characterised as follows:
- *The risk of cost overruns, inflation and market volatility.*
 - *The risk of funding shortfalls.*
 - *A risk that investment does not deliver value for money over its whole life.*
 - *Financial risks associated with safety and regulatory compliance.*
 - *Risks associated with the financing of capital investment.*
 - *The risk that overall levels of capital investment are not affordable.*
 - *Risks associated with financial governance and oversight.*

At Plymouth, the first four areas of risk set out above are principally managed within individual projects and risk management approaches are explained in section 2 below. The final three areas of risk are managed corporately and are covered in section 3 below.

- 1.3 The council's project and programme management arrangements are in the process of being reviewed as part of wider learning following the Armada Way Independent Learning Review (AWILR). This review is anticipated to lead to a strengthening of the council's corporate project management framework and the introduction of a more consistent approach to project assurance and reporting, which will strengthen the management of financial risks in this area. This work will include a review of the Capital Programme Handbook which formalised governance arrangements for all capital programmes.

2. Management of financial risks at project level

Risk of cost overruns & inflation

- 2.1 Capital investment projects are not routine in nature and estimating the cost of many capital projects is inherently challenging in the early stages of a project lifecycle. Plymouth City Council's capital programme includes a number of regeneration and maintenance projects investing in historic assets, brownfield sites or ageing infrastructure - where risk of cost overruns is more significant due to the difficulty of assessing underlying asset condition in pre-construction phases. Cost inflation in the construction sector has been a significant issue in the post-covid period with demand for materials and labour exceeding available supply and driving up cost in international, national or local markets.

- 2.2 These risks are managed at individual project level through the use of professional cost estimation skills at an early stage in the project lifecycle and the inclusion of contingencies in project budgets. On larger schemes, project gateways are built in to ensure that cost and inflation risks are reviewed at key points prior to entering into financial commitments (for example, the use of RIBA stage gateways). The use of professional advisors ensures that estimates of inflation and knowledge of local market conditions are built into initial estimates and reviewed at key phases of the project lifecycle; the council employs skilled project managers and programme leads to ensure that external advisors are co-ordinated effectively, and that financial risks are reported and mitigated on an ongoing basis.
- 2.3 A proportionate approach is taken for smaller capital projects which – in the council's highways and facilities management functions – are delivered through ongoing maintenance programmes. This programme approach allows cost and inflation risks to be managed at programme level, with the size and scope of a programme being adjusted within a financial period to ensure that, overall, costs do not exceed available budgets.
- 2.4 The council's decision making and financial management procedures act as a secondary control framework by setting limits on expenditure at project or programme level, and by ensuring that all project proposals are subject to scrutiny by senior managers, finance and procurement professionals, with appropriate cost parameters established.

Risk of funding shortfalls

- 2.5 A large proportion of the Council's capital programme is funded through external government grants and contributions, which are often subject to time constraints and / or are conditional on the delivery of specific outputs. These externally funded capital projects carry an additional risk of funding being unavailable if conditions are not met. The council employs officers with skills and experience in bidding for and managing external grants, and larger external funding streams are managed through the oversight and control of these experts. Relationships with key funders have been built up over many years and the City Council has a strong reputation for delivering successfully across a range of ambitious outputs.
- 2.6 All capital projects – whether grant funded or not – are subject to the council's procedures relating to the governance of the capital programme. This ensures that the financial risks of accepting capital grants are understood at project inception stage, where the Capital Programme Officer Group ('CPOG') is able to scrutinise grant funding conditions and assess risks, and the capability of project teams to deliver conditions and mitigate the risk of funding clawback.

Ensuring investments deliver Value for Money across the life of an asset

- 2.7 Identifying long term customer / end user benefits, lifecycle costs and building performance at project inception stage is important in ensuring that capital investment delivers value for money in the longer term. Client leadership or sponsorship of project teams (which is the default approach for most significant projects at Plymouth City Council) ensures that the customer / end user perspective is paramount in the design stage of projects. Early involvement of asset management / maintenance departments (e.g. facilities management for buildings, street services teams for public realm assets) at project inception and design stage is an area for improvement currently being addressed through the expansion of the Capital Programme Officer Group to include facilities management expertise.

- 2.8 Formal 'Lessons Learned' reviews for more significant projects aim to capture and disseminate learning following project completion and handover and provide an important opportunity to reflect on how capital investment is delivering against original project objectives. The Capital Programme Officer Group receives post-completion lessons learned reports from major projects; though there is a need to ensure that these are carried out consistently for all major schemes, and also to ensure learning is disseminated effectively across the council.

Health and safety and regulatory compliance risks

- 2.9 Construction projects carry high health and safety risks, and many capital schemes have to comply with a wide range of complex building safety, planning and environmental regulations. The cost consequences of non-compliance can be significant – in extreme cases, projects could require significant and costly re-work during construction if compliance is not carefully designed in at an early stage. The use of professional advisors and architect / design firms (sourced externally, but overseen and co-ordinated by experience client-side construction project managers) ensures that building safety requirements, fire strategies and environmental and planning regulations are understood early in the project lifecycle. Plymouth City Council's project management staff ensure that client health and safety responsibilities required under the Construction (Design and Management) regulations are understood and discharged effectively.

3. Management of financial risk at organisational level

Risks associated with the financing of capital investment

- 3.1 Where capital investment is financed through council borrowing (rather than external grants or contributions), the council is exposed to interest rate and refinancing risks that are managed in line with our Treasury Management strategy. The Audit and Governance Committee (along with the Cabinet and the City Council) receives regular reports on the Council's performance against Prudential Code indicators, and the council's borrowing strategy is developed through an internal Treasury Management Board with the support of expert external advisors. Financial risk management in this area is detailed extensively in other reports to the Committee and so is not covered in detail here.

The affordability of the capital programme

- 3.2 Plymouth City Council has a long track record of ambitious investment – successfully delivering a large range of projects that, collectively, have played a key role in the recent development of the City. Historic capital investment in projects such as the Box, the Life Centre, the Park Crematorium, Foulson Park and many other schemes has been financed, in part, by council borrowing through loans. This historic programme of investment is being continued through the current capital programme which is investing in the City's transport and public realm infrastructure, in new service delivery assets, and in the regeneration of the City. The cumulative financing requirement for historic, ongoing and planned investment presents a financial risk to the Council – it is important to ensure that repayment and interest costs are maintained at an affordable level within the wider revenue budget.
- 3.3 The cumulative outstanding financing requirement for all historic and current capital investment is measured through the Capital Financing Requirement (CFR) – the CFR represents the council's underlying need to borrow, and its calculation is defined by CIPFA's Prudential Code for Capital Finance in Local Authorities (the Prudential Code). Benchmarking a council's ratio of Capital

Financing Requirement to 'Core Spending Power' (CSP - a standard measure of total financial resources) is a standard tool, used in the local government sector as a measure of financial resilience and exposure to debt financing costs. A further measure used to evaluate the overall affordability of capital investment is the statutory Prudential Code indicator measuring the council's financing costs as a proportion of its core revenue resources; regularly reported in Plymouth City Council's budget monitoring reports within regular reporting against Prudential Code indicators.

- 3.4 Both of these measures are problematic when used in comparative benchmarking analysis – a high-level comparison of ratios and percentages can mask local factors; robust like-for-like analysis is difficult to achieve, and comparisons can therefore be misleading. For Plymouth City Council, the Capital Financing Requirement and associated financing costs are augmented by historic borrowing for invest-to-save projects (see paragraph 3.7 below). Nonetheless, these measures are widely used within the local government finance sector to assess the affordability of council borrowing.
- 3.5 Notwithstanding the difficulties of robust comparative analysis, Plymouth's CFR:CSP ratio, and an adjusted local indicator measuring underlying 'corporate borrowing' financing costs as a proportion of the councils net revenue resources, indicate that Plymouth has a relatively higher level of financing costs when compared to similar local authorities. This is a reflection of the City Council's historic and ongoing ambitions to invest in the development of public infrastructure, as a vehicle for the regeneration and economic development of the City. Whilst borrowing costs remain within Prudential Code limits and are affordable, it will be important to ensure that this remains the case in years to come.
- 3.6 Council officers are currently undertaking a review of the capital programme for consideration by Cabinet members during the current budget round, to ensure that capital financing costs remains affordable, and the 5-year capital programme strikes an appropriate balance between ambition and financial resilience. The results of this review will be published as part of the Council's Capital Strategy, a statutory document published as part of the suite of budget setting papers for consideration by the City Council at the February budget setting meeting, following a review by the Audit and Governance Committee.
- 3.7 Plymouth City Council has a strong track record of 'invest to save' capital investment in regeneration schemes through the Property Regeneration Fund, and also through targeted interventions to avoid costs, reduce revenue expenditure or generate income in service areas. This is managed through a portfolio of 'Service Borrowing', which carries a separate financial risk – it is important to ensure that the revenue streams and cost reductions associated with invest-to-save projects are sustainable and well managed, and that financial risks are well managed across the duration of loan repayment periods. This separate area of risk is managed through independent scrutiny of business cases (by the finance team and at the Capital Programme Officer Group) at project inception stage, through the ongoing governance of the Property Regeneration Portfolio, and through regular budget monitoring of revenue streams supporting service borrowing. Again, this area is being reviewed through the development of the 2026-27 Capital Strategy, which will be brought to this Committee at its January meeting.

Financial governance and oversight

- 3.8 Effective governance and oversight of capital investment projects – at programme and project level – is important to ensure that the council does not suffer financial loss through poor decision making, fraud or mis-allocation of resources. This represents a final, overarching area of financial risk associated with the capital investment programme.
- 3.9 All capital expenditure is undertaken in accordance with the Council's Financial Regulations and Contract Standing Orders, subject to internal and external audit and the control frameworks established in the Council's Anti-Fraud, Bribery and Corruption policy. A dedicated team of capital finance specialists is responsible for financial management and accounting across Plymouth's capital programme; this team works closely with project officers and senior responsible officers as well as other finance specialists to maintain strong financial governance and oversight of the capital programmes. The capital finance team undertake regular training for project officers / project managers. The council complies with accounting standards relating to asset recognition and the recognition of capital grants, as well as statutory guidance governing the council's Minimum Repayment Provision (MRP) calculation policy; a local government accounting mechanism which ensures that the council makes sufficient provision to repay debt within its revenue budget. These standing internal, external and statutory control frameworks ensure that the principles of good financial management and stewardship are applied to capital investment within the City Council, mitigating the risk of mis-use of capital investment funds, misallocation of resources and fraud.
- 3.10 Plymouth City Council adopted a specific governance and control framework for capital projects in summer 2024, and currently all capital projects must be managed through a set of procedures set out in the council's internal Capital Handbook. As well as compliance with the council's wider constitutional decision-making process and Scheme of Delegation framework, capital projects are also overseen through specialist corporate governance boards (the Capital Programme Officer Group and the Capital Programme Board), which consider every material scheme prior to budget approval. Project risks are managed through project risk logs, with more significant risks escalated to departmental risk registers; more significant projects and programmes have supplementary governance boards operating at individual project / programme level. All of these control mechanisms ensure that decision-making and monitoring on capital investment projects is robust, and benefits from a wider collective oversight and specialist expertise, with internal challenge to mitigate the risk of optimism bias. The Council's constitutional decision-making process ensures that significant capital investment decisions are taken transparently and are open to public scrutiny.
- 3.11 As noted in paragraph 1.3 above, the council's project and programme management arrangements are in the process of being reviewed as part of wider learning following the Armada Way Independent Learning Review. The review will strengthen the council's existing governance structure for major projects, and improve the integration of specific capital project governance with the Council's wider internal control frameworks.

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Audit and Governance Committee



Date of meeting:	18 November 2025
Title of Report:	Armada Way Independent Learning Review – Update from Audit and Governance Sub-Committee
Lead Strategic Director:	Tracey Lee (Chief Executive)
Author:	Liz Bryant, Service Director for Legal (Monitoring Officer)
Contact Email:	Liz.bryant@plymouth.gov.uk
Your Reference:	Click here to enter text.
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To update A&G Committee following the first meeting of the Armada Way Independent Learning Review Sub-Committee (the sub-committee) on 30 October 2025, as follows:

The sub-committee heard reports from officers in relation to Governance, Project Management and Capital Programme, Consultation and Engagement, Environmental Regulations, Employee Wellbeing and Training and Development.

The sub-committee were able to ask questions of officers in attendance and were satisfied with the progress that had been made to date. There were not items that required escalation to A&G Committee.

Recommendations and Reasons

- I. Audit and Governance Committee notes the update.

Reason: The sub-committee was satisfied with the actions report to date therefore there was nothing which required escalation from the sub-committee.

Alternative options considered and rejected

- I. None – it was agreed in the establishment of the sub-committee by A&G Committee that the sub-committee would report to A&G Committee after each meeting.

Relevance to the Corporate Plan and/or the Plymouth Plan

The establishment of a cross-party sub-committee to oversee the implementation of the Action Plan supports the Corporate Plan by ensuring that it follows a democratic and co-operative process.

Implications for the Medium Term Financial Plan and Resource Implications:

There are no MTFP implications.

Financial Risks

There are no financial risks.

Legal Implications

There are no legal implication arising directly from this report.

Carbon Footprint (Environmental) Implications:

There are no direct carbon footprint implications arising from the creation of a sub-committee in itself.

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.*

There are 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	A&G Sub Committee: AWILR Action Plan -							

Background papers:

**Add rows as required to box below*

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

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <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	N/A	Leg	LS/00 0036 09/46 /LB/1 0/11/ 25	Mon Off	N/A	HR	N/A	Assets	N/A	Strat Proc	N/A
Originating Senior Leadership Team member: Liz Bryant											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 10/11/2025											

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Audit and Governance Sub-Committee Armada Way Independent Learning Review Action Plan – Action Log 2025/26

Key:	
	Complete
	In Progress
	Not Started
	On Hold

Minute No.	Resolution	Target Date, Officer Responsible and Progress
Minute 5a Governance 30 October 2025	A request was made that as part of the review of the review of the constitution, Councillors would be invited to give their comments.	Date Due: 31 December 2025 Officer: Liz Bryant Progress: Formal request made 31 October 2025.
Minute 5e Employee Wellbeing 30 October 2025	Councillors asked that the policy relating to unacceptable behaviour be circulated to Committee members for information.	Date Due: 06 November 2025 Officer: Alison Mills Progress: COMPLETE. Information circulated via email on 04 November 2025.

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Audit and Governance Committee – Action Log 2025/26

Key:	
	Complete
	In Progress
	Not Started
	On Hold

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: December 2025 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 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: September 2025 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. Chased 19 June 2025, 07 October 2025, 27 October 2025.
Minute 100	The letter with regards to the pension transaction would be shared with Committee members when it was available.	Date Due: TBC

Audit and Governance Committee – Action Log 2025/26

Audit Progress Report and Sector Updates 01 April 2025		Officer Responsible: Ollie Woodhams/Ian Trisk-Grove Progress: Request made 01 April 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: March 2026 Officer Responsible: Glenda Favor-Ankersen Progress: Suggested that these changes are considered along with any identified as part of the Armada Way Independent Learning Review Action Plan.
Minute 11c Annual Governance Statement 22 July 2025	Any changes to the constitution could be considered by the Constitution and Civic-Sub Committee, following any relevant recommendations from the Armada Way Action Plan Sub-Committee.	Date Due: March 2026 Officer Responsible: Liz Bryant Progress: Dependent on whether the AW Sub-Committee makes any recommendations to change the constitution.
Minute 11e Annual Governance Statement 22 July 2025	It was suggested that for the next AGS statement a survey would also be undertaken to seek the views of Councillors, as well as those of senior officers.	Date Due: May 2025 Officer Responsible: Jamie Sheldon Progress: Informed of action. Awaiting timeline based on next deadline for an AGS.
Minute 12i	It would be worth speaking to colleagues at Livewell to share best practice and learnings with regards to addressing micro-aggressions experienced in the workplace.	Date Due: TBD

Audit and Governance Committee – Action Log 2025/26

Health, Safety and Wellbeing Annual Report 22 July 2025		Officer Responsible: Kirstie Spencer/Annette Benny Progress: Officer informed action complete 08 October 2025.
Minute 17b Whistleblowing Policy 22 July 2025	It was requested that paragraph 7.1 (g) be reworded to 'their individual MP'	Date Due: 05 August 2025 Officer Responsible: Liz Bryant Progress: Formal request made 24 July 2025. Chased 07 October 2025.
Minute 17c Whistleblowing Policy 22 July 2025	More information on how contractors were made aware of the Whistleblowing Policy would be provided to the Committee.	Date Due: 05 August 2025 Officer Responsible: Liz Bryant Progress: Formal request made 24 July 2025. Chased 07 October 2025.
Minute 26j Internal Audit Progress Report 2025/26 16 September 2025	Councillors requested clearer timelines for planned audits within the report in future.	Date Due: 08 November 2025 Officer Responsible: Louise Clapton Progress: Complete. Changes considered for reports for November 2025 meeting.
Minute 26o Internal Audit Progress Report 2025/26	Eclipse system implementation was flagged for further update and clarification on its function and importance.	Date Due: 08 November 2025 Officer Responsible: Ian Trisk-Grove Progress: Formal request made 23 October 2025.

Audit and Governance Committee – Action Log 2025/26

16 September 2025		
Minute 27h Risk Management Update 16 September 2025	Advice was sought on how LGR proposal risks would be considered, whether by Scrutiny or Audit and Governance	Date Due: 08 November 2025 Officer Responsible: Ian Trisk-Grove Progress: Complete. The risks of the proposals would form part of the Scrutiny Management Board reports in November 2025.
Minute 30h Pre-referendum guidance compared to pre-election guidance 16 September 2025	A lessons learned report relating to the pre-referendum period would be developed.	Date Due: 31 December 2025 Officer Responsible: Liz Bryant Progress: Formal request made 24 October 2025.
Minute 30j Pre-referendum guidance compared to pre-election guidance 16 September 2025	Concerns were raised about staff awareness of Councillor roles and how this could be covered within the training that was being developed.	Date Due: 31 December 2025 Officer Responsible: Chris Squire Progress: Formal request made 24 October 2025.

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	Annual Standing Item (Verbal Report)	Barrie Morris/Grace Hawkins
	Plymouth City Council Audit Plan 2024/25	Required	Barrie Morris/Grace Hawkins
	Draft Statement of Accounts 2024/25	Required	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	Required	Wendy Eldridge
	Procurement Strategy	6 month update	Holly Golden
	Risk Management Monitoring Report	Update Report	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 Review of Financial Management Framework	Added August 2025	Louise Clapton
	Internal Audit Progress Report		Louise Clapton

	Risk Management Strategy	Standing Item	Bradley Hutton/Ian Trisk-Grove
	IFRS16 Leases	Identified for consideration at the January 2025 meeting.	Carolyn Haynes
	Pre-referendum Guidance compared to Pre-election Guidance	Identified for consideration at the July 2025 meeting.	Liz Bryant
	Armada Way Action Plan Sub-Committee	Added August 2025	Liz Bryant
	Engagement and Consultation Framework	Added August 2025	Ellie Firth/Prof Steve Maddern
18 November 2025	Interim Auditor's Annual Report	Update	Barrie Morris/Grace Hawkins
	Update on External Audit Actions	Update	Ian Trisk-Grove
	Counter Fraud Half Year Report	Half Year Report	Tony Rose
	Internal Audit Half Year Report	Half Year Report	Louise Clapton
	Risk Management Monitoring Report	Standing Item	Ian Trisk-Grove/Bradley Hutton
	Treasury Management Mid-Year Review	Annual Report	Wendy Eldridge
	Cost Risk Management of Capital Programme	Identified for consideration at the February 2025 meeting.	Ollie Woodhams
	Armada Way Action Plan Sub-Group Update	Following the Sub Group's October 2025 Meeting	Liz Bryant
	Cyber Security Update on Management Actions	Identified for consideration during 16 September 2025 meeting	Peter Honeywell
20 January 2026	External Auditor Findings Report		Barrie Morris/Grace Hawkins
	Final Statement of Accounts 2024/25	Added 16 September 2025	Carolyn Haynes
	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
	Armada Way Action Plan Sub Group Update	Following the Sub Group's December 2025 meeting	Liz Bryant

	Cyber Security Update on Management Actions	Identified for consideration during 16 September 2025 meeting	Peter Honeywell
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
2025/26	Financial Regulations within the Constitution Update		Ian Trisk-Grove
2025/26	Elected Members Engagement and Consultation Document	Identified for consideration at the September 2025 meeting.	Ellie Firth
Items to be scheduled for 2026/27			
2026/27	Eclipse system implementation limited assurance	Identified for consideration at September 2025 meeting	Gary Walbridge

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