



Oversight and Governance

Chief Executive's Department

Plymouth City Council

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SCRUTINY MANAGEMENT BOARD – BUDGET SCRUTINY

Wednesday 21 January 2026: 9.30 am

Thursday 22 January 2026: 9.30 am

Wednesday 28 January 2026: 5.00 pm

Warspite Room, Council House

Members:

Councillor Coker, Chair

Councillor Finn, Vice Chair

Councillors Allison, Blight, Freeman, Gilmour, Holloway, Murphy, Poyser, Ricketts and Steel.

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

Tracey Lee

Chief Executive

Scrutiny Management Board

1. Apologies

To receive apologies for non-attendance submitted by Councillors.

2. Declarations of Interest

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

3. Chair's Urgent Business

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

4. Session Plan:	(Pages 1 - 6)
5. Draft Budget Report 2026/27:	(Pages 7 - 52)
6. Supporting Information:	
6.a. Cabinet Member Risks and Mitigations Briefings	(To Follow)
6.b. Month Eight Finance Monitoring Report	(Pages 53 - 66)
6.c. Approved Capital Programme	(Pages 67 - 72)
6.d. Medium Term Financial Strategy	(Pages 73 - 114)
6.e. Treasury Management Strategy	(Pages 115 - 150)
6.f. Capital Financing Strategy (Including Capital Pipeline)	(Pages 151 - 166)
6.g. Corporate Plan Performance Monitoring Q2	(Pages 167 - 190)
6.h. Strategic Risk Monitoring Report Q2	(Pages 191 - 200)
6.i. Establishment Information	(Pages 201 - 208)

BUDGET SCRUTINY OVERVIEW

Budget Setting 2026-27



PLYMOUTH
CITY COUNCIL

TIMELINE

Budget Scrutiny 21, 22 & 28 January 2026

Day One:

- Session 1: Strategic Overview – Revenue and Capital Budgets
- Session 2: Children's Social Care and Education
- Session 3: Health and Adult Social Care

Day Two:

- Session 4: Strategic Planning, Transport and Environment
- Session 5: Housing, Homelessness and Communities

Day Three:

- Session 6: Wash Up (Chief Executive, Director of Children's Services and other CMT Members as required)
- Session 7: Formalise Recommendations

9th February: Cabinet – Budget Report 2026/27

23rd February: Full Council Meeting – Approval of Budget 2026/27

Budget Scrutiny Schedule:

Time	Session Contents	Chair and speakers
Day 1 (21 January 2026)		
09:30	<p>Welcome</p> <ul style="list-style-type: none"> • Apologies and Substitutions • Declarations of Interest • Chair's Urgent Business • Draft Aims and Objectives 	Cllr Mark Coker (Chair)
09:45 (1.5 hrs)	<p>SESSION ONE</p> <p>Leader of the Council Cabinet Member for Finance</p> <ul style="list-style-type: none"> • The overview of the Council and its resources 	Cllr Tudor Evans OBE Cllr Mark Lowry <ul style="list-style-type: none"> • Gary Walbridge (Strategic Director for Adults, Health and

	<ul style="list-style-type: none"> • The Corporate Plan • Economy and Enterprise; including Freeport • Regional and Local Economic Strategy • Strategic and commercial projects • Revenue Budget • Capital programme • Revenues and municipal enterprise 	<ul style="list-style-type: none"> Communities / Acting Chief Executive) • Si Bellamy (Chief Operating Officer) • Paul Barnard (Service Director, Strategic Planning and Infrastructure) • David Draffan (Service Director, Economic Development) • Glenn Caplin-Grey (Strategic Director for Growth) • Oliver Woodhams (Head of Finance) • Helen Slater (Assistant Head of Finance)
11:15 (15 mins)	Break	
11:30 (2 hrs)	<p><u>SESSION TWO</u></p> <p>Deputy Leader & Cabinet Members for Children's Social Care, Culture and Communications</p> <p>Cabinet Member for Education, Skills and Apprenticeships</p> <ul style="list-style-type: none"> • Children Safeguarding and protection (Children's Social Care) • Children in Care and Care leavers • Children in Need • Children's Social Care • Children's mental health • Early Intervention, Prevention and Targeted Support • Youth Justice and Youth Services • Post 16 – Education and training • Apprenticeships • Schools • Early Years • Adult Education • Skills and Employability • SEND 	<p>Cllr Jemima Laing</p> <p>Cllr Sally Cresswell</p> <ul style="list-style-type: none"> • Lisa Davies (Service Director, Children, Young People and Families) • Amanda Davis (Service Director, Education, Participation and Skills)
13:30 (30 mins)	Lunch	

14:00 (2 hrs)	<p><u>SESSION THREE</u></p> <p>Cabinet Member for Health and Adult Social Care</p> <ul style="list-style-type: none"> • Older people's services • Mental Health services • Physical disability services • Drug & alcohol services • Learning disabilities services • Adult public health • Adult Safeguarding • Health and social care • Children's and adult's dental health • Children's public health 	<p>Cllr Mary Aspinall</p> <ul style="list-style-type: none"> • Gary Walbridge (Strategic Director for Adults, Health and Communities) • Professor Steve Maddern (Director of Public Health) • Julia Brown (Service Director for Adult Social Care)
16:00 (15 mins)	Break	
16:15 (20 mins)	Reflections on Day One	Cllr Mark Coker (Chair)

Time	Session Contents	Chair and speakers
Day 2 (22 January 2026)		
09:30 (2 hours)	<p><u>SESSION FOUR</u></p> <p>Cabinet Member for Strategic Planning and Transport</p> <p>Cabinet Member for Environment and Climate Change</p> <ul style="list-style-type: none"> • Spatial and infrastructure planning • Strategic transport policy including public transport, active travel, community transport, concessionary fares and non-commercial routes • Flood risk management • Highways operations and maintenance • Pavements • Parking • Marine services • Climate change • Plymouth Net Zero Action Plan • Climate Emergency Investment Fund • Energy policy, decarbonisation and renewable energy initiatives • Commercial and domestic waste management • Environmental enforcement • Parks, recreation and sports pitches • Street cleaning 	<p>Cllr John Stephens</p> <p>Cllr Tom Briars-Delve</p> <ul style="list-style-type: none"> • Glenn Caplin-Grey (Strategic Director for Growth) • Andy Sharp (Services Director for Street Services) • Paul Barnard (Service Director for Strategic Planning and Infrastructure)
11:30 (15 mins)	<u>BREAK</u>	
11:45 (2 hours)	<p><u>SESSION FIVE</u></p> <p>Cabinet Member for Housing, Co-operative Development and Communities</p> <p>Cabinet Member for Customer Experience, Sport, Leisure, HR and OD</p> <p>Cabinet Member for Community Safety, Events, Libraries, Cemeteries and Crematoria</p>	<p>Cllr Chris Penberthy</p> <p>Cllr Kate Taylor</p> <p>Cllr Sally Haydon</p> <ul style="list-style-type: none"> • Gary Walbridge (Strategic Director for Adults, Health and Communities) • Professor Steve Maddern (Director of Public Health)

	<ul style="list-style-type: none"> • Plan for Homes and associated initiatives • Homelessness • Community engagement • Customer services • Sports and Leisure • Environmental health • Trading standards • Crime and Anti-social behaviour • Civil Protection and resilience • Library service • Bereavement and Crematoria • HR & Workforce 	<ul style="list-style-type: none"> • Matt Garrett (Service Director for Community Connections) • Jackie Kings (Head of Housing Standards) • Si Bellamy (Chief Operating Officer) • Chris Squire (Service Director, HROD) • Paul Barnard (Service Director for Strategic Planning and Infrastructure) • Nick Carter (Head of Housing and Regeneration) • Graham Smith (Head of Bereavement) • Nicola Horne (Head of Environmental Protection and Taxis)
13:45 (30 mins)	Lunch	
14:15 (30 mins)	Informal Session <ul style="list-style-type: none"> • Summary Discussions of Day 1 & 2 • Areas for further clarity • Potential Recommendation discussions 	Cllr Mark Coker (Chair)

Time	Session Contents	Chair and speakers
Day 3 (28 January 2026)		
17:00 (1.5 hrs)	SESSION SIX <ul style="list-style-type: none"> • Wash Up 	<ul style="list-style-type: none"> • Tracey Lee (Chief Executive) • David Haley (Director of Children's Services) • Other CMT members and Cabinet members as required
18:30 (1.5 hr)	SESSION SEVEN <ul style="list-style-type: none"> • Formalise Recommendations 	Cllr Mark Coker (Chair)

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Cabinet



Date of meeting:	12 January 2026
Title of Report:	Draft Budget Report 2026/27
Lead Member:	Councillor Mark Lowry (Cabinet Member for Finance)
Lead Strategic Director:	David Northey (Interim Service Director for Finance)
Author:	David Northey, Interim Service Director for Finance (Section 151 Officer) Helen Slater, Assistant Head of Finance
Contact Email:	Helen.Slater@plymouth.gov.uk
Your Reference:	Budget202627/Jan2026
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

Under the Council's Constitution, Cabinet is required to recommend an annual Budget Report and Council Tax Resolution to Full Council. This report sets out the latest information available to enable Cabinet to consider recommendations in respect of the Draft Budget to be presented to the Budget Scrutiny Committee.

At the time of writing, we have included the information contained in the Provisional Local Government Settlement announced in December 2025. Full details of the Final Settlement will be included in subsequent reports

Recommendations and Reasons

That Cabinet:

1. Notes this report and acknowledges that it is subject to change in line with any Final Settlement adjustments and further changes required as proposals are developed.
2. Endorses the recommended 5-year Capital Programme £319.725m.
3. Agrees to present the draft budget report to the Budget Scrutiny Select Committee for consideration when full savings proposals highlighted in this report have been further developed.

Reason: To ensure Cabinet support for the budget proposals prior to further development of the final Revenue and Capital Budget for 2026/27.

Alternative options considered and rejected

- I. Not to bring forward proposals in respect of the 2026/27 Budget – rejected on the basis that there is a legal requirement for the Council to agree a balanced budget, and seeking support for further development of the recommended proposals will enable this to happen.

This report builds on the Council's Medium-Term Financial Strategy (MTFS) presented to Council in November 2025. In accordance with our Financial Regulations, we are required to produce regular reports on our financial resources.

Relevance to the Corporate Plan and/or the Plymouth Plan

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

Implications for the Medium-Term Financial Plan and Resource Implications:

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

Financial Risks

The Council is a complex service organisation with a gross revenue expenditure budget exceeding £670m and faces financial risks due to the ongoing demand pressures in adult social care and children's social care, homelessness accommodation, providing home-to-school transport for our most vulnerable children, and the cost of financing the Dedicated School Grant deficit.

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

The Provisional Settlement reflects the sector's request for more certainty over future funding envelopes. For the first time in over a decade we have visibility and certainty of our core resources for the coming year 2026/27 plus a further two years. It brings additional funding however given the scale of the future demand the modelling for future years shows it will still be a challenge for the Council. It is imperative that the Council increases its already strong focus on prevention, intervention, transformation and long-term financial sustainability. This needs to include reducing the base running costs and adopting a policy to grow the reserves year on year.

The Draft Budget 2026/27 assumes an increase in both the base Council Tax and the Adult Social Care precept, in line with the policy set out in the Autumn Statement 2025 and the Local Government Settlement in December 2025. No decision has yet been made on any changes to the Council Tax charge for 2026/27; this decision is reserved for Full Council.

Legal Implications

The Council has a legal obligation under Section 31A of the Local Government Finance Act 1992, as amended by the Localism Act 2011, to set a balanced budget for the forthcoming financial year. Cabinet must ensure that the proposed budget enables the Council to meet its statutory functions and that the estimates included are both reasonable and based on sound assumptions. Failure to set a lawful budget by the statutory deadline may expose the authority to legal challenge and intervention by the Secretary of State.

Under Section 151 of the Local Government Act 1972, the Council's Chief Finance Officer must provide assurance that the budget is deliverable and that adequate reserves are maintained. Cabinet is required to have due regard to the Section 151 Officer's advice, including on the adequacy of reserves and the robustness of estimates. Disregarding such professional advice without reasonable justification may increase the risk of a successful legal challenge.

In formulating their budget proposals, Cabinet must give due regard to the Public Sector Equality Duty to ensure that any budget savings measures do not unduly impact on those with protected characteristics and must also ensure that any budget savings proposals which result in changes to services are subject to statutory and where relevant non-statutory consultation. Any consultation must be undertaken in a timely manner to enable due regard to be given the results of the consultation prior to any final decisions being taken.

Carbon Footprint (Environmental) Implications:

There are no direct impacts arising from this report. As the recommendations relate to the Council's revenue and capital budget in its entirety, the scope of the decision covers all Council activities. There will be carbon footprint implications associated with the activities financed by the budget, both positive and negative, but these can only be effectively assessed on a case-by-case basis. The Council's commitments to the net zero agenda, as with any other strategic priority, will always operate within the financial context in which the Council is working.

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

The increasing costs of demand-led services outpacing the growth in revenue resources across the public sector has been identified as a key risk within our Strategic Risk Register. As proposals are developed, officers will produce, where relevant, a risk register specific to each proposal to inform decision-making. This register will include identified risks and proposed mitigations and will be reported as part of the decision-making process.

In addition, as proposals are further developed, officers will assess and report on equalities impacts and associated mitigations as part of the process.

An Equalities Impact Assessment will accompany the final Budget Report.

Appendices

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
1	Relative Needs Formulae and Fair Funding Assessment Calculation (per MHCLG)							
2	Additional Costs/Budget Adjustments							
3	Management and Cabinet Savings							
4	Draft 2026/27 Directorate Budgets							
5	Revised Capital Programme							

Background papers:

*Add rows as required to box below

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

Title of any background paper(s)	Exemption Paragraph Number (if applicable)
	<p><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></p>
	<input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7

Sign off:

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Originating Senior Leadership Team member: David Northey, Interim S151 Officer

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

Date agreed: 09/01/2026

Cabinet Member approval: Agreed verbally Cllr Lowry (Cabinet Member for Finance) & David Northey

Date approved: 09/01/2026

I. Introduction

I.1. This report provides the latest position on the Council's budget for 2026/27. The Council continues to operate in a challenging financial environment, where statutory service demands are rising and funding levels, although now confirmed for three years, remain lower than the impact of rising demand. Like many other local authorities, the Council faces another year of financial risk as significant demand and cost pressures in Adult Social Care, Children's Social Care, Homelessness, and SEND continue to grow.

I.2. The Provisional Settlement sets out funding allocations for 2026/27 - 2028/29 and reflects the outcome of the Fairing Funding Review 2.0 and the impact on funding for Plymouth. The report will set out the impact of funding review in more detail.

I.3. The Council's administration remains ambitious in its vision for the city and is committed to prioritising services for children, vulnerable adults, the provision of affordable housing, and support for those affected by homelessness. It is acutely aware of the ongoing financial pressures and economic challenges facing households across Plymouth.

I.4. The budget includes adjustments to correct previous one-off allocations and account for council-wide costs and directorate growth, offset by additional resources and savings identified across all directorates. The detail is set out in the report.

I.5. This draft budget allocates additional growth to demand-led directorates to protect the most vulnerable people in the city. The key areas of focus are:

- **Children's Directorate** – Children's Social Care placements and SEND, where increased numbers of pupils with Education Health and Care Plans, impact both Home-to-School Transport budgets and the Council's costs for financing the DSG deficit.
- **Adults, Health and Communities Directorate** – Adult Social Care packages and homelessness provision, including the use of nightly paid temporary accommodation

I.6. The report sets out additional budget allocations to these two Directorates totalling £25.778m:

○ Children social care and placement costs	£9.479m
○ SEND Home to School Transport	£2.094m
○ Adult Social Care additional costs	£11.175m
○ Homelessness prevention	£0.797m
○ Short Breaks	£0.623m
○ Dedicated School Grant deficit funding	£1.610m

I.7. The 2026/27 budget assumes new management savings totalling £10.543m; Invest to Save projects saving £4.333m and cabinet proposals yet to be finalised of up to £2.500m. Together, these have the potential to total £17.376m.

I.8. A one-off Treasury Management action is being considered to change underlying financing arrangements for our debt and financial investment portfolios. This could provide additional one-off revenue funding for 2026/27 of up to £9.700m.

I.9. The Council will engage with MHCLG via the Settlement Consultation around the Fair Funding Review. In addition, the Leader and Cabinet Members are lobbying politicians to ensure Plymouth's funding is both maximised and equitable.

- 1.10. This draft budget consolidates our current priorities to address both the existing and forecasted financial gaps, enabling Strategic Directors to implement innovative approaches to service delivery.

2. Background

- 2.1. The Council will set the budget for the 2026/27 financial year at Full Council. At this meeting, the Council Tax rate for 2026/27 will also be determined.
- 2.2. Budget setting has been highly challenging this year, driven by significant changes to the Government's approach to Fair Funding and rolling specific grant funding into core resources plus reform to the business rates allocations. All of this whilst experiencing continuing escalating demand for services and rising costs.
- 2.3. The Council provides a wide range of over 300 services that touch every aspect of life in Plymouth. These include essential functions such as household waste and recycling collections, safeguarding vulnerable children, and maintaining libraries. The Council also plays a key role in shaping the city's future through planning decisions, attracting investment and creating jobs, and supporting local businesses. In addition, it delivers leisure and cultural facilities, manages parking, maintains roads and pavements, and cares for Plymouth's parks and green spaces, ensuring they remain accessible and welcoming for all residents.
- 2.4. The rising demand and cost of providing services is not unique to Plymouth. The Council is taking a proactive approach to managing them. Targeted action is being taken by the Council in the areas where demand is growing the fastest. Areas being targeted are the "big four" of Adult Social Care, Children's placements, increasing SEND (Special Education Needs and Disabilities) costs, where the budget deficit is growing putting additional borrowing costs into the revenue budget, and increasing temporary accommodation to address Homelessness.
- 2.5. All Council directorates have worked collaboratively to support the budget-setting process, with many teams adapting how they operate to meet the challenges ahead. While there is a continued focus on supporting and strengthening the city, the scope for change is limited by statutory responsibilities that require the delivery of essential services. These include, for example, safeguarding and supporting vulnerable children and adults.
- 2.6. Despite the financial challenges, the Council remains committed to delivering the fundamentals that matter most to residents: well-maintained roads and cleaner, greener streets; sustainable transport options; and more homes for social rent and affordable ownership. We are also focused on driving green investment, creating jobs, developing skills, and improving education, while ensuring the safety and wellbeing of children, adults, and communities. This budget builds on the Medium-Term Financial Strategy, providing a robust framework to achieve these priorities and continue supporting Plymouth's people and economy.

Budget Engagement

- 2.7. A public engagement to support the 2026/27 budget setting process took place between 10 November and 14 December 2025. An online questionnaire was developed which asked respondents for their view on which one of the following priorities the Council should focus on in the coming year:
 - Working with the Police to tackle crime and anti-social behaviour.
 - Fewer potholes, cleaner, greener streets and transport.
 - Build more homes - for social rent and affordable ownership.
 - Green investment, jobs, skills and better education.

- Working with the NHS to provide better access to health, care and dentistry.
- Keeping children, adults and communities safe.

- 2.8. The engagement was promoted through local media and the Council's own communication channels, including a website banner, a newsroom feature, social media posts, e-newsletters, targeted promotion to local businesses, and a press release. Internally, the questionnaire was also shared via the Staff News bulletin.
- 2.9. Over 300 online questionnaires were completed, and a face-to-face event took place on 07 January 2026 with the business sector, facilitated through the Plymouth Growth Board.
- 2.10. The themes arising from the engagement will be considered as part of the final budget proposals and will be made available to the Budget Scrutiny Committee.

3. Provisional Local Government Finance Settlement

- 3.1. On 17 December 2025, Alison McGovern MP, Minister of State for Local Government and Homelessness, issued a Written Ministerial Statement to Parliament and laid before it the provisional local government finance settlement for 2026/27. This forms part of an indicative multi-year settlement extending to 2028/29 and is largely based on the Fair Funding Review (FFR), originally initiated in 2016 and revived as version 2.0 under the current administration.
- 3.2. This is the first settlement in over a decade to provide indicative funding allocations for multiple years, covering 2026/27 to 2028/29. However, the process remains annual, and figures for future years are subject to confirmation in their respective settlements. The 2026/27 settlement applies for one year only but includes illustrative amounts for 2027/28 and 2028/29. All figures are informed by the 2024 Autumn Budget and Spending Review, the 2025 Budget announcements, and the Policy Statement issued on 20 November.
- 3.3. This settlement represents the most significant redistribution of funding within the sector in at least 25 years. Changes also include a full business rates baseline reset, the first since the Business Rates Retention Scheme was introduced in 2013/14, major revisions to all Relative Needs Formulas (RNFs), and the consolidation of numerous grants into either the Settlement Funding Assessment or one of four consolidated grants.

Outcome for Plymouth

- The government's measure of Core Spending Power shows an increase of £15.9m, or a 5% increase on their calculation of the 2025/26 baseline
- Of this approximately £9.2m relates to estimated Council Tax increases (3%)
- This leaves a £6.7m increase through Revenue Support Grant, Business Rates and the Recovery Grant Guarantee. (Fair Funding Assessment).
- To maintain the 5% increase promised to Upper Tier authorities who were in receipt of the Recovery Grant, Plymouth will be receiving £0.525m via the 'Recovery Grant Guarantee'
- The increase of £15.9m quoted for 2026/27 should also be viewed against the forecast increased budgetary requirement for statutory services including Social Care, Homelessness and SEND of £26m.

Illustrative Core Spending Power of Local Government:					
	2024-25 £ millions	2025-26 £ millions	2026-27 £ millions	2027-28 £ millions	2028-29 £ millions
Fair Funding Allocation¹	0.0	0.0	161.0	164.9	168.9
of which: Baseline Funding Level	0.0	0.0	75.9	77.7	79.2
of which: Revenue Support Grant ²	0.0	0.0	69.1	87.2	89.7
of which: Local Authority Better Care Grant ³	0.0	0.0	16.0	-	-
Legacy Funding Assessment	144.9	152.6	0.0	0.0	0.0
of which: Legacy Business Rates ⁴	81.3	82.5	0.0	0.0	0.0
of which: Legacy Grant Funding ⁵	50.7	54.2	0.0	0.0	0.0
of which: Local Authority Better Care Grant	12.9	16.0	0.0	0.0	0.0
Council tax requirement^{6,7}	138.8	147.9	157.1	166.9	177.3
Homelessness, Rough Sleeping and Domestic Abuse^{8,9}	3.3	4.6	3.8	3.7	3.8
Families First Partnership¹⁰	1.4	2.9	4.0	4.0	3.4
Total Transitional Protections¹¹	0.0	0.0	0.0	0.0	0.0
of which: 95% income protection	0.0	0.0	0.0	0.0	0.0
of which: 100% income protection	0.0	0.0	0.0	0.0	0.0
of which: Fire and Rescue Real-terms floor	0.0	0.0	0.0	0.0	0.0
Grants rolled in to Revenue Support Grant¹²	2.1	2.5	0.0	0.0	0.0
Recovery Grant	0.0	6.6	6.6	6.6	6.6
Recovery Grant Guarantee¹³	0.0	0.0	0.5	0.0	0.0
Mayoral Capacity Fund	0.0	0.0	0.0	0.0	0.0
Core Spending Power	290.4	317.2	333.0	346.1	359.9
Core Spending Power year-on-year change (£ millions)	26.7	15.9	13.0	13.9	
Core Spending Power year-on-year change (%)	9.2%	5.0%	3.9%	4.0%	
Core Spending Power change since 2024 (£ millions)	26.7	42.6	55.6	69.5	
Core Spending Power change since 2024 (%)	9.2%	14.7%	19.1%	23.9%	
Core Spending Power change since 2025 (%)		5.0%	9.1%	13.5%	

3.4. There are significant changes to most of the existing elements of core funding, further details of these changes are within the relevant sections of the report below.

Other Settlement messages

Local Government Reform

3.5. The settlement confirms MHCLG's (Ministry of Housing, Communities and Local Government) approach to distributing funding to newly established authorities. Where local government reorganisation does not involve splitting existing authorities, the new authority will receive all resources of its predecessor councils. In cases where an authority is divided, local areas must agree how resources will be allocated, following MHCLG guidance and subject to final approval. The agreed split will remain in place until the next Fair Funding Review or similar exercise, consistent with recent practice.

Monitoring Adult Social Care Spending

3.6. As outlined in the Fair Funding Review 2.0 consultation and policy statement, the Department of Health and Social Care will introduce 'notional' adult social care funding amounts for local authorities, setting expectations for the minimum level of spending on adult social care. While MHCLG has confirmed this will not be a formal ringfence, it is intended as a mechanism to maintain oversight following funding simplification and the removal of previous ringfencing.

4. Core Resources

4.1. The funding framework for 2026/27 has changed significantly, making direct comparisons with previous years and historic funding levels challenging. Key developments include the incorporation (“roll-in”) of several major grant streams into the Revenue Support Grant (RSG), alongside further consolidation of funding outside the RSG as part of MHCLG’s simplification agenda.

4.2. In addition, substantial changes to Business Rates have been confirmed, which may appear inconsistent with prior-year assumptions. Where possible, this report will present comparative information in a clear and accessible way to support understanding.

Table 2: Core Resources per MTFP 2026/27 to 2029/30

MTFP 2026/27 to 2029/30				
	2026/27	2027/28	2028/29	2029/30
Core Resources	£m	£m	£m	£m
Revenue Support Grant	(69.133)	(87.219)	(89.652)	(91.445)
Local Authority Better Care Grant	(15.955)	-	-	-
Recovery Grant Guarantee	(0.525)	-	-	-
Council Tax	(156.541)	(164.300)	(173.040)	(182.243)
Business Rates	(75.921)	(77.662)	(79.229)	(80.814)
Total Core Resources	(318.075)	(329.181)	(341.921)	(354.502)

5. Fair Funding Assessment (formally Settlement Funding Assessment)

5.1. MHCLG has published the provisional outcome of the Fair Funding Review, setting the underlying figures for the Fair Funding Assessment (FFA), formerly known as the Settlement Funding Assessment.

5.2. This redistributes 2025/26 totals between the Baseline Funding Level (BFL) and Revenue Support Grant (RSG).

5.3. Nationally, approximately £32 billion is allocated through Fair Funding Review 2.0, rising by around £1 billion in 2026/27 through standard BFL indexation, additional adult social care resources, and a small uplift to RSG.

5.4. How the Fair Funding Allocation is determined:

- Plymouth’s total funding requirement is calculated using various needs-based formulae, resulting in a Needs Allocation of £313.1m
- A notional level of council tax Plymouth can raise is deducted as a Resource Adjustment of £151.2m
- This leaves £161m to be distributed via the Fair Funding Allocation, around 0.5% of the national total.

5.5. A breakdown of the Relative Needs Formulae and calculations used to derive the Fair Funding Allocation are included at Appendix 1.

Fair Funding Assessment Split

5.6. Funding through the Fair Funding Assessment (FFA) is divided into two streams:

- Business Rates Retention** (Baseline Funding Level/BFL)
- Revenue Support Grant** (RSG), including the Local Authority Better Care Grant top-slice

5.7. The split between BFL and RSG, along with updated top-up and tariff amounts, reflects MHCLG's latest analysis of the impact of the business rates revaluation, the business rates reset, and the introduction of new business rates multipliers.

5.8. The table below compares the original 2025/26 figures with a revised 2025/26 baseline. Please note that changes to the baseline do not represent additional funding; they result from rolling in several existing grant streams. Further details on these grants are provided in the relevant sections of this report.

Table 3: Fair Funding Assessment Comparison

Fair Funding Assessment Comparison	Original 2025/26	Notional		2026/27 Provisional	2026/27 Increase
		Change to Baseline	Revised 2025/26		
	£m	£m	£m	£m	£m
Revenue Support Grant	(12.662)	(55.343)	(68.005)	(69.133)	(1.128)
Local Authority Better Care Grant	(15.955)	-	(15.955)	(15.955)	-
Baseline Funding Level (Business Rates)	(63.974)	(7.165)	(71.139)	(75.921)	(4.782)
Total Fair Funding Assessment	(92.591)	(62.508)	(155.099)	(161.009)	(5.910)

5.9. Each authority's initial allocation is based on 2028/29 figures, with 45.9% assigned to the Business Rates Baseline Funding Level (BFL) and 54.1% to Revenue Support Grant (RSG), reflecting MHCLG's estimate of collectible business rates in 2026/27 as a share of the overall Fair Funding Review total.

5.10. To manage the three-year transition from 2025/26 to 2028/29, RSG will vary under the transition scheme, while BFL remains unchanged for this purpose. Both BFL and RSG will then grow annually through business rates indexation and additional Spending Review resources.

5.11. The table below sets out the Fair Funding Assessment across the settlement period, with 2029/30 uplifted in line with CPI assumptions.

Table 4: Fair Funding Assessment (Multi-Year)

MTFP 2026/27 to 2029/30	2026/27	2027/28	2028/29	2029/30
Core Resources	£m	£m	£m	£m
Revenue Support Grant	(69.133)	(87.219)	(89.652)	(91.445)
Local Authority Better Care Grant	(15.955)	-	-	-
Business Rates	(75.921)	(77.662)	(79.229)	(80.814)
Fair Funding Assessment Total	(161.009)	(164.881)	(168.881)	(172.259)

Business Rates Income

5.12. For 2026/27, the business rates taxbase has been revalued, and a full reset of the Business Rates Retention Scheme will take place. Authorities' Business Rates Baselines will be set using expected collections for 2026/27, based on the provisional 2026 revaluation list. This reset incorporates £2.38 billion of business rates growth previously retained locally into national totals, which are redistributed under Fair Funding Review 2.0. Transitional arrangements ensure 2025/26 positions reflect estimated retained growth.

- 5.13. A new banded levy applies to all authorities: 10% on the first 10% growth above baseline, 30% on the next 90%, and 45% beyond 200% of baseline. This approach increases growth incentives for districts while limiting gains for top-up authorities.
- 5.14. The Business Rates Baseline Funding Level has been used as a proxy for business rates income in Core Resource modelling for the Medium-Term Financial Plan (MTFP). The final figure for the Budget will be determined by the NNDRI return in January and updated in the Final Budget report, alongside any changes from the final settlement.
- 5.15. Most business rates funding previously outside the Settlement Funding Assessment, such as compensatory grants for caps on multiplier indexation, is now included in the Fair Funding Assessment, so further adjustments should be minimal. However, as this is the first year under significant changes, some variation may occur.
- 5.16. Business Rates Baseline Funding Levels are subject to a 100% safety net in 2026/27, meaning the FFA provides a guaranteed minimum for the year, with potential for additional income from growth.

Business Rates Pooling

- 5.17. Due to the full reset of the Business Rates Retention Scheme and changes to levy and safety net calculations, business rate pools were not expected to form for 2026/27, as the risks outweighed potential benefits. The Devon Business Rates Pool submitted an application as a precautionary measure but has since requested its designation be withdrawn following the provisional settlement. The impact on Core Resources for 2026/27 is a reduction of over £2.7m.

6. Council Tax

- 6.1. The 2026/27 Provisional Local Government Finance Settlement confirms that local authorities may increase core Council Tax by up to 2.99%, alongside an additional increase of up to 2% for the Adult Social Care precept. These provisions have been reflected in the government's funding assumptions and incorporated into the Medium-Term Financial Strategy for future financial years.
- 6.2. Council Tax income is not affected by Fair Funding changes.
- 6.3. In exceptional cases, councils may apply to raise council tax further, provided residents do not already pay above the national average.
- 6.4. The Council Tax Base report for 2026/27 will be presented to Full Council for approval in January 2026. The provisional tax base is 76,887 Band D equivalent properties, representing an increase of 330 compared to 2025/26. The assumed collection rate remains at 97.5%, which is considered both realistic and prudent. Additional income from Empty Homes and Second Homes premiums has also been factored into the tax base calculation.

Graph 1: Council Tax Base History (note decrease in 2021/22 relates to technical adjustment for Covid funding)

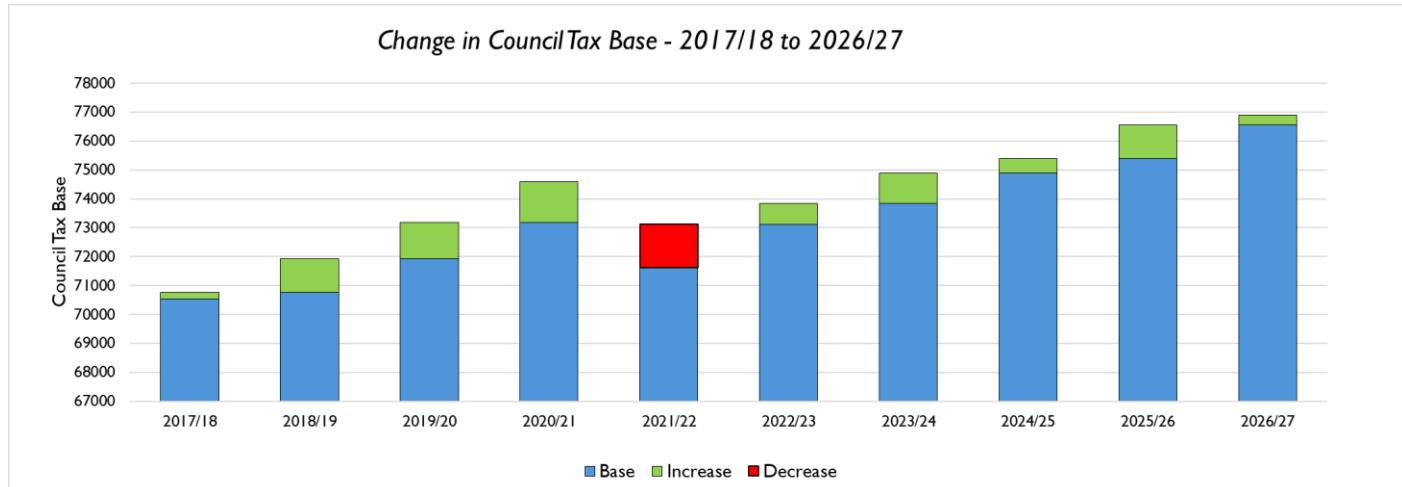


Table 5: Council Tax Income Assumptions

Council Tax Income	2025/26 Budget £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m
Previous year total	138.768	147.950	156.002	164.300	173.040
Increase in base assumptions	2.150	0.637	0.489	0.516	0.541
Revised base	140.918	148.588	156.491	164.816	173.581
Council Tax increase (2.99%) on revised base	4.213	4.443	4.679	4.928	5.190
ASC precept (2%) on revised based	2.818	2.972	3.130	3.296	3.472
Council Tax total	147.950	156.002	164.300	173.040	182.243
Collection Fund Surplus Mid-Year Estimate	1.500	0.539	-	-	-

Council Tax Discounts and Premiums

6.5. As a result of the Levelling Up and Regeneration Act 2023, local authorities were given enhanced powers to apply council tax premiums on certain types of properties. From April 2024, councils could apply the empty homes premium on dwellings that have been unoccupied and substantially unfurnished for one year, reducing the previous qualifying period of two years. Additionally, from April 2025, councils could introduce a new discretionary council tax premium of up to 100% on second homes. Plymouth has implemented both premiums.

6.6. Tax base growth from both the empty homes and second homes premiums was incorporated into the MTFS from 2025/26 onwards, and the revised Council Tax Base for 2026/27 now includes actual levels.

Council Tax Support Scheme

6.7. Local authorities have a statutory duty to implement and administer a local Council Tax Support Scheme (CTSS), which provides financial assistance to low-income households, both in and out of work, to help meet their Council Tax obligations. The scheme currently supports approximately 22,000 local residents, nearly 70% of whom are of working age. Any owner-occupier or tenant aged 18 or over who is legally responsible for paying Council Tax may apply for assistance. The level of support awarded is determined by the household's income and individual circumstances.

6.8. The Government prescribes the rules for calculating Council Tax support for applicants who have reached state pension age. Under these regulations, eligible pension-age claimants may receive up to 100% support against their Council Tax liability. For working-age residents, Plymouth City Council operates an income-banded scheme, under which the maximum support available is capped at 80% of the Council Tax charge. This approach ensures targeted assistance while maintaining the financial sustainability of the scheme.

6.9. The table below shows the level of Council Tax forgone due to the application of the Council Tax Support Scheme. No amendments to the scheme are planned for 2026/27.

Table 6: Council Tax Forgone – Council Tax Support Scheme

Council Tax Support Scheme	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Total Council Support (Council Tax forgone)	18.935	20.181	21.535	22.145	21.650

Council Tax Administration Consultation

6.10. The Government's consultation on modernising council tax administration (June–September 2025) proposed reforms aimed at making billing, collection, and enforcement fairer and more supportive. Key proposals include slowing enforcement processes, capping charges, and signposting residents to support services. The consultation also explored measures to improve fairness and structure, such as simplifying property band challenges, updating discount eligibility, and introducing 12 monthly instalments as standard.

6.11. Further proposals seek to enhance transparency and efficiency through digital systems, data integration, and deferred payment options. At this stage, no impact on 2026/27 council tax income modelling is anticipated, as the reforms have not yet been confirmed.

7. Recovery Grant

7.1. The 2025/26 Recovery Grant will continue, with a Recovery Grant Guarantee uplift for Upper Tier Local Authorities previously in receipt of the grant. This uplift is intended to increase these authorities' core spending power by approximately 5%, 6%, and 7% across the three years of the settlement (equivalent to around 5% + 1% + 1%). For Plymouth, the settlement allocates £0.525m through this funding stream in 2026/27, with no funding in subsequent years.

7.2. However, the calculation of the 5% increase for Plymouth understates business rates income for 2025/26 by excluding the pooling gain that would have been allocated via the Devon Business Rates Pool. For levy-paying authorities, this gain is reflected by removing the pre-pooling levy payable from the baseline. As Plymouth is not levy-paying, no adjustment is made to the baseline to reflect the pooling gain.

7.3. Additionally, the Council Tax income assumed for 2026/27 is overstated. MHCLG uses an assumption for tax base growth based on the average growth between 2021/22 and 2025/26, which includes significant one-off uplifts from second home and empty home premia. MHCLG calculates Plymouth's tax base growth for 2026/27 as 880, compared to an actual increase of 330.

7.4. The pooling gain was budgeted at £2.750m for 2026/27, and Council Tax income is overstated by approximately £1.2m. If both elements accurately reflected Plymouth's funding position, Plymouth should receive an additional £4m through the Recovery Grant Guarantee to maintain the promised 5% uplift.

8. Changes to Treatment of Specific Grants

- 8.1. A key principle of the Fair Funding Review is the simplification of local government funding. The Local Government Finance Policy Statement confirmed which grants will be consolidated into the Fair Funding Assessment and which will be streamlined into four 'high-value' consolidated grants.
- 8.2. As a result of this funding simplification, the number of specific grants included within Core Spending Power has significantly reduced.

Adult Social Care Funding

- 8.3. All adult social care funding included in 2025/26 Core Spending Power has been redistributed through the Fair Funding Review. Better Care Fund allocations have been top-sliced from social care authorities' Fair Funding Assessments and provided as a separate Section 31 grant. Nationally, additional funding for adult social care has been incorporated into the Revenue Support Grant, amounting to £150m in 2026/27, £250m in 2027/28, and £500m in 2028/29. This will be distributed using the new relative needs formula introduced by the Fair Funding Review, without any council tax adjustment.
- 8.4. The Department of Health and Social Care will shortly publish 'notional' adult social care amounts to set expectations for how much council funding should be allocated to this service.
- 8.5. It should be noted that this approach to redistributing Social Care Grants significantly disadvantages Plymouth, as the city now receives a lower share of this funding.
- 8.6. A significant number of other grants have also been 'rolled-in' and redistributed through the Fair Funding Assessment. The table below lists these and their 2025/26 values.

Table 7: Rolled-In Grants 2026/27

Specific Grants 'Rolled In' and Redistributed under Fair Funding	Original 2025/26 £m
Social Care Grant	(33.789)
Market Sustainability and Improvement Fund	(5.618)
Employer NI contributions grant	(2.063)
Temporary Accommodation Element of Homelessness Prevention Grant	(1.110)
Children and Families Grant	(0.836)
War Pensions Disregard Grant	(0.372)
Virtual School Head (Children w a Social Worker and Children in Kinship Care)	(0.126)
Awaab's Law New Burdens	(0.001)
Biodiversity Net Gain Planning Requirement Grant	(0.027)
Enforcement of Location and Volume Price Promotions Restrictions Grant	(0.001)
Enforcement of OOH Calorie Labelling Regulations Grant	(0.001)
LGF Data Review New Burdens	(0.001)
Deprivation of Liberty Safeguards within LRCV	(0.028)
Business Rates - Compensation for under-indexation of Multiplier	(12.676)
Specific Grant 'Rolled In' but top-sliced at existing level	
Local Authority Better Care Grant	(15.955)
Total	(72.605)

- 8.7. The Fair Funding Review introduces four new consolidated, ringfenced grants that combine similar funding streams across government. These grants will operate over the three-year multi-

year Settlement, with details on allocations, distribution, and conditions provided at the provisional Settlement.

New Consolidated Grant: Homelessness, Rough Sleeping and Domestic Abuse Grant

Table 8: Homelessness, Rough Sleeping and Domestic Abuse Grant

Consolidated Grants Comparison	2025/26			
	Baseline £m	2026/27 £m	2027/28 £m	2028/29 £m
Homelessness, Rough Sleeping and Domestic Abuse Grant	(4.648)	(3.839)	(3.737)	(3.820)
Change: (Increase)/Decrease		0.809	0.102	(0.083)
<i>Of which:</i>				
Domestic Abuse safe accommodation new burdens	(0.766)	(0.796)	(0.796)	(0.796)
Rest of grant ('Homelessness and Rough Sleeping')	(3.882)	(3.043)	(2.941)	(3.024)
<i>Made up of:</i>				
Homelessness prevention grant - prevention, staffing and relief share	(1.066)			
Rough Sleeping Prevention and Recovery Grant	(2.580)			
Rough Sleeping Accommodation Programme	(0.254)			

8.8. The Homelessness, Rough Sleeping and Domestic Abuse Grant will form part of Core Spending Power and combines funding for homelessness prevention and staffing, rough sleeping prevention and accommodation, and safe accommodation for domestic abuse victims. Funding will be distributed using formulas designed to target prevention, relief, and recovery.

8.9. In 2026/27, this consolidated grant is worth £794m nationally. At baseline in 2025/26, it brings together existing resources, including the Domestic Abuse Safe Accommodation new burdens element of the Homelessness Prevention Grant, the Rough Sleeping Prevention and Recovery Grant, and the Rough Sleeping Accommodation Programme.

8.10. For Plymouth, the settlement indicates that, using 2025/26 comparators. this funding stream reduces by £0.809m in 2026/27.

New Consolidated Grant: Children, Families and Youth Grant

Table 9: Children, Families and Youth Grant

Consolidated Grants Comparison	2025/26			
	Baseline £m	2026/27 £m	2027/28 £m	2028/29 £m
Children, Families and Youth Grant	(3.982)	(5.049)	(5.008)	(4.429)
Change: (Increase)/Decrease		(1.067)	0.041	0.579
<i>Of which:</i>				
Holiday Activity and Food ringfence (outside core spending power)	(1.010)	(1.008)	(0.967)	(0.967)
Pupil Premium Plus post-16 (outside core spending power)	(0.073)	(0.073)	(0.073)	(0.073)
'Family First Partnership' (within core spending power)	(2.898)	(3.968)	(3.968)	(3.389)
<i>Made up of:</i>				
Children's social care prevention grant	(1.527)			
Supporting Families ('Family Help') element of the Children and Families Grant	(1.372)			

8.11. This new consolidated grant sits both inside and outside Core Spending Power. The Children, Families and Youth Grant brings together funding streams to support social care reform, family support, and childcare initiatives. It includes resources for children's social care prevention, partnership programmes, and transformation projects, alongside new investment. The grant also covers the Holiday Activities and Food programme, including capacity for school-age childcare, wraparound care, and free breakfast clubs. Additionally, it provides funding for post-16 support through the Pupil Premium Plus.

8.12. In 2026/27, the grant totals £823m nationally, combining existing resources such as the Children's Social Care Prevention Grant and the Supporting Families element of the Children Families Grant. The distribution mechanism is changing significantly: the full grant will be allocated using the new children and young people's services relative needs formula introduced through the Fair Funding Review.

8.13. Each element will remain subject to its own conditions, effectively making the grant a branding of three separate grants. For Plymouth, the settlement indicates that, using 2025/26 comparators, this funding stream increases by £1.067m in 2026/27.

New Consolidated Grant: Crisis and Resilience Fund

Table 10: Crisis and Resilience Fund

Consolidated Grants Comparison	2025/26			
	Baseline £m	2026/27 £m	2027/28 £m	2028/29 £m
Crisis and Resilience Fund	(4.468)	(4.202)	(4.200)	(4.087)
Change: (Increase)/Decrease		0.266	0.002	0.113
Predecessors:				
Household Support Fund	(4.045)			
Discretionary Housing Payments	(0.423)			

8.14. The Crisis and Resilience Fund will merge existing grants into a single funding stream to help local authorities provide preventative support and assist people facing financial hardship. It will replace the Household Support Fund and Discretionary Housing Payments, which end in March 2026, and will not form part of Core Spending Power.

8.15. This grant combines the 2025/26 Discretionary Housing Payment (£93m nationally) and Household Support Fund (£742m nationally) under a single banner. However, draft grant conditions differentiate between the Housing and Crisis Payment elements rather than applying fully integrated conditions across the grant as a whole.

8.16. For Plymouth, the settlement indicates that, using 2025/26 comparators, this funding stream decreases by £0.266m in 2026/27.

New Consolidated Grant: Public Health Grant

Table 11: Public Health Grant

Consolidated Grants Comparison	2025/26			
	Baseline £m	2026/27 £m	2027/28 £m	2028/29 £m
Consolidated Public Health Grant	(21.581)	(21.878)	(22.097)	(22.328)
		(0.297)	(0.218)	(0.232)
<i>Of which:</i>				
Smoking cessation ringfence			(1.061)	(1.067)
Drugs and alcohol ringfence			(7.309)	(7.246)
General public health ringfence			(13.508)	(13.783)
<i>Predecessors:</i>				
Public health grant		(18.089)		
Local stop smoking services and support grant (LSSSG)		(0.417)		
Share of national £50m Swap to Stop scheme funding		n/a		
Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG)		(2.929)		
Individual Placement Support (IPS)		(0.147)		

8.17. The Public Health Grant will combine existing public health funding with additional streams focused on drug and alcohol treatment and recovery, local stop smoking services, individual placement and support, and the Swap to Stop scheme.

8.18. This consolidated grant brings together:

- The main Public Health Grant
- Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG)
- Individual Placement Support (IPS)
- Local Stop Smoking Services Support Grant (LSSSG)
- Funding previously used for the Swap to Stop scheme (not held locally)

8.19. Local authorities will be required to meet the general public health grant conditions, as well as specific conditions for the individual funding elements listed above. Spending on the three main components, drug and alcohol, smoking cessation, and 'core' public health, must be treated separately, with any underspends carried forward in their own ring-fenced reserve.

8.20. For Plymouth, the settlement indicates that, using 2025/26 comparators, this funding stream increases by £0.297m in 2026/27.

9. Other Streams of Grant Funding

Dedicated Schools Grant

9.1. The Dedicated Schools Grant (DSG) is a ring-fenced grant provided to local authorities by the Department for Education (DfE) to fund expenditure on schools, early years provision, and children and young people with high needs.

9.2. The DSG is divided into four distinct blocks, each serving a specific purpose:

- a) Schools Block – Funds mainstream education in primary and secondary schools (Reception to Year 11).
- b) High Needs Block – Supports children and young people aged 0–25 with special educational needs and disabilities (SEND). This includes funding for special schools, alternative provision, support within mainstream schools and units, and further education (post-16).
- c) Early Years Block – Funds free early education entitlements for children aged 0–5, including the universal 15 hours for all 3- and 4-year-olds and the additional 15/30-hour entitlement for children of working parents (from 9 months).

d) Central School Services Block (CSSB) – Funds statutory duties carried out by local authorities, such as school admissions, asset management, and support services, as well as some historic commitments.

9.3. On 18 December 2026, the Department for Education published final DSG allocations for 2026/27 based on October 2025 pupil numbers.

9.4. The table below shows Plymouth's DSG allocation for 2026/27 compared to 2025/26.

Table 12: DSG 2026/27

Dedicated Schools Grant 2026/27	2025/26 Schools Block Pupil numbers	2025/26 Baseline £m	2026/27 Schools Block Pupil numbers	2026/27 Allocation £m	Increase/ (Decrease) £m
Schools Block	34,389	225.438	33,730	225.248	(0.189)
High Needs Block		55.382		55.382	0.000
Central Schools Services Block		2.716		2.725	0.009
Early Years Block		38.196		44.267	6.072
Total		321.731		327.623	5.891

High Needs Funding 2026/27

- The Department for Education (DfE) has announced that it will suspend the High Needs National Funding Formula (NFF) for 2026/27. This formula has been used to determine local authorities' High Needs Block allocations for the past eight years. Allocations for 2026/27 will be based on 2025/26 funding levels, with adjustments to include grants previously paid outside the High Needs Block.
- The DfE acknowledges significant divergence between NFF allocations and actual spending across local authorities and has committed to review the High Needs funding system to ensure it aligns with the reformed SEND framework, which is due to be published in early 2026.
- The Government has stated that the general direction of SEND reform is towards creating a more inclusive mainstream environment for children and young people with SEND, including expanding the number of SEN units and resourced provision (RP). The DfE is progressing a range of reforms to support this shift.

9.5. Plymouth faces significant pressures in SEND provision, consistent with national trends. Nationally, Education, Health and Care Plans (EHCPs) have increased by 140% over the past decade (from 240,183 in 2015 to 575,973 in 2023/24), and councils are forecast to carry a £5 billion SEND deficit by March 2026. Over half are already in DfE intervention programmes such as Safety Valve and Delivering Better Value.

9.6. Locally, Plymouth's special schools and academies are at capacity, driving reliance on costly out-of-area placements. The Council awaits the SEND White Paper (expected January 2026), which should set out long-term reforms focused on improving outcomes rather than reducing support or altering entitlements without robust alternatives.

9.7. Government plans to strengthen mainstream SEND provision could improve outcomes and reduce costs, but require a clear strategy and evidence base. In the meantime, councils can exclude DSG deficits from balance sheets under a statutory override extended to March 2028, providing short-term flexibility while awaiting reform.

9.8. Plymouth forecasts an in-year High Needs Block pressure of £35.250m for 2025/26, adding to an £18.498m brought-forward deficit, totalling £54.261m. Without intervention, EHCP demand will continue to rise. Mitigation focuses on expanding local provision, reducing reliance on independent placements, and curbing new EHCP applications

9.9. DSG deficits remain a major liability. If the statutory override ends in 2028 without a funding solution, costs could fall on core budgets, threatening financial sustainability.

9.10. In Budget 2025, Central Government stated:

A. *“Future funding implications will be managed within the overall government DEL envelope, such that the government would not expect local authorities to need to fund future special educational needs costs from general funds once the statutory override ends at the end of 2027-28. The government will set out further details on its plans to support local authorities with historic and accruing deficits and conditions for accessing such support through the upcoming Local Government Finance Settlement.”*

9.11. At the provisional settlement, it was reiterated that:

a) *“We will provide further detail on our plans to support local authorities with historic and accruing deficits and conditions for accessing such support later in the Settlement process.”*

9.12. If further announcements are made at the Final Settlement, they may alter figures included in the draft budget for SEND deficit financing pressures

Table 13: DSG Deficit financing costs

Step Up in Treasury Management Costs for DSG Deficits	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
DSG Deficit Interest only	1.609	2.026	1.662	(0.347)
DSG Deficit MRP	-	-	8.418	-

Housing Benefit Subsidy

9.13. For 2026/27, Plymouth City Council is forecast to receive circa £45m in Housing Benefit Subsidy Grant. This grant is provided by the Department for Work and Pensions (DWP) to reimburse local authorities for the cost of Housing Benefit payments made to eligible claimants. Most payments attract 100% subsidy; however, there has been a notable increase in claims related to Supported Accommodation provided by non-Registered Providers, which do not qualify for full subsidy. Depending on the claimant's vulnerability, these cases receive either 60% or 0% subsidy above the rent officer-determined amount, resulting in an estimated funding gap of approximately £0.750m in 2025/26.

9.14. Additionally, Housing Benefit overpayments typically attract only a 40% subsidy from DWP, although the Council can invoice claimants for the full amount. This has contributed to a growing level of outstanding debt, which currently exceeds £8m. In response, the Council is actively engaging with Registered Providers to maximise subsidy entitlement and has allocated additional resources to strengthen debt recovery processes.

Better Care Fund (BCF)

9.15. The BCF was introduced in 2015 with the intention of supporting people to live healthy, independent and dignified lives, through joining up health, social care and housing services. This vision is underpinned by 2 core objectives, to 1) enable people to stay well, safe and independent at home for longer; and 2) provide people with the right care, at the right place, at the right time

9.16. Integrated Care Boards (ICBs) and Local Government are required to agree a joint BCF plan, owned by the health and wellbeing board (HWB), and governed by an agreement under section 75 of the NHS Act (2006). This continues to provide an important framework in bringing local NHS services and Local Government together to tackle pressures faced across the health and social care system.

9.17. At the Provisional Settlement MHCLG stated:

a) *“The 10 Year Health Plan announced reform to the BCF to focus on integrated services, and the Department for Health and Social Care (DHSC) will shortly set out further detail on our approach to reform. Where this involves any changes to NHS and local authority minimum contributions to pooled funding, we will not introduce those changes before 2027-28.”*

Extended Producer Responsibility

9.18. A new income stream was introduced in 2025/26 from fees paid by packaging producers, the Extended Producer Responsibility for Packaging (pEPR) scheme. This income will cover the existing costs local authorities incur for managing household packaging waste, provide additional funding for new legal duties, and support much needed investment in the waste and recycling industry. MHCLG have confirmed the allocation for Plymouth for 2026/27 is £6.946m

10. Actual Impact of Core Resourcing changes

10.1. Although MHCLG reports an increase in Plymouth’s Core Spending Power of £15.958m between 2025/26 and 2026/27, the actual increase in available resources is a net £6.220m

10.2. This variance reflects several factors:

- The one-off use of reserves required to balance the 2025/26 budget.
- The exclusion of the 2025/26 Business Rates pooling gain from MHCLG’s calculation.
- An overstatement of Council Tax income within MHCLG’s figures.

Table 14: CSP Reconciliation

	£m
MHCLG estimate of Council Tax increase	(9.194)
Increase in Business Rates and Revenue Support Grant	(6.764)
Total Increase per Core Spending Power (CSP)	(15.958)
Loss from NDR pooling gain	2.750
Reduction to reflect actual Council Tax requirement	1.141
Revised CSP	(12.067)
Reverse reserves used to balance 2025/26 (One Off)	4.722
Reverse Council Tax Surplus (One Off)	1.026
Additional Resources	(6.220)

11. Costs

Right-sizing the Budget

11.1. Some assumptions built into last year's approved budget now require ongoing resources. These include allocations for salary-related cost increases and the reversal of one-off savings or temporary expenditure from previous periods. In addition, there are corporate requirements that are not attributable to individual directorates and must be managed centrally

Table 15: "Right-sizing the budget" adjustments

Right -sizing budget adjustments	£m
Salary Related Costs - pay award 2.5% reduction to pensions rates (2.8% estimate)	0.567
Treasury Management / MRP (Minimum Revenue Requirement)	1.852
Additional Extended Producer Responsibility Grant	(1.020)
Other rolled in grants	1.393
Reduction in grant funding Homelessness, Rough Sleepers and Domestic Abuse	0.839
Families First Partnership - additional grant	(1.070)
Reprofile Energy from Waste profit share income	1.300
Other one-off reversals	1.458
Community Equipment Service contract variation	0.660
Total	5.979

Salary Related Costs

11.2. The NJC Pay Award for 2025/26 was confirmed at 3.2% across all scale points, creating an additional cost of £0.186m above the budgeted 3% uplift. This variance has been incorporated into budget assumptions for 2026/27, with a further 2.5% pay award modelled for 2026/27.

11.3. Employer pension contribution rates for the LGPS are expected to reduce from 19% in 2025/26 to 16% from April 2026. This change is estimated to deliver a £2.387m reduction in pension budget requirements and will also lower the assumptions linked to pay award uplifts.

11.4. The net figure for these two budget adjustments is £0.567m.

Treasury Management

11.5. Revenue impact modelling for borrowing incorporates all known costs, including fixed charges from existing long-term borrowing, the cost of refinancing maturing long-term debt, and a range of interest rate scenarios for both Public Works Loan Board (PWLB) and short-term borrowing with other local authorities. The modelling also profiles the costs of funding the capital programme and includes assumptions for interest receivable from investments.

11.6. This also includes the reversal of one-off use of £0.634m Minimum Revenue Provision in 2025/26.

Grant and income movements

11.7. As previously noted in this report, additional grant funding through the Extended Producer Responsibility Grant has been confirmed for 2026/27 at £1.020m

11.8. Under the Fair Funding review, funding simplification requires adjustments to prevent double counting of rolled-in grants. The adjustment of £1.393m relates to further grants announced in the Policy Statement, which are being consolidated and redistributed as part of Core Resources.

- 11.9. The newly consolidated Homelessness Grant and the Children's and Families Grant are not allocated via Core Resources; however, their allocations have changed compared to the baseline grants that have been combined. For Plymouth, this results in a reduction of £0.809m for the Homelessness Grant and an increase of £1.070m for the Children's and Families Grant.
- 11.10. In addition, due to scheduled maintenance downtime, the Energy from Waste profit share income target of £1.300m has been removed from the 2026/27 budget. It is anticipated that this income will be partially reinstated in 2027/28.

Reversal of one-off savings in 2025/26

- 11.11. To balance the 2025/26 budget, several streams of one-off funding and savings were utilised. These measures are not recurring and therefore require adjustment in the 2026/27 budget. The adjustment figure is net of the one-off budget provision that was no longer required for the Mayoral Referendum.

Other growth

- 11.12. During 2025/26, the provider for the Community Equipment Service entered administration. To ensure continuity of service for clients, a new provider was appointed at a higher cost. However, it is anticipated that part of this additional expenditure will be offset through funding from the Better Care Grant.

12. Demand-Led Pressures

- 12.1. In addition to the pressures already outlined, the Council must address a range of demand-led cost pressures within services where expenditure is driven by levels of need. These costs can fluctuate due to demographic changes, policy developments, or external factors.
- 12.2. The proposed budget incorporates assumptions for increased demand across these services, informed by detailed cost and volume analysis. This analysis draws on current demand data, historic trends, and forward-looking forecasts of service requirements. These assumptions are critical to ensuring the Council can plan for long-term financial sustainability while maintaining statutory service delivery standards.

Table 16: Demand-led budget pressures

Adults, Health and Communities Directorate	£m
Adult Social Care (NLW & Inflation)	4.352
Adult Social Care Demand and Contract Inflation	6.823
Homelessness demand and inflation	0.797
Total	11.972

Children's Directorate	£m
SEND – Dedicated Schools Grant deficit financing cost	1.610
Children's Social Care Demand & Inflation	9.479
Home to School Transport	2.094
Short Breaks demand	0.623
Total	13.806

Demand Led Total	25.778
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12.3. Plymouth is not unique in facing significant budgetary pressures across key service areas, including social care, homelessness, and Special Educational Needs and Disabilities (SEND). These challenges are being experienced by councils nationwide, driven by rising demand, increasing complexity of need, and constrained funding levels.

ASC Fee Uplifts: National Living Wage

12.4. The Council remains committed to passing on the additional costs associated with increases to the National Living Wage (NLW) to Adult Social Care providers. The NLW rate announced for April 2026 is £12.71 per hour, an uplift of 4.1% from current £12.21 per hour.

ASC Fee Uplifts: Inflationary Uplifts to Care Providers

12.5. Decisions on fee uplifts for Adult Social Care providers take into account both National Living Wage increases and wider inflationary pressures. For modelling purposes, it is assumed that around 70% of care costs relate to staffing, with the remaining 30% covering non-staff costs. This split enables a more accurate assessment of the financial impact of wage and inflation changes on provider fees.

ASC – Demand

12.6. Separating inflationary pressures from those arising due to increased demand and complexity of need provides greater transparency in understanding overall budget requirements.

12.7. As of the latest data, 3,969 adults are in the care of Plymouth City Council. Within the modelled budget increase, significant cost pressures arise from growth in client numbers, higher average hours of care per person, and increased 'cost complexity'. This reflects rising care needs that drive costs beyond standard fee uplifts, including more intensive support packages and specialist interventions.

12.8. The Directorate continues to implement a programme of work to understand, manage, and control costs across Adult Social Care. This includes exploring innovative service delivery

models, improving operational efficiency, and identifying opportunities for transformation. The aim is to ensure resources are used effectively while maintaining high standards of care.

12.9. At the core of this approach is a commitment to safeguarding the wellbeing of vulnerable adults. The Directorate prioritises personalised and appropriate care, ensuring individuals receive the support they need in a way that is financially sustainable and aligned with statutory responsibilities.

Homelessness

12.10. Demand for temporary accommodation continues to be a significant driver of budgetary pressure, influenced by a range of factors including evictions from the private rented sector, the ongoing cost-of-living crisis, and a shortage of affordable housing. The limited availability of suitable long-term housing options means individuals and families are remaining in temporary placements for extended periods. These placements are often high-cost and not always appropriate for the needs of those being housed. In addition, councils are experiencing rising caseloads due to expanded statutory duties, with many individuals presenting with complex needs such as mental health challenges, domestic abuse, or substance misuse, which further increases service demand and cost.

12.11. The increase to the budget requirement in the proposed 2026/27 budget reflects current levels of demand and known service interventions. It also incorporates assumptions for inflationary increases in the rates paid for nightly accommodation. The service continues to implement targeted measures to reduce costs where possible, but the sustained growth in the number of eligible households presents an ongoing challenge.

Children's Social Care – Inflation and Demand

12.12. Children's Social Care in Plymouth continues to face financial pressures due to rising demand and increasing placement costs. The number of children in residential care has exceeded planned levels, with some placements costing over £10,000 per week, significantly above budget. Unregistered placements, often requiring intensive staffing such as 2:1 or 4:1 agency support, are also higher than expected. While some cases receive partial funding from Health partners, the overall financial impact remains substantial and requires close monitoring.

12.13. On a positive note, the number of children placed with Independent Fostering Agencies (IFAs) has reduced, delivering cost savings. This has been supported by growth in the Council's in-house fostering provision, which is more sustainable and cost-effective. However, overall placement patterns have shifted away from fostering towards more expensive residential care, reflecting a national shortage of foster carers.

12.14. The proposed 2026/27 budget reflects current demand levels and includes assumptions for future growth based on historical trends, service data, and anticipated changes in need. These figures represent only part of the picture, as the Directorate is progressing strategic workstreams to reduce demand and improve efficiency. Initiatives focus on earlier intervention, service transformation, and promoting sustainable models of care. The aim is to manage financial pressures while safeguarding vulnerable children and young people, ensuring resources are targeted effectively without compromising quality or safety.

Home to School Transport

12.15. Pressures on the High Needs and SEND budgets are directly affecting the revenue-funded Home to School Transport service. The Council has a statutory duty to provide transport for pupils with Education, Health and Care Plans (EHCPs), subject to assessment. Rising numbers of

pupils with EHCPs, combined with a shortage of special school places within the city, have increased reliance on independent sector placements located further away. This is driving up both the volume and cost of transport provision.

12.16. The proposed 2026/27 budget includes projected growth in specialist placements and an annual inflationary uplift to reflect rising costs from transport providers. The service continues to implement targeted route planning and efficiency measures to manage costs; however, the growing number of eligible pupils remains an ongoing challenge.

SEND – Financing the DSG Deficit

12.17. As highlighted earlier in this report, rising demand is placing pressure on the High Needs Block of the Dedicated Schools Grant (DSG). While councils are currently permitted to exclude DSG deficits from their main balance sheets under a temporary accounting provision known as the “statutory override,” this measure has only been extended until March 2028.

12.18. The revenue impact of borrowing costs required to fund this unfunded expenditure is included in the MTFS and flagged as a future financial pressure. This ensures transparency around the long-term implications of the deficit and provides for the continuation of associated financing beyond the statutory override period.

13. Other Essential Budget Growth

13.1. £1.406m of other budgetary growth is included in the draft 2026/27 budget. This includes £0.250m funding for Food Waste in line with Environmental Act requirements, £0.485m of increased IT costs through inflationary uplifts and higher licensing charges and £0.192m to adjust for lost income following the closure of the Guildhall.

14. Invest to Save Projects

Table 17: Invest to Save Projects

Children's Directorate	£m
No Wrong Door	(1.961)
Recruit own Therapist and In-House Therapy Team	(1.854)
Invest to Save Residential Homes	(0.518)
Total	(4.333)

14.1. The Children's Directorate has proposed a series of invest-to-save initiatives aimed at reducing future budget pressures. These include:

- ‘No Wrong Door’ Project – providing short-term respite solutions for adolescents on the edge of care and their families.
- Therapies Project – delivering in-house therapeutic services and targeted specialist fostering support.

14.2. Both projects are expected to reduce future demand on services and are recommended for funding through capital receipt flexibilities due to their transformative nature.

14.3. In addition, the planned introduction of four new Local Authority residential children's homes by 2027/28 is forecast to deliver an initial net saving of £0.518 million in 2026/27.

15. Management Action Savings Proposals

15.1. Directorates have identified £10.543m of additional savings plans, a summary of the total per Directorate is below.

Table 18: Savings by Directorate

Directorate	Savings £m
Adults	(4.254)
Children's	(2.431)
Growth	(0.635)
ODPH	(0.881)
Customer and Corporate & Chief Exec	(2.342)
Total	(10.543)

15.2. Appendix 3 provides a breakdown of the detail of these proposals.

16. The Council's Reserves

16.1. The Council has established several specific reserves and provisions to support the planning and management of known and anticipated future revenue costs. These reserves play a key role in ensuring financial resilience and enabling the Council to respond to emerging pressures in a controlled and sustainable manner.

16.2. The appropriateness and use of these reserves are reviewed regularly throughout the financial year, with a formal review of all specific reserves undertaken annually as part of the year-end accounting closedown process. This ensures that reserves remain aligned with strategic priorities and are used effectively to support the Council's financial strategy.

16.3. As previously noted, the Council's financial strategy includes a commitment to replenish usable reserves, which have been drawn upon in recent years to support the balancing of budgets and address in-year financial pressures. The final budget submission for Full Council will include a revised Reserves Strategy covering the period of the Medium-Term Financial Plan.

Unusable Reserves

16.4. The Council holds several unusable reserves on its Balance Sheet, which cannot be used to support day-to-day spending. These reserves are maintained to comply with statutory requirements and proper accounting practices. Although they do not affect the Council's cash position, they are essential for presenting a true and fair view of its financial standing in accordance with accounting standards.

16.5. Further details on the purpose of the largest of these reserves are provided below.

Table 19: Unusable Reserves Breakdown at end of 2024/25

Analysis of Reserves	31 March 2025
Unusable Reserves:	£m
Revaluation Reserve	378.263
Capital Adjustment Account	125.980
Financial Instruments Adjustments Account	(23.572)
Pensions Reserve	(75.575)
Collection Fund Adjustment Account	(1.047)
Accumulating Compensated Absences Adjustment Account	(3.369)
Deferred Capital Receipts	0.316
Pooled Investment Fund Adjustment Account	(1.560)
DSG Deficit Account	(18.498)
Total Unusable Reserves	380.938

Revaluation Reserve

16.6. The Revaluation Reserve records the gain from increases in the value of the Council's Property, Plant, and Equipment since its creation on 1 April 2007. The balance decreases when assets with accumulated gains are revalued downward or impaired, used in service provision and consumed through depreciation, or disposed of and the gains are realized. Any gains prior to 1 April 2007 are included in the Capital Adjustment Account.

Capital Adjustment Account

16.7. The Capital Adjustment Account records the timing differences between accounting for the consumption of non-current assets and financing their acquisition, construction, or enhancement under statutory provisions. It is debited for costs such as depreciation, impairment losses, and amortisation charged to the CIES, and credited for amounts set aside by the Council to finance these costs. The account also holds accumulated gains and losses on investment properties, gains on donated assets yet to be consumed, and revaluation gains on Property, Plant, and Equipment prior to 1 April 2007, before the creation of the Revaluation Reserve

Financial Instruments Adjustments Account

16.8. The Financial Instrument Adjustment Account manages timing differences in accounting for income and expenditure on certain financial instruments under statutory rules. It is mainly used to handle premiums and discounts from early loan redemptions. For example, in 2024/25, two LOBO loans totalling £10m were repaid without penalty. Premiums and discounts are initially recorded in the Comprehensive Income and Expenditure Statement but reversed to this account in the Movement in Reserves Statement, then gradually charged back to the General Fund over the remaining term of the redeemed loans to spread the impact on taxpayers.

Pensions Reserve

16.9. The Pensions Reserve records timing differences between accounting for post-employment benefits and funding them under statutory rules. The Council recognises pension costs in the CIES as benefits are earned, adjusting for inflation, assumptions, and investment returns, while statutory arrangements require funding through employer contributions or direct payments over time. The debit balance reflects the shortfall between earned benefits and resources set aside, but statutory provisions ensure funding will be in place when benefits are paid.

Dedicated Schools Grant Deficit Account

16.10. The Dedicated Schools Grant (DSG) Adjustment Account holds accumulated deficits on the schools budget, which cannot be charged to the General Fund under statutory regulations. For 2024/25, the centrally held DSG elements were overspent by £14.245m, mainly due to rising SEND placement costs, adding to a prior deficit of £4.253m. This results in a total carried-forward overspend of £18.498m, which must be recovered from future DSG funding in line with Government guidance. DSG deficits are held in this unusable reserve, separate from the General Fund, under the statutory override extended to 2027/28.

16.11. Plymouth forecasts an in-year High Needs Block pressure of £35.250m for 2025/26, adding to an £18.498m brought-forward deficit, totalling £54.261m.

Usable Reserves

16.12. The Council also holds a number of Usable Reserves, which can be applied to support service delivery, subject to maintaining a prudent level of reserves and complying with statutory restrictions on their use. These reserves provide flexibility in managing financial pressures and supporting strategic priorities. For example, the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt and, subject to Council approval, may also be used to finance transformation projects.

16.13. Regular review and careful management of usable reserves are essential to ensure they remain aligned with the Council's financial strategy and are available to support both planned investment and unforeseen pressures. Their use is governed by financial regulations and forms a key part of the Council's approach to maintaining financial sustainability.

Table 20: Usable Reserves Breakdown at end of 2024/25

Reserves Analysis	31 March 2025
	£m
General Fund Balance (Working Balance)	11.862
Earmarked General Fund Reserves	60.784
Capital Receipts Reserve	15.792
Capital Grants and Contributions Unapplied	37.823
Total Usable Reserves	126.261
Total Unusable Reserves	380.938
Total Reserves	507.199

17. General Fund Balance (Working Balance)

17.1. The Council's Working Balance is a core revenue reserve held to mitigate significant business risks and unforeseen financial pressures. The target minimum level for the Working Balance was historically set at 5% of the net revenue budget.

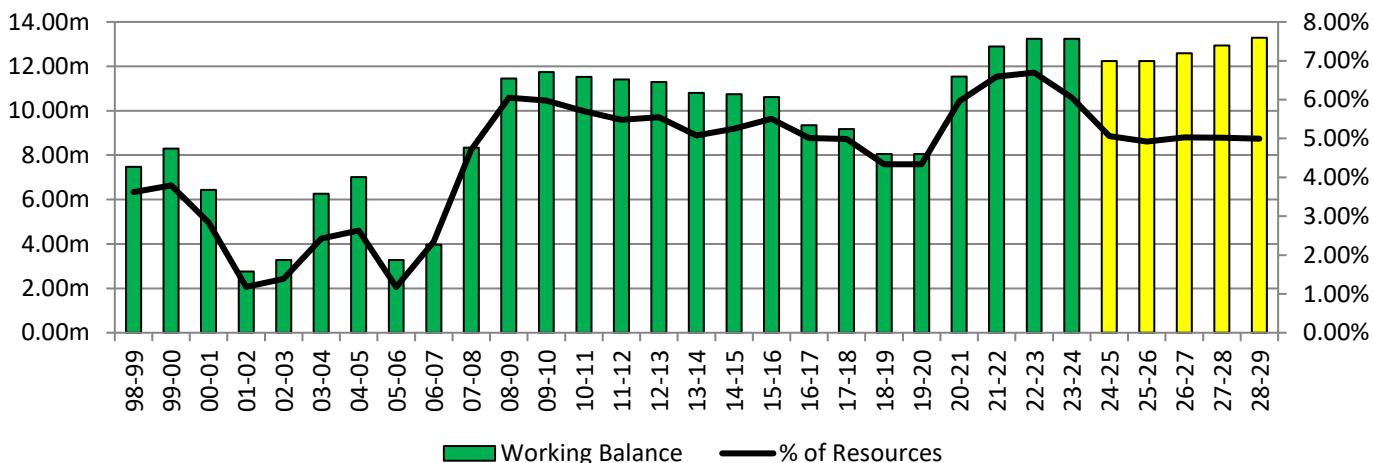
17.2. Adjustments in 2024/25 increased the Working Balance to £11.862m, representing 4.9% of the net revenue budget for that year.

17.3. The current in year 2025/26 overspend is showing as £5.823m which represents 2% of the £253m net revenue budget, but it would consume around half of the available General Fund reserve.

17.4. Building reserves is extremely challenging. The graph below illustrates that it has taken decades to reach the 5% target for General Fund reserves as a proportion of the total budget.

17.5. Ongoing budgetary pressures from statutory services leave very limited capacity to replenish reserves, which are essential for financial resilience. This challenge becomes even greater when reserves are needed to cover in-year pressures.

Graph 2: Working Balance Levels – prior to SFA changes



17.6. The historic 5% target will need to be reviewed in light of the Fair Funding changes. In particular, the roll-in of a significant level of specific grants into Core Resources, rather than including them within service revenue budgets, significantly increases the reported net revenue budget. While this adjustment does not affect the overall level of financing, it does alter the basis of reporting. The provisional net revenue budget for 2026/27 is now £318.175m (from £253.418m), meaning the current working balance would represent just 3.7% of the new total.

17.7. One option for consideration is to maintain a 3.7% target throughout the three-year Fair Funding transition period, then gradually increase this to 5% over the following five years. Estimated annual increases required for a 3.7% interim target would be £0.427m in 2027/28, £0.484m in 2028/29, and potentially £0.657m in 2029/30.

17.8. This approach will be further developed and confirmed in a revised Reserves Strategy, which will be developed over the coming weeks alongside an updated MTFP, to be issued with the 2026/27 Budget.

18. Earmarked General Fund Reserves

18.1. Earmarked reserves are set aside to provide financing for future expenditure plans and policy initiatives. The main earmarked reserves and their purposes are outlined below:

a) *Education Carry Forwards:*

- ◆ These reserves are held on behalf of various educational establishments operating under devolved budget arrangements. Surpluses or deficits generated by these establishments are carried forward to the following financial year, ensuring continuity and financial stability for individual schools and educational settings.

b) *School Budget Share:*

- ◆ This reserve represents unspent balances at year-end against schools' delegated budgets. As at 31 March 2025, the balance relating to the school budget share was £2.691m (compared to £3.149m at 31 March 2024). These funds are retained to support future school expenditure and to manage fluctuations in funding or costs.

c) *Collection Fund Reserve:*

- ◆ The Collection Fund Reserve is used to smooth the impact of fluctuations in grant funding for Business Rates and Council Tax across multiple financial years. This helps to manage volatility and provides greater certainty for budget planning.

d) *Interest Rate Swap Reserve:*

- ◆ This reserve holds gains arising from fair value movements in interest rate swaps. As these swaps approach maturity, the gains will reverse over time.

19. Flexible Use of Capital Receipts

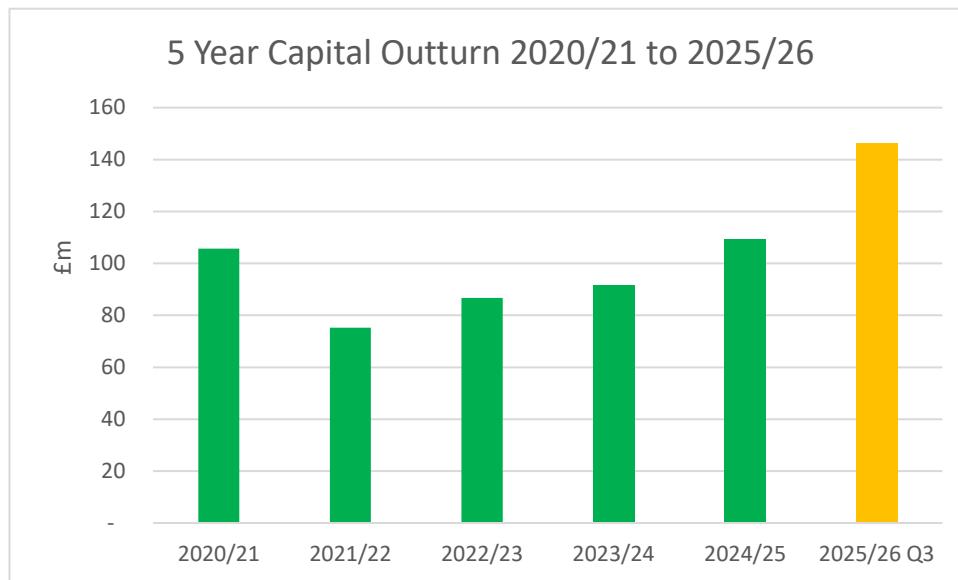
- 19.1. A Flexible Use of Capital Receipts Strategy was submitted to Council as part of the 2025/26 budget process. Flexible use supports Local Authorities to deliver more efficient and sustainable services by allowing local authorities to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of transformation projects.
- 19.2. The Government have agreed that this flexible use can continue through financial year 2026/27.
- 19.3. In line with the existing Flexible Use of Capital Receipts Policy approved in 2018, the Council wishes to employ capital receipts as part of this budget proposal in 2026/27. The February report will include a recommendation asking Council to endorse this approach.
- 19.4. Currently the draft budget for 2026/27 includes an assumption that an additional £2.748m of transformative expenditure will be funded via capital receipt flexibilities.

Section 2 - Capital Budget

- 20.1. This section of the report sets out the draft capital budget, with the details included as Appendix 5 to this report.
- 20.2. The Plymouth Plan is the principal driver for the capital programme. Accordingly, the programme includes proposals to support new homes across the area, create new jobs, and to continue a major investment programme in modernising infrastructure, including transport, schools, public realm and green spaces.
- 20.3. This investment is assisting Plymouth in becoming the key economic driver for the far Southwest; it will ensure that communities and businesses have the facilities they need to continue to thrive and prosper. The investment supports growth within the local economy and is generating additional business rates, Council Tax, and Community Infrastructure Levy (CIL).
- 20.4. The Council continues to take a strategic approach to the Capital Programme, ensuring that sufficient funding is available to meet the requirements of the programme through its Capital and Treasury Management strategies. Cabinet will be asked to review a Capital Strategy and a Treasury Management Strategy at its meeting in February, following consideration of draft strategy documents by the Audit and Governance Committee at its meeting in January 2026. The Treasury Management and Capital Strategies will be finalised and formally adopted, alongside an updated capital budget, as part of the overall 2026/27 budget set by the City Council meeting.
- 20.5. This section provides Cabinet with an update on the developing capital budget at a draft stage ahead of the final stages of the budget setting process. During 2025/26 the Council has continued to utilise new capital governance processes with mandates for future projects and business cases being firstly considered by the Capital Programme Officer Group (CPOG) and then onto Capital Programme Board (CPB) to be endorsed for the future capital programme. CPOG and CPB have recently undertaken a full review of the Capital Programme, resulting in recommendations to re-profile or remove schemes. Cabinet is asked to approve the revised capital programme £319.725m.
- 20.6. The revised capital programme maintains a high level of investment to meet the objectives of the Plymouth Plan, whilst re-aligning capital budgets to more realistic, updated timescales, and reducing the council's overall borrowing projections to lower, more affordable levels.
- 20.7. Nonetheless, the Capital Programme will continue to deliver across a greater scale than in previous years through investment in a wide range of projects including Armada Way, the regeneration of the Civic Centre, completion of the Woolwell to The George major transport scheme, the delivery of infrastructure for the Plymouth and South Devon Freeport and the ongoing Sustainable Transport Programme. Much of this growth in our programme of investment has been supported by external grant funding secured from a range of government sources. The graph below shows how annual expenditure has changed over the past five years, together with the latest forecast for expenditure during the current financial year.

Capital Expenditure 2020/21 – 2025/26

Graph 3: 5 Year Capital Outturn 2020/21 to 2025/26



20.8. The table below shows the breakdown of the revised five-year Capital Programme forecast across the Directorates as at 31 December 2025. A full breakdown of the Capital Programme is available in Appendix 5.

Table 21: Five-Year Approved Capital Programme by Directorate

Directorate	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
Children's Services	3.719	0.935	0.410	-	-	5.064
Adults, Health and Communities	15.421	9.968	1.904	-	-	27.293
Growth - Economic Development	38.067	32.403	34.920	8.160	0.266	113.816
Growth - Strategic Planning & Infrastructure	62.362	59.639	11.527	1.933	0.275	135.736
Growth - Street Services	20.295	8.551	0.222	0.212	0.247	29.527
Customer & Corporate Services	5.168	2.442	0.100	0.101	-	7.811
Office for Director of Public Health	0.478	-	-	-	-	0.478
Total	145.510	113.938	49.083	10.406	0.788	319.725
Finance by:	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
Capital Receipts	10.872	4.163	1.189	1.762	0.266	18.252
Grant Funding	79.616	47.935	16.275	0.193	0.296	144.315
Corporate Funded borrowing	35.026	19.032	17.373	5.188	-	76.619
Service dept. supported borrowing	16.266	32.634	13.312	3.161	0.226	65.599
Developer contributions	1.136	10.159	0.934	0.102	-	12.331
Other Contributions	2.594	0.015	-	-	-	2.609
Total	145.510	113.938	49.083	10.406	0.788	319.725

20.9. There are two programmes of work currently going through the capital governance process to be approved onto the five-year capital programme in the near future. These are both multi-year programmes for the council's core infrastructure – our highways network, corporate buildings and foreshore assets. As part of developing a more strategic approach to the capital programme, supporting good asset management, longer term approvals have been developed to fund:

- ◆ Improvements to the Council's Corporate Estate planned between 2026 and 2029 totalling £7.250m. If approved, this programme would be financed by corporate borrowing.
- ◆ Structural works and improvements to Highways and Transport infrastructure from 2026 to 2030, totalling £55.672m. If approved, this programme would be financed by a combination of internal and external resources including Department for Transport (DfT) Highway Maintenance funding of £22.933m, DfT Local Transport Grant (formerly known as Integrated Transport Block funding) of £13.409m, and Corporate Borrowing of £19.208m.

20.10. The breakdown of the revised five-year Programme by outcome is shown below.

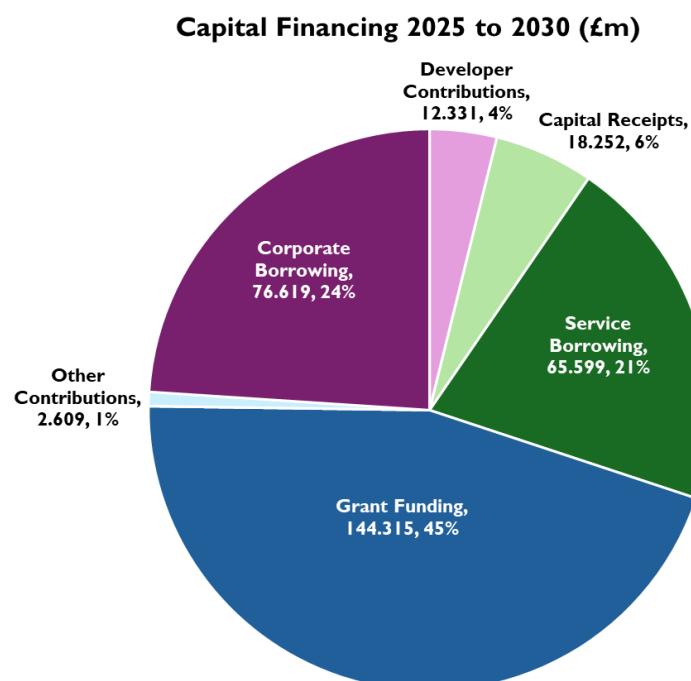
Table 22: Five-Year Approved Capital Programme by Outcome

Primary Outcome of Projects	£m
Delivering a Net Zero Plymouth	64.187
Delivering a sustainable City Centre and Waterfront	74.861
Delivering a sustainable Derriford / Northern Corridor	31.166
Delivering a sustainable Eastern Corridor	24.483
Delivering sustainable homes for the city	31.035
Delivering essential City infrastructure / Improving neighbourhoods	12.112
Improving neighbourhoods, community infrastructure	10.670
Ensuring sufficient good quality school places	2.592
Delivering a sustainable economy	44.411
Connecting the City	0.590
Transforming Services	23.618
Total	319.725

Funding of the Capital Programme

20.11. The Council works hard to ensure a significant proportion of the funding for the Programme comes from external sources – grants from other organisations, government departments and agencies fund approximately 45% of our investment programme. Capital receipts fund c. 6% of the programme, with contributions including S106 and CIL constituting c. 5%. This leaves 44% of the programme being financed from internal resources through corporate and service borrowing. A breakdown of the funding sources for the 5-year programme is shown in the chart below.

Graph 4: Capital Financing 2025-2030 (£m)



20.12. The Council takes an organised and proactive approach to identifying, bidding for, and then securing external grants, which reduces the pressure on the revenue budget. To ensure the capital programme remains sustainable in the long term, officers continue to regularly monitor the level of borrowing.

Conclusion / S151 Officer's Note:

- 21.1. This report sets out a draft balanced budget. It includes all the information afforded to us from the Provisional Local Government Settlement, and there will be changes to reflect any final government adjustments.
- 21.2. To reach this position, Cabinet Members and Senior Officers have reflected the increases in both demand and cost of vital services and presented deliverable savings.
- 21.3. The draft 2026/27 budget proposals include reliance on one-off funding totalling £15.091m. MTFP modelling for 2027/28 shows an increase in Core Resources of only £11m prior to these adjustments, highlighting the ongoing financial challenge. It is imperative that all proposed savings are delivered in 2026/27; plans are implemented to reduce the overall cost base of running the Council; all savings are sustainable and on-going, and a Reserves Policy clearly sets out the plan to replenish and more importantly increase the general financial reserves.

Table 23: *Impact of 2026/27 One-Offs*

Impact of 2026/27 One-Offs for 2027/28	£m
Treasury Management Activity	9.700
One-Off Savings Plans	2.643
One-Off Flexible Use of Capital Receipts	2.748
Total One-Offs	15.091

- 21.4. The report is also premised on a Council Tax increase of two-point nine nine percent (2.99%) and an Adult Social Care Precept increase of two percent (2%). These increases will need to be formally recommended by Cabinet to Full Council for a decision at the meeting 24 February 2025.
- 21.5. It will be another difficult financial year for the Council, but Cabinet and officers are aware of the challenges and will continue to closely monitor the finances during 2026/27.
- 21.6. Financial risks have been highlighted in the relevant sections of this report. It is important to consider the impact the Provisional Settlement has on one of the four main areas of financial strain. The report highlights the growing demand for temporary accommodation within the homelessness service, yet our allocation of the new consolidated Homelessness, Rough Sleeping and Domestic Abuse Grant has been reduced from the current £4.648m to the lower £3.839m. This is a reduction of £0.809m (17%).
- 21.7. We are awaiting the publication of the Government's White Paper on its proposals to support local authorities with the year-on-year increases to the Dedicated School Grant (DSG) deficit. Although the deficit is currently held outside of the revenue budget, it is having an impact through the cost of borrowing to finance the gap. The final budget submission to Full Council will contain more detail on this area.
- 21.8. Throughout 2025/26 both Officers and Cabinet have continued their review of the Capital Programme. The Capital section of this report reflects the result of the revision to £319m. Although the reductions were not all reliant on borrowing, they have had a favourable impact on the overall borrowing cost exposure.

21.9. Included as part of the £15m one-off resources is a call on the flexible use of Capital Receipts totalling £2.748m. It is imperative that the initiatives funded in the manner are successful in generating the associated savings.

21.10. This draft budget is built on over £27m of proposed savings. Management must ensure these are delivered during the year and are not swapped out for further one-off solutions.

21.11. The reliance on one-off funding is not sustainable. To offset the £15m used to balance this budget, Senior Officers:

- Will be using the consultation period afforded local authorities to comment on the Draft Settlement, highlighting the impact of the loss of the Business Rates Pool gains and the assumption on its council tax base income. These two actions could result in additional funding of between zero and £4m.
- Will analyse the financial impact of the anticipated White Paper on SEND provision. The Paper is expected for mid-January, and any impacts will be factored into the final budget to be presented to Full Council in February.
- Will prepare a Cabinet Report detailing the Council's Transformation Programme, setting out in detail the work streams and savings covering the period of this budget and MTFP.
- The Transformation Programme Service Delivery work stream will include a project for delivery of a new Target Operating Model and cost base for the Council.

Appendix I - Relative Needs Formulae and Fair Funding Assessment Calculation (per MHCLG)

Plymouth

E1101

Relative Need Formula (RNF)	Unweighted need shares ¹		
	2026/27	2027/28	2028/29
Adult Social Care RNF	0.482963%	0.482070%	0.481245%
Children and Young People's Services RNF	0.465168%	0.465168%	0.465168%
Foundation Formula (Upper Tier)	0.446101%	0.445286%	0.444394%
Foundation Formula (Lower Tier)	0.456269%	0.455462%	0.454571%
Fire & Rescue RNF	0.000000%	0.000000%	0.000000%
Home to School Transport Service RNF	0.270734%	0.270734%	0.270734%
Highways Maintenance RNF	0.453179%	0.453179%	0.453179%
Temporary Accommodation RNF	0.156585%	0.156585%	0.156585%

Relative Need Formula (RNF)	Weighted need shares ²		
	2026/27	2027/28	2028/29
Adult Social Care RNF	0.179848%	0.179516%	0.179209%
Children and Young People's Services RNF	0.106630%	0.106630%	0.106630%
Foundation Formula (Upper Tier)	0.069349%	0.069222%	0.069083%
Foundation Formula (Lower Tier)	0.054992%	0.054895%	0.054788%
Fire & Rescue RNF	0.000000%	0.000000%	0.000000%
Home to School Transport Service RNF	0.008435%	0.008435%	0.008435%
Highways Maintenance RNF	0.013527%	0.013527%	0.013527%
Temporary Accommodation RNF	0.002719%	0.002719%	0.002719%
Overall Relative Need Share	0.435500%	0.434944%	0.4343906%

Fair Funding Share Calculator ³	2026/27	2027/28	2028/29
Quantum available for redistribution (£m)	32,170.0	33,117.4	32,823.6
Notional Council Tax rate (£)	2,063	2,164	2,269
Total notional Council Tax (£m)	39,729.4	41,674.5	43,696.6
Need Allocation (£m)	313.1	325.3	332.4
Resource Adjustment (£m)	151.2	158.6	166.3
Isles of Scilly adjustment (£m) ⁴	5.3	5.4	5.5
Fair Funding Share	0.503260111%	0.503289383%	0.505959892%

2026/2027-2028/2029 Fair Funding Allocation

Please select a local authority from the green drop-down menu

Plymouth

E1101

2025			
Row 1	Total Redistributable Funding	154.7 £m	Sum of Data Columns E:Z , minus Data Column AA
Row 2	England Level Total Redistributable Funding	31550.3 £m	Sum of Sum of Data Columns E:Z , minus Data Column AA
Row 3	Legacy Funding Share	0.00490	Row 1 divided by Row 2
2026			
Row 4	Fair Funding Share	0.00506	As stated in Fair Funding Share calculator
Row 5	Phased Share	0.00496	1/3 *Row 4 + 2/3 * Row 3
Row 6	England level total redistributable funding	32175.3 £m	As described in Local Government Finance Report 2026/2027
Row 7	England level Total redistributable Baseline Funding Level		As described in Local Government Finance Report 2026/2027
Row 8	Quantum	15005.3 £m	
Row 9	Revenue Support Grant Funding distributed via Adult Social Care RNF	0.7 £m	£150million *Data Column AF
Row 10	Revenue Support Grant funding for Local Services	0.455 £m	£90 million * Row 4
Row 11	Local Authority Better Care Grant	16.0 £m	Data column AM
Row 12	Baseline Funding Level	75.9 £m	(Row 4 * Row 7) + Data column AH
Row 13	Fair Funding Allocation	161.0 £m	(Row 5 * (Row 6))+ Row 8 + Row 9 + Data Column AJ + Data Column AP + Data Column AQ
	Revenue Support Grant	69.1 £m	Row 12 - Row 11 - Row 10

Appendix 2 - Additional Costs/Budget Adjustments

Table A: Right-sizing budget adjustments

Right -sizing budget adjustments	2026/27 £m
Salary Costs - pay award (2.5%) / reduction to pensions rates (2.8% estimate)	0.567
Treasury Management / Minimum Revenue Provision	1.852
Additional Extended Producer Responsibility Grant	(1.020)
Other rolled in grants	1.393
Reduction in grant funding Homelessness, Rough Sleepers and Domestic Abuse	0.839
Families First Partnership - additional grant	(1.070)
Loss Energy from Waste profit share income	1.300
Other one-off reversals	1.458
Community Equipment Service contract variation	0.660
Total	5.979

Table B: Demand Led

Directorate	Demand Led Growth Description	2026/27 £m
Adults, Health & Communities	Adult Social Care (NLW & Inflation)	4.352
	Adult Social Care Demand	6.823
	Homelessness Demand	0.797
Children's	SEND - DSG deficit financing cost	1.610
	Children's Social Care Inflation & Demand	9.479
	Home to School Transport Demand	2.094
	Short Breaks additional Demand	0.623
Total		25.778

Table C: Other Essential Growth

Directorate	Essential Growth Description	2026/27 £m
Customer and Corporate	ICT Inflation - IT and Print and Doc	0.485
	Guildhall/other budget adjustments	0.671
Growth	Environmental Act (Food Waste)	0.250
Total		1.406

Appendix 3 – Management and Cabinet Savings Proposals

Adults, Health and Communities Directorate	£m
Better Care Fund contribution to Community Equipment Service	(0.330)
Review of vacancies within Directorate	(0.400)
Additional targeted review of health contributions within care packages	(0.421)
Targeted reviews; Identifying cohorts to more quickly review clients, targeting high-cost packages whilst ensuring 30-day target is met.	(0.400)
Prevention - Improved delivery of reablement through the front door to prevent more intensive long-term care	(1.000)
Fee uplift review	(0.686)
Grant Maximisation - Community Connections	(0.300)
Bad Debt Provision review and reduction - Adult Social Care	(0.100)
Contract savings - continuation and review of plans formulated and agreed in 2025/26	(0.617)
Total	(4.254)

Children's Directorate	£m
Social Work Academy cross funded by On Course South West	(0.036)
Careers Plymouth income generation	(0.050)
Removal of recruitment & retention payments	(0.149)
Removal of Non-Statutory Spend	(0.024)
Reduction PAUSE contract	(0.200)
Reduction in Adopt South West Contract for 26/27	(0.172)
Targeted health contributions within placement costs	(1.800)
Total	(2.431)

Directorate	Description	£m
Growth	Review of Property Regeneration income target	(0.585)
	Reduction in annual Bad Debt Provision top up	(0.050)
Total		(0.635)

Directorate	Description	£m
ODPH	Leisure Services - Reduction in Life Centre electricity costs	(0.150)
	Environmental Health & Licensing review	(0.031)
	Public Health Grant maximisation	(0.700)
Total		(0.881)

Customer and Corporate Directorate and Chief Executive	£m
IT - Delt dividend	(0.500)
Maximise Housing Benefit Subsidy	(0.500)
Facilities Management - Utilities savings	(0.400)
Review of Support Services including finance, HR etc	(0.606)
Governance/Elections Review	(0.102)
School Library surplus / income	(0.053)
Service Borrowing reduction	(0.098)
Chief Executive savings proposals	(0.083)
Total	(2.342)

Cabinet Savings Proposals	£m
Various Cabinet Savings Proposals – to be confirmed	(2.500)
Total	(2.500)

Appendix 4 - Draft 2026/27 Directorate Budgets

Directorate	2025/26 Budget £m	Additional Costs/ Adjustments	Savings/ Additional Income	Draft 2026/27 Budget £m
Adults	119.434	13.441	(4.254)	128.621
Children's	91.921	12.736	(6.764)	97.893
Growth	30.660	2.909	(0.635)	32.934
ODPH	3.889	0.000	(0.908)	2.981
Chief Executive	1.684	0.000	(0.083)	1.601
Customer and Corporate	44.120	1.221	(2.259)	43.082
Corporate Items*	(38.290)	3.016	(12.200)	(47.474)
Rolled-In Specific Grants	0.000	58.437	0.000	58.437
Total	253.418	91.760	(27.103)	318.075

*Note: includes Cabinet Savings Proposals

Appendix 5 - Revised Capital Programme

CAPITAL PROGRAMME (DECEMBER 2025)	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL	Capital Receipts	Corporate Borrowing	Service & External Borrowing	Grants	Contribns.	S106 / CIL	Revenue	Total Funding
	Latest Forecast £m	PROGRAMME 2025-30 £m												
Children's Services - Residential Homes	1.282	0.300	0.410	-	-	1.992	-	-	1.992	-	-	-	-	1.992
Children's Services - other social care	0.157	0.291	-	-	-	0.448	-	-	0.390	-	-	0.058	-	0.448
Children's Services - SEND sufficiency	1.545	0.205	-	-	-	1.750	-	-	-	1.750	-	-	-	1.750
Children's Services - other education/ early years	0.735	0.139	-	-	-	0.874	-	0.009	-	0.858	0.002	-	0.005	0.874
TOTAL CHILDREN'S SERVICES	3.719	0.935	0.410	-	-	5.064	-	0.009	2.382	2.608	0.002	0.058	0.005	5.064
Adults & Community Services - Meadow View	6.442	3.909	1.904	-	-	12.255	0.790	0.469	10.996	-	-	-	-	12.255
Adults & Community Services - The Royal Building	0.048	-	-	-	-	0.048	-	-	0.048	-	-	-	-	0.048
Adults & Community Services - Family Hubs / Youth & Community centres	1.602	-	-	-	-	1.602	-	1.508	-	0.080	-	-	-	0.014
Adults & Community Services - Disabled Facilities	4.496	0.300	-	-	-	4.796	-	-	-	4.396	0.400	-	-	4.796
Adults & Community Services - Dispersed Temporary Housing Programme	-	5.000	-	-	-	5.000	-	-	-	5.000	-	-	-	5.000
Adults & Community Services - Other housing/ homelessness	2.683	0.123	-	-	-	2.806	-	-	0.490	2.316	-	-	-	2.806
Adults & Community Services - Eclipse project	0.150	0.636	-	-	-	0.786	-	-	0.786	-	-	-	-	0.786
TOTAL ADULTS & COMMUNITY SERVICES	15.421	9.968	1.904	-	-	27.293	0.790	1.977	12.320	11.792	0.400	-	0.014	27.293
Public Health - the Park Crematorium	0.247	-	-	-	-	0.247	-	0.247	-	-	-	-	-	0.247
Public Health - Foulson Park and other leisure	0.231	-	-	-	-	0.231	-	0.176	-	0.055	-	-	-	0.231
TOTAL PUBLIC HEALTH	0.478	-	-	-	-	0.478	-	0.423	-	0.055	-	-	-	0.478
Customers & Communities - ICT Device Replacement	0.858	0.070	0.100	0.101	-	1.129	-	1.129	-	-	-	-	-	1.129
Customers & Communities - i-Trent	0.273	-	-	-	-	0.273	-	0.273	-	-	-	-	-	0.273
Customers & Communities - Delt 'Lights on' infrastructure	0.280	0.418	-	-	-	0.698	-	0.698	-	-	-	-	-	0.698
Customers & Communities - Other ICT	0.983	1.302	-	-	-	2.285	-	0.398	1.887	-	-	-	-	2.285
Customers & Communities - FM Asset Management & Maintenance	2.433	0.608	-	-	-	3.041	-	3.041	-	-	-	-	-	3.041
Customers & Communities - Public Toilets	0.139	0.044	-	-	-	0.183	-	0.158	-	-	-	-	0.025	0.183
Customers & Communities - Accommodation Strategy	0.202	-	-	-	-	0.202	-	0.034	0.168	-	-	-	-	0.202
TOTAL CUSTOMERS AND COMMUNITIES	5.168	2.442	0.100	0.101	-	7.811	-	5.731	2.055	-	-	-	0.025	7.811

CAPITAL PROGRAMME (DECEMBER 2025)	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL	Capital Receipts £m	Corporate Borrowing £m	Service & External Borrowing £m	Grants £m	Contribns. £m	S106 / CIL £m	Revenue £m	Total Funding £m
	Latest Forecast £m	PROGRAMME 2025-30 £m												
Growth (Economic Dev.) - Freeport programme	14.268	4.304	4.012	-	-	22.584	-	-	4.013	18.571	-	-	-	22.584
Growth (Economic Dev.) - Civic Centre	5.575	9.357	23.525	7.904	-	46.361	-	16.757	2.971	26.633	-	-	-	46.361
Growth (Economic Dev.) - Guildhall	3.724	-	-	-	-	3.724	-	1.309	0.193	2.222	-	-	-	3.724
Growth (Economic Dev.) - West End redevelopment	0.876	2.519	-	-	-	3.395	-	0.486	2.492	0.417	-	-	-	3.395
Growth (Economic Dev.) - Railway Station redevelopment	0.063	0.018	0.155	0.096	0.258	0.590	-	0.590	-	-	-	-	-	0.590
Growth (Economic Dev.) - PRF Embankment Road	0.030	6.931	6.961	-	-	13.922	-	-	13.922	-	-	-	-	13.922
Growth (Economic Dev.) - other PRF schemes	3.629	2.854	-	-	-	6.483	-	-	5.302	1.181	-	-	-	6.483
Growth (Economic Dev.) - National Marine Park	7.982	4.218	0.249	0.152	-	12.601	-	4.168	-	7.933	0.500	-	-	12.601
Growth (Economic Dev.) - other regeneration schemes	1.289	2.173	-	-	-	3.462	-	2.467	0.015	0.980	-	-	-	3.462
Growth (Economic Dev.) - Investment Fund & UKSPF	0.446	0.029	0.018	0.008	0.008	0.509	0.290	-	-	0.219	-	-	-	0.509
Growth (Economic Dev.) - Mount Edgecumbe	0.185	-	-	-	-	0.185	0.166	-	-	0.014	0.005	-	-	0.185
TOTAL GROWTH (ECONOMIC DEV.)	38.067	32.403	34.920	8.160	0.266	113.816	0.456	25.777	28.908	58.170	0.505	-	-	113.816
Growth (Highways) - Highways Structural Maintenance	0.548	0.500	-	-	-	1.048	-	1.048	-	-	-	-	-	1.048
Growth (Highways) - Highways Carriageway & Footway Maintenance	6.480	-	-	-	-	6.480	-	1.972	-	4.493	0.015	-	-	6.480
Growth (Highways) - Signals, Lighting & Other Highways Maintenance	3.991	2.000	-	-	-	5.991	-	4.551	0.630	0.558	0.115	0.137	-	5.991
Growth (Highways) - Safety & Other Minor Highways schemes	0.550	0.581	-	-	-	1.131	-	0.816	-	0.271	-	0.044	-	1.131
Growth (Highways) - Living Streets	0.164	0.139	-	-	-	0.303	-	0.303	-	-	-	-	-	0.303
Growth (Highways) - Highway CCTV	0.077	-	-	-	-	0.077	-	0.061	-	0.016	-	-	-	0.077
Growth (Highways) - Parking	0.272	-	-	-	-	0.272	-	-	0.264	-	-	0.008	-	0.272
TOTAL GROWTH (HIGHWAYS)	12.082	3.220	-	-	-	15.302	-	8.751	0.894	5.338	0.130	0.189	-	15.302
Growth (Waste & Environment) - Food Waste	2.211	0.077	0.008	-	-	2.296	-	-	0.354	1.942	-	-	-	2.296
Growth (Waste & Environment) - Vehicle, Container & Plant replacement	2.753	3.673	0.190	0.191	0.226	7.033	0.033	0.381	6.565	-	-	-	0.054	7.033
Growth (Waste & Environment) - Chelston Meadow maintenance / upgrade	0.245	-	-	-	-	0.245	-	0.245	-	-	-	-	-	0.245
Growth (Waste & Environment) - Plymouth & South Devon Comm. Forest	1.309	-	-	-	-	1.309	-	-	-	1.290	0.019	-	-	1.309
Growth (Waste & Environment) - Ocean City Biodiversity Loan	0.150	0.350	-	-	-	0.500	-	0.500	-	-	-	-	-	0.500
Growth (Waste & Environment) - Other Nature & Trees (incl. VIMS)	0.521	0.222	0.024	0.021	0.021	0.809	-	0.065	0.022	0.493	-	0.229	-	0.809
Growth (Waste & Environment) - Derriford Park Improvements	0.407	0.419	-	-	-	0.826	-	-	-	0.382	-	0.444	-	0.826
Growth (Waste & Environment) - Central Park Improvements	0.521	-	-	-	-	0.521	-	0.389	-	0.027	-	0.159	-	0.521
Growth (Waste & Environment) - other Parks, Pitches & Play Equipment	0.096	0.590	-	-	-	0.686	0.268	0.020	-	0.150	0.007	0.241	-	0.686
TOTAL GROWTH (WASTE & ENVIRONMENT)	8.213	5.331	0.222	0.212	0.247	14.225	0.301	1.600	6.941	4.230	0.026	1.073	0.054	14.225
TOTAL GROWTH (STREET SERVICES)	20.295	8.551	0.222	0.212	0.247	29.527	0.301	10.351	7.835	9.568	0.156	1.262	0.054	29.527

CAPITAL PROGRAMME(DECEMBER 2025)	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL	Capital Receipts £m	Corporate Borrowing £m	Service & External Borrowing £m	Grants £m	Contribns. £m	S106 / CIL £m	Revenue £m	Total Funding £m
	Latest Forecast £m	PROGRAMME 2025-30 £m												
Growth (Climate Emergency) - CM Solar Farm	0.050	12.085	-	-	-	12.135	-	-	12.095	-	-	-	0.040	12.135
Growth (Climate Emergency) - District Heating scheme	0.085	1.041	0.400	0.275	0.275	2.076	-	-	-	1.574	-	0.502	-	2.076
Growth (Climate Emergency) - Electric Charging Infrastructure (LEV1)	0.168	-	-	-	-	0.168	-	0.168	-	-	-	-	-	0.168
Growth (Climate Emergency) - PCC Estate Decarbonisation	0.544	1.869	0.415	-	-	2.828	-	0.286	0.005	2.537	-	-	-	2.828
Growth (Climate Emergency) - Home Energy / Warm Homes	0.482	1.123	3.977	-	-	5.582	-	-	-	5.582	-	-	-	5.582
TOTAL GROWTH (CLIMATE EMERGENCY)	1.329	16.118	4.792	0.275	0.275	22.789	-	0.454	12.100	9.693	-	0.502	0.040	22.789
Growth (Transport) - Woolwell to the George	9.346	12.468	5.111	-	-	26.925	-	10.622	-	9.346	-	6.957	-	26.925
Growth (Transport) - Manadon	4.023	12.932	-	-	-	16.955	-	2.059	-	14.896	-	-	-	16.955
Growth (Transport) - Charlton Road	0.692	1.171	-	-	-	1.863	-	1.687	-	0.176	-	-	-	1.863
Growth (Transport) - Plymouth Major Road Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Growth (Transport) - Other Strategic Transport schemes	1.941	7.144	-	-	-	9.085	-	2.019	-	6.224	-	0.842	-	9.085
Growth (Transport) - Bus grants (ZEBRA & other)	10.747	2.469	-	-	-	13.216	-	-	-	11.560	1.181	0.375	0.100	13.216
Growth (Transport) - Eastern Corridor Cycle network	1.218	2.021	0.511	-	-	3.750	-	-	-	2.082	-	1.668	-	3.750
Growth (Transport) - Other active travel schemes	0.577	0.634	-	-	-	1.211	0.010	0.004	-	1.177	0.015	0.005	-	1.211
TOTAL GROWTH (TRANSPORT)	28.544	38.839	5.622	-	-	73.005	0.010	16.391	-	45.461	1.196	9.847	0.100	73.005
Growth (Other infrastructure) - Armada Way	18.255	1.167	-	-	-	19.422	7.888	11.534	-	-	-	-	-	19.422
Growth (Other infrastructure) - Royal Parade	5.515	0.404	-	-	-	5.919	-	4.399	-	1.500	-	0.020	-	5.919
Growth (Other infrastructure) - Other Public Realm / Better Places	0.227	-	-	-	-	0.227	-	0.227	-	-	-	-	-	0.227
Growth (Other infrastructure) - Flood Risk Management	3.840	-	-	-	-	3.840	-	-	-	3.840	-	-	-	3.840
Growth (Other infrastructure) - Plan for Homes	4.652	3.111	1.113	1.658	-	10.534	8.239	0.020	-	1.628	0.006	0.641	-	10.534
TOTAL GROWTH (Other infrastructure)	32.489	4.682	1.113	1.658	-	39.942	16.127	16.180	-	6.968	0.006	0.661	-	39.942
TOTAL GROWTH (Strategic Planning and Infrastructure)	62.362	59.639	11.527	1.933	0.275	135.736	16.137	33.025	12.100	62.122	1.202	11.010	0.140	135.736
TOTAL GROWTH	120.724	100.593	46.669	10.305	0.788	279.079	16.894	69.153	48.843	129.860	1.863	12.272	0.194	279.079
TOTAL PCC CAPITAL PROGRAMME	145.510	113.938	49.083	10.406	0.788	319.725	17.684	77.293	65.600	144.315	2.265	12.330	0.238	319.725

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FINANCE MONITORING REPORT

Month 8 (November 2025)



PLYMOUTH
CITY COUNCIL

I. EXECUTIVE SUMMARY

I.1. The monitoring position reported at Month 8 is an adverse variance of £5.784m, this is a favourable movement of £0.039m from the Month 7 position. This report provides an explanation of this position and gives details around further underlying risks.

Table 1: General Fund Revenue Forecast

Directorate	Budget £m	Forecast £m	Variance £m
Total General Fund Budget	253.418	259.202	5.784

I.2. At Month 8 additional investment income and interest of £0.130m was identified within Treasury Management budgets.

I.3. There are no changes to the reported position with Adults, Health and Communities budgets at Month 8, the forecasts remain in line with the previously reported level of demand.

I.4. The Children's Directorate is reporting an increased budget pressure at Month 8 of £0.276m, due to Children's Social Care placements, with increases in the number of residential placements, with two specific high cost placements. This has been offset by agreed income from health for specific children and a reduction in the Adopt South West contract.

The Children's Directorate continues to report a net cost pressure on short breaks provision, the service is engaged in developing mitigation plans to address.

I.5. The Customer & Corporate Directorate is forecasting an adverse variance of £1.172m against budget. This is predominately caused by additional survey requirements for the Facilities Management service, and savings target delivery pressures across the directorate.

I.6. Overall, £6.510m of the in-year planned savings targets have been considered achieved, with £3.713m in progress. £2.233m is considered unachievable and being reported as pressures, of which £1.300m relates to an additional income target for Energy from Waste which is not achievable due to maintenance downtime. This pressure is reported as part of the Growth Directorate's position.

I.7. Section 12 of this report sets out an update on the Capital Programme at Month 8 (see Table 18). As at 30 November 2025 the 5-year capital budget 2025-2030 is currently forecast at £375.621m.

The forecast for 2025/26 has reduced from £157.396m to £151.084m and reflects new approvals added to the programme offset by monthly monitoring and continued project monitoring to reprofile forecasts into future years.

2. DIRECTORATE REVIEW

2.1. The reported position is an overspend of £5.784m at Month 8, a favourable movement of £0.039m from the position reported at Month 7.

Table 2: Revenue Forecast by Directorate

Directorate	Budget £m	Forecast £m	Variance £m	Status
Adults, Health and Communities Directorate	119.512	122.900	3.388	Over
Children's Directorate	91.843	96.870	5.027	Over
Growth Directorate	30.660	31.960	1.300	Over
Office of the Director of Public Health	3.889	3.511	(0.378)	Under
Chief Executive's Office	1.684	1.446	(0.238)	Under
Customer and Corporate Services	44.120	45.292	1.172	Over
Corporate Items	(38.290)	(42.777)	(4.487)	Under
Total	253.418	259.202	5.784	

3. ADULTS, HEALTH AND COMMUNITIES DIRECTORATE

Table 3: Adults, Health and Communities Directorate Forecast

Adults, Health and Communities Directorate	Variance £m
Adult Social Care	2.469
Community Connections	0.919
Total	3.388

Table 4: Adult Social Care Forecast

Adult Social Care		Variance £m	RAG rating
Pressures:	Care Package Expenditure	5.611	Red
	ASC Grants and Delivery Plans	1.256	Amber
Mitigations:	Care Package Income	(3.120)	Amber
	Contracts and Staffing	(1.279)	Amber
Total:		2.469	
Quantified risk not reported as pressure		0.859	

3.1 The Adults, Health and Communities Directorate is reporting a pressure of £2.469m, a nil variance from month 7.

3.1.1. Domiciliary Care continues to see an increased demand for intermediate care to support clients' discharge from hospital.

3.1.2. As assessment waitlists have been reduced, the directorate has seen a significant increase in bedded care clients, as previously included as a risk. Backdated packages have resulted in £0.783m of old year costs being incurred in year.

3.1.3. £2.369m additional Joint Funding and client income have been identified, correlating to increased package expenditure. A joint funding panel has been established to improve governance and procedures, ensuring the maximum level of funding is recovered.

3.1.4. Following the insolvency of the previous provider, an inflationary increase was agreed to ensure the continuing delivery of the Community Equipment Service. There is an assumption that additional funding will be recovered via the Better Care Fund.

3.1.5. The Directorate's Budget Containment Group has been mobilised for 2025/26 and activity is ongoing; the function of the group is to focus on emerging high-risk areas, assigning task groups to identify actions to be taken to contain spend, such as focused package reviews. Work identified includes focus on review and analysis of Domiciliary Care, Bedded Care fees levels and pipeline demand, timescales and planning in increase client in Direct Payments and a focus on the Short-Term Residential clients to identify any barriers to long term care.

3.1.6. Budget Containment work has produced savings of (£0.801m) by identifying elements of Domiciliary Care that can be recharged to the ICB.

3.2. Risks to the Adult Social Care Budget include potential further increases in demand on Care Package budgets and the outcome of the CQC inspection, which may make recommendations that have an impact on budgets.

3.3. Total Delivery Plans of £3.425m, including a prior year target of £0.648m, are assumed to be met in 2025/26. Of the 2025/26 target of £2.733m, £2.124m (78%) has been achieved to date, with £0.659m in progress.

Table 5: Community Connections Forecast

Community Connections	Variance £m	RAG (mitigations /risk)
Pressures:	Delays in planned activity in supply of additional units, increase in demand for temporary accommodation	1.164
	Domestic Homicide Reviews - activity over budget	0.120
	Other pressures; incl removals and storage for clients	0.141
Mitigations:	Additional income from penalty charges	(0.040)
	Grant maximisation and other staffing savings	(0.466)
Total	0.919	
Quantified Additional Risk (not reported as a pressure)	0.762	Amber

3.4. The reported pressure at Month 8 is an adverse variance of £0.919m, this position is unchanged since Month 7.

3.5. Drivers for increased demand for temporary accommodation include domestic abuse victims fleeing properties, the cost-of-living crisis, lack of available social housing and lack of affordable private sector accommodation to house clients experiencing homelessness.

3.6. There is also a reported pressure of £0.120m due to an increase in the number of Domestic Homicide reviews required this year.

3.7. There are salary savings totaling £0.449m at Month 8, these are due to vacancies, gaps whilst recruiting, maternity leave and an increase in posts funded by grants compared to budget. Of this, £0.155m salary savings is offsetting various smaller pressures within Young Carers, Unauthorised Encampments and Removals and Storage, and a further £0.111m has mitigated the additional pressure of temporary accommodation demand. The residual balance has been allocated towards Delivery Plan targets.

3.8. The forecast includes £0.200m of additionally identified grant maximisation.

3.9. Planned activity within the service to mitigate further budgetary risk includes review of all grant allocations to maximise impact on budgets, increased activity at the front door to reduce demand, additional planned activity to replace delayed projects and continued monitoring of activity and trends to inform full year forecasts.

4. CHILDREN'S DIRECTORATE

Table 6: Children's Directorate – total reported pressure

Children's Directorate	Variance £m
Children, Young People and Families Department	4.344
Education, Participation and Skills Department	-
Children's Central Spine	0.683
Total	5.027

Table 7: Children's Directorate – CYPF Forecast

Children, Young People and Families Department	Variance £m	RAG (mitigations /risk)
Pressures:		
Looked After Children – Placements	4.550	Amber
Agency staffing costs	0.050	Amber
Delivery plan pressure	1.182	Green
Vacancy savings forecast	(0.050)	Green
FHPC Workstream, Reunification & Reconnect Partnership working to identify Children transitioning into alternative	(1.182)	Green
Mitigations:		
Removal of Retention Payments for Social Workers in Child Protection Team	(0.032)	Green
Adopt South West - Underspend as provided by Devon County Council	(0.120)	Green
Caritas Agency Recruiter removed	(0.054)	Green
Total	4.344	

4.1. The Children, Young People and Families service is reporting a pressure of £4.344m at Month 8, an adverse movement of £0.276m.

4.1.1. There is a financial pressure of £4.550m on Children's Social Care placements, primarily driven by an increase in Residential Placements and children moving into higher cost packages.

Residential placements in situ currently stand at 63, although 66 beds are being funded due to three vacant beds within the Block Contract arrangements.

Two children moved to higher-cost providers in month, with one placement at over £13k a week and another over £15k a week.

Additional Health Funding has been agreed for 2 children and offsets some of the placements pressure at Month 8, with additional income of £0.159m included.

4.1.2. Unregistered placements have reduced to 7, which is on budget.

A high-cost placement successfully transitioned into supported living, generating a saving of £0.094m.

4.1.3. Of this variance £0.105m relates to Unaccompanied Asylum-Seeking Children who have been placed into Supported Living at above £2,000 p/week.

4.1.4. There are also pressures flagged within staffing, primarily down to agency staff and vacancy savings targets, however these costs are mitigated through the planned exit dates of agency staff through Quarter 2. Additional £0.050m savings have been included at Month 8 relating to the Adopt South West contract with a total saving in year now forecast at £0.120m.

4.1.5. Savings were identified through Quarter 2 Star Chamber monitoring, which is a line-by-line review of the service's expenditure throughout the department. These savings have totalled £0.156m.

4.2. The service has identified a cohort of children who are currently placed within a Residential or Supported Living setting where transitioning to an alternative placement setting is considered appropriate for the child, such as fostering or reunification. This will always be the correct move for the child which also generates a recordable saving – it is this saving which is being earmarked towards the delivery plan total.

- 4.2.1. This stream of work is called “Steps” and is monitored monthly at the Family Homes for Plymouth Children board, the services is also working with external partners such as Reconnect to help the Authority achieve its targets.
- 4.2.2. There are currently enough Children identified with suitable transition plans to achieve the remaining £1.161m balance, however it is essential to point out that delays to these plans are possible creating further possible pressure.

4.3. Remaining mitigations are related to Staffing and the ongoing redesign of the CYPF structure. The new structure should align with the National Reform - Families First concept. Current proposals offset all agency pressure as well as achieving Budget Gap savings allocated in 2024/25.

Table 8: Children’s Directorate – EPS Forecast

Education, Participation and Skills Department	Variance £m	RAG (mitigations)
Pressure: Savings delivery plan pressure	0.038	
Mitigations: Net additional income and vacancy savings	(0.038)	Green
Total	-	

4.4. The Education, Participation and Skills service is reporting nil variance at Month 8, with work carried out by the service to identify additional savings to offset a delivery plan pressure. There is now minimal risk of non-delivery, however work will continue through the year to identify further savings.

4.5. In 2025/26, Plymouth will receive a total Dedicated Schools Grant (DSG) allocation of £312.148m. This funding supports mainstream schools, special schools, Early Years providers, and pupils with additional needs through the High Needs Block. The High Needs Block continues to face significant financial pressure, driven by increased numbers of pupils with EHCPs, and the cost of provision, with a forecast overspend of £35.763m. When combined with the cumulative deficit from prior years of £18.498m, the total projected deficit balance remains unchanged and is expected to reach £54.261m by the end of the financial year.

While a statutory override remains in place, allowing local authorities to carry forward DSG deficits there are associated revenue implications. Specifically, the cost of borrowing to fund the unfunded expenditure is estimated to exceed £2m in 2025/26.

Table 9: Children’s Directorate – Central Spine Forecast

Children’s Central Spine	Variance £m	RAG (mitigations)
Pressures: Short breaks cost pressures	1.318	
Potential shortfall on vacancy savings targets	0.024	
Short breaks Q1 savings identified	(0.446)	Amber
Mitigations: Delay in Home-to-School forecast increases	(0.187)	Amber
Admission team savings	(0.026)	Amber
Total	0.683	

4.6. Some Children’s Services budgets have now been combined into the ‘Central Spine’, including Short Breaks, Admissions and School Transport. The monitoring position is unchanged at Month 8, with an overall pressure of £0.683m.

- 4.6.1. There is a forecast pressure within Short Breaks due to demand, however this has been mitigated through £0.446m of savings identified, leaving a net pressure of £0.872m. The service is currently reviewing saving plans identified to ensure they are achievable and is now tasked with identifying methods to mitigate this residual pressure.

4.6.2. School Transport budgets are currently forecast to make a saving of £0.187m, this is due to the delay in the forecast increase in numbers of EHCPs, which has a direct impact to SEND Home to School Transport demand. This has been reviewed again at the start of the new academic year, and forecasts are still in line with previous estimates.

4.6.3. Additional Admissions Appeals income was identified at Month 4, and forecasts remain at this level.

5. GROWTH DIRECTORATE

Table 10: Growth Directorate Forecast

Growth Directorate		Variance £m	RAG (mitigations)
Pressures:	Economic Development - Land and Property additional professional, redevelopment, legal and events costs	0.709	
	Other delivery pressures within Street Services; including fleet costs and unachieved delivery plans	1.359	
	Management historic efficiency target	0.266	
	SPI - reduced planning income and increased concessionary fares	0.339	
Mitigations:	Loss of EfW income due to downtime	1.300	
	Economic Development - additional commercial lease income	(1.009)	Amber
	SPI - additional vacancy savings and deferred expenditure	(0.690)	Amber
	Increased parking income and Fleet and Garage efficiencies	(0.605)	Amber
Further planned management actions		(0.369)	Red
Total		1.300	

5.1. The Growth Directorate is reporting a pressure of £1.300m at Month 8, this is unchanged from the Month 7 position. The Directorate is unable to contain a £1.300m income budget from the Energy from Waste profit share which is forecast at nil. This is following a significant period of scheduled site downtime for maintenance.

5.2. The Directorate has identified £2.2m of other pressures in year and established a schedule of cross service area management action plans, to achieve mitigation of £1.7m of this as at Month 7. This includes recruitment deferral, income maximisation from grants, car parking and commercial lease events, and the review and deferral of discretionary expenditure where possible. Plans are in hand to build upon this achievement with the aim of achieving £2.2m of total savings by year end.

5.3. The Directorate had in-year savings/income targets for 2025/26 of £3.495m, to date £2.195m has been achieved. The £1.300m target for income from Energy from Waste profit share will not be realised in this financial year and is reported as a pressure.

6. OFFICE OF THE DIRECTOR OF PUBLIC HEALTH

Table 11: Office of the Director of Public Health Forecast

Office of the Director of Public Health		Variance £m	RAG (mitigations)
Pressures:	Contract overhead recharge in relation to Coroners arrangements	0.080	
	Bereavement pressures - repairs, caretaking and vehicle hire	0.077	
	Additional income; Civil Protection and Environmental Health	(0.075)	Green
Mitigations:	Leisure Management; efficiencies and contract savings	(0.191)	Green
	Further grant maximisation of eligible expenditure	(0.200)	Amber
	Cross-directorate salary savings	(0.069)	Green
Total		(0.378)	

6.1. The Public Health Directorate is reporting a saving at Month 8 of £0.378m. This is unchanged from the Month 7 position.

6.2. An additional £0.200m of the Public Health grant has been allocated to cover eligible expenditure.

6.3. Within the Bereavement and Registration service there is a £0.157m reported pressure which includes £0.077m pressure relating to repair and maintenance, caretaking and vehicle hire at the Crematorium and a £0.080m pressure for contract overhead recharges for Coroners arrangements. The current SLA with Devon County is being reviewed and will be further to further engagement.

6.4. Pressures are offset by savings achieved through Leisure Management efficiencies and cross-Directorate salary savings.

6.5. Underlying risks within the Directorate include the volatility of cremation income within the Bereavement budget, which may deviate from the forecast, and levels of fees and charges income within Public Protection Services.

7. CHIEF EXECUTIVE'S OFFICE

Table 12: Chief Executive's Office Forecast

Chief Executive's Office	Variance £m	RAG (mitigations)
Pressure: Delivery of planned savings	0.175	
Mitigations Savings on LGR staffing costs	(0.150)	Amber
Staffing savings	(0.263)	Amber
Total	(0.238)	

7.1. The Chief Executive Office is reporting a favourable variance at Month 8 of £0.238m, noting pressures from brought forward savings targets not expected to be achieved being offset by savings on vacancies held. This position includes updated savings of £0.150m from reduced staffing costs within the Local Government Reorganisation team as well as savings on staffing. This is an increased saving of £0.083m from Month 7.

8. CUSTOMER AND CORPORATE SERVICES DIRECTORATE

Table 13: Customer and Corporate Services Directorate Forecast

Customer & Corporate Services	Variance £m	RAG (mitigations)
Pressure: Forecasted survey spends and R+M within Hard FM	0.646	
Guildhall Closure	0.195	
DEM Referendum	0.169	
Potential shortfall on vacancy savings targets	0.026	
Savings plan	1.140	
Mitigations: Use of flexible capital receipts for transformation	(0.300)	Green
Release of insurance provision	(0.300)	Green
Other cross-directorate savings	(0.304)	Amber
DELT dividend	(0.100)	Amber
Total	1.172	

8.1. The Customer and Corporate Services Directorate is reporting a pressure of £1.172m at Month 8. A £0.102m reduction from the Month 7 position.

8.1.1. Within Hard FM there has been £0.350m of unbudgeted surveys required to ascertain the condition of the Corporate Estate. From these surveys an additional £0.296m of repairs and maintenance has been identified.

- 8.1.2. In Soft FM budgets there is an estimated £0.195m impact, due to reduced income as a result of the extended closure of the Guildhall
- 8.1.3. The DEM Referendum has come in £0.169m over the allocated budget.
- 8.1.4. A net £0.026m pressure is being forecast across the directorate relating to unachievable vacancy savings targets.
- 8.1.5. There are savings plans relating to both 2025/26 and prior year targets, within HR & OD, Departmental Management, Legal, Internal Audit, Transformation and ICT that are unlikely to be achieved. These total £1.140m, of which £0.883m relate to specific 2025/26 plans.
- 8.1.6. Additional in-year savings have been identified totalling £0.904m, the most significant of which were the use of Capital Receipts flexibilities to fund transformation costs currently met by revenue budgets (£0.300m), and the release of insurance provision (£0.300m).
- 8.1.7. Additional income of £0.100m has been added at Month 8 relating to an anticipated dividend from DELT.

9. CORPORATE ITEMS

Table 14: Corporate Items Forecast

Corporate Items	Variance £m	RAG (mitigations)
Pressure:	Schools PFI Contract	0.239
	Pay Award confirmed at 3.2%	0.186
	Release additional EPR grant funding	(0.863) Green
	Additional Support Service Recharge recoverable from funded posts	(0.425) Green
Mitigations:	MRP reversal due to capitalisation direction taking effect in 2025/26 financial year	(3.494) Green
	Treasury Management Savings	(0.130) Green
Total	(4.487)	

Table 15: Progress against savings targets – Treasury Management

Treasury Management Savings Targets	Target per Budget £m	Achieved £m	In Progress £m
Treasury Management Debt rescheduling	0.300	0.300	-
Treasury Management Efficiencies	0.500	0.500	-
Treasury Management MRP adjustment for prior year overpayments	0.634	0.634	-
Total	1.434	1.434	-

9.1. This area holds budgets relating to Treasury Management, centrally held grant funding and central expenditure budgets. At Month 8 there is a favourable variance of £0.130m within Treasury Management budgets due to additional interest and investment income. At Month 7 £3.494m of in-year Minimum Revenue Provision (MRP) was released, due to the Capitalisation Direction being actioned in 2025/26 financial year, with requirement for MRP from 2026/27 financial year only. Additional grant income has been allocated to PCC and this has been released corporately to fund the overall financial position, this results in a favourable variance of £0.863m.

9.2. At Month 8 there is a favourable variance of £0.130m within Treasury Management budgets due to additional interest and investment income. The £1.434m savings targets identified in 2025/26 is expected to be fully achieved.

9.3. Within Other Corporate Items, there is a pressure arising from the Schools PFI contract, this is expected to be mitigated by additional income from Support Service Recharges (Corporate Overheads) chargeable to funded posts.

9.4. The nationally agreed NIC pay award for 2025/26 was confirmed at 3.2%. Provision in the budget allows for a 3% uplift, therefore this confirmation results in financial pressure of £0.186m, which was reported at Month 5.

10. CORE RESOURCES

Table 16: Core Resources Forecast

Core Resources	Budget £m	Forecast £m	Variance £m
Revenue Support Grant	(12.662)	(12.662)	-
Council Tax	(149.450)	(149.450)	-
Business Rates	(86.584)	(86.584)	-
Reserves	(4.722)	(4.722)	-
Total	(253.418)	(253.418)	-

10.1. At Month 8 there are currently no variances forecast against Core Resources which fund the net revenue budget.

11. SAVINGS BUDGETS

Table 17: Summary of progress against savings targets

2025/26 Savings and Management Actions Progress (incl EFW additional income target) - reprofiled for Directorate departmental movements	Total Savings & Management Actions Target		Additional Income Target	Achieved	In Progress	Not achievable	Total
	Recurrent	Non-Recurrent					
Corporate items	(0.500)	(0.300)		(0.800)	-	-	(0.800)
Adult Health & Communities	(2.733)			(2.074)	(0.659)	-	(2.733)
Children's Directorate	(3.142)			(0.613)	(2.529)	-	(3.142)
Growth Directorate	(1.201)	(0.994)	(1.300)	(2.195)		(1.300)	(3.495)
Chief Executive	(0.175)			-	(0.125)	(0.050)	(0.175)
Customer & Corporate	(2.111)			(0.828)	(0.400)	(0.883)	(2.111)
Total	(9.862)	(1.294)	(1.300)	(6.510)	(3.713)	(2.233)	(12.456)

11.1. A summary of the progress achieved against additional savings targets built into Directorate budgets for 2025/26 is set out above. Any pressure in relation to the achievability of these targets is addressed in the relevant Directorate section set out in this report.

12. CAPITAL

12.1. The 5 year capital programme 2025 – 2030 as at 30 November 2025 is forecast at £375.621m with a net £2.802m reduction since last month.

12.2. Table 18 reflects the rolling forward of the 5-year programme scope and movement through new approvals and variations since last reported at 31 October 2025.

Table 18: Capital Programme Changes

Description	£m
Capital Programme as at 31 October 2025 for 5 year period 2025 - 2030	378.423
New Approvals – see table 21 for breakdown	1.051
Variations	(3.853)
Total Revised Capital Budget (2025/26 -2029/30)	375.621

Variations are made up of £3.852m of external borrowing removed for Chelson Meadow Solar Farm, and low value variations totalling £0.001m.

12.3. A breakdown of the current approved Capital Budget by directorate and by funding is shown in Tables 19 and 20 below.

Table 19: Capital Programme by Directorate

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total
Children's Services	3.761	0.907	0.411	-	-	5.079
Adults, Health and Communities	15.576	14.750	1.903	-	-	32.229
Growth - Economic Development	40.230	62.940	40.367	18.459	1.913	163.909
Growth - Strategic Planning & Infrastructure	65.683	56.812	11.877	1.933	0.275	136.580
Growth - Street Services	20.873	7.973	0.222	0.213	0.246	29.527
Customer & Corporate Services	5.203	2.415	0.100	0.101	-	7.819
Office for Director of Public Health	0.478	-	-	-	-	0.478
Total	151.804	145.797	54.880	20.706	2.434	375.621

Table 20: Capital Programme Financing

Financed by:	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total
Capital Receipts	10.992	5.074	1.189	1.762	1.913	20.930
Grant Funding	80.921	46.961	16.035	0.193	0.295	144.405
Corporate Funded borrowing	37.413	28.389	17.374	5.188	-	88.364
Service dept. supported borrowing	17.879	56.084	19.349	13.461	0.226	106.999
Developer contributions	2.020	9.275	0.933	0.102	-	12.330
Other Contributions	2.579	0.014	-	-	-	2.593
Total	151.804	145.797	54.880	20.706	2.434	375.621

12.4. A total £287.257m (76.48%) of the approved £375.621m capital programme is funded from grants, contributions and service-supported ‘invest-to-save’ borrowing, with the remaining 23.52% (£88.364m) forecast to be funded from corporate borrowing.

Table 21: Capital approvals M8 including funding

Service / Directorate	Governance	New Approvals	5 Year Programme Approvals £m	Financed By
SS	Exec Decision	Acquisition of Merafield Land	0.272	RF Grant
SPI	Exec Decision	Consolidated Active Travel Fund	0.747	RF Grant
CCO	S151	St Budeaux Public Toilet	0.032	URF Corp Borrowing
Total Capital Approvals			1.051	

Financing of New Approvals in M8	£m	
External Grants, S106 contributions, Cp Receipts	1.019	97%
PCC financing (all borrowing and revenue)	0.032	3%
Total	1.051	

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

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

12.5. Capital Programme 2025/26 monitoring

12.6. The latest forecast for 2025/26 has reduced to £151.084m and reflects £1.051m new approvals listed in table 21 and (£6.008m) reprofiling of forecast project spend from 2025/26 into future years. This is detailed in table 23 below.

12.7. Actual spend as at 30 November 2025 was £67.602m, which equates to 44.53% of the forecast Capital Programme for 2025/26.

12.8. Table 22 below includes a breakdown by directorate of actual expenditure as at 30th November 2025. Based on the historic five-year trend and actual monthly expenditure to the end of November, the current year's spend is projected to be in line with the current forecast.

Table 22: 2025/26 Programme including actual spend and % spent compared to latest forecast

Directorate	Latest Forecast 2025/26	Actual Spend as at 30 November 2025	Spend as a % of Latest Forecast
	£m	£m	%
Children's Services	3.761	0.878	23.34%
Adults, Health and Communities	15.575	7.618	48.91%
Growth - Economic Development	40.230	15.488	38.50%
Growth - Strategic Planning & Infrastructure	65.683	33.382	50.82%
Growth - Street Services	20.873	7.605	36.43%
Customer & Corporate Services	5.203	2.381	45.75%
Office for Director of Public Health	0.478	0.250	52.39%
Total	151.804	67.602	44.53%

12.9. Profiling of the Capital Programme will continue to review robustness of forecasts to spend as project officers assess the inflationary impact to schemes, delivery timescales and challenges to meet grant funding conditions.

Table 23 Breakdown of projects reprofiled into future years from November monitoring

Project	Amount Reprofiled £m	Financing
Heat Decarb Phase B.1 Harewood House	(0.258)	Corporate Borrowing
Bus grant	(0.697)	RF Grant
Land at Embankment Road	(0.840)	Service Borrowing
PfH 4 Bath Street	(0.820)	RF Grant
New George Street & Western Approach Acquisitions	(0.360)	Service Borrowing
PSNMP - Mount Batten Pontoon	(2.299)	Corporate Borrowing
Langage Development South Phase 2 (Freeport Site)	(0.075)	Service Borrowing
West Hoe Pier	0.101	Corporate Borrowing
Meadow View	0.091	Service Borrowing / Corporate Borrowing
Development of Children's Homes (Project A)	0.421	Service Borrowing
Woodlands School SEND Expansion	(0.080)	URF Grant
Collision Reviews	(0.085)	URF Grant
Living Streets (Various Projects)	(0.135)	Corporate Borrowing
Minor Structure Repairs (Reactive)	(0.500)	Corporate Borrowing
Bond St Playing fields (Southway Comm Football Facility)	(0.211)	S106 / Cap Receipts
King George V Playing Fields	(0.127)	RF Grant / S106
Projects with reprofiling of less than £50k	(0.134)	Corporate Borrowing / S106 / Service Borrowing / URF Grant / RF Grant
	(6.008)	

Brackets denote where budget has been slipped, or no brackets show where budget has been brought forward.

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ECONOMIC DEVELOPMENT

Project Officer	Details	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME
		Latest Forecast	2025-30				
		£m	£m	£m	£m	£m	£m
0	Investment Fund:	-	-	-	-	-	-
Anna Peachey	Inclusive Economy Fund	0.227	0.029	0.017	0.008	0.008	0.289
Alistair Macpherson	PEC Homes	0.030	-	-	-	-	0.030
0	South Yard MIPC:	-	-	-	-	-	-
James Whitelock	Oceansgate Remediation/separation works	0.020	0.753	-	-	-	0.773
Sam Nicholson	Oceansgate Phase 3.1 - Innovation Area (Freeport)	1.000	2.191	4.012	-	-	7.203
0	Freeport:	-	-	-	-	-	-
Catherine Parnall	Plymouth & South Devon Freeport A38 Deep Lane Pedestrian/Cycle Bridge	2.057	2.113	-	-	-	4.170
Catherine Parnall	Plymouth & South Devon Freeport – Millbay Terminal Development	5.500	-	-	-	-	5.500
Catherine Parnall	Plymouth & South Devon Freeport Project: Land Acquisition at Sherford	0.550	-	-	-	-	0.550
Catherine Parnall	Plymouth and South Devon Freeport Sherford Business Park	1.136	-	-	-	-	1.136
Catherine Parnall	Plymouth and South Devon Freeport Langage Core Infrastructure	0.699	-	-	-	-	0.699
Catherine Parnall	Plymouth and South Devon Freeport Langage Energy Park Road	0.800	-	-	-	-	0.800
Catherine Parnall	Plymouth & South Devon Freeport Langage Spine Road Design	2.334	-	-	-	-	2.334
Catherine Parnall	Plymouth & South Devon Freeport Programme	0.191	-	-	-	-	0.191
0	Property & Regeneration Fund:	-	-	-	-	-	-
Rob McGuffie/Sarah Partridge	Langage Development Phase 2	-	0.213	-	-	-	0.213
Rob McGuffie	Langage Development South Phase 2 (Freeport Site)	3.228	2.608	-	-	-	5.836
Rob McGuffie/Sarah Partridge	Plymouth International Medical & Technology Park	0.020	0.033	-	-	-	0.053
Anna Pope/Sarah Partridge	Land at Embankment Road	0.030	6.931	6.961	-	-	13.922
Sam Nicholson	Derriford District Centre	0.381	-	-	-	-	0.381
0	Strategic Development Projects:	-	-	-	-	-	-
Sam Nicholson	Quality Hotel	0.059	-	-	-	-	0.059
Chris Duggan	Brickfields	1.034	0.600	-	-	-	1.634
Sam Nicholson	PlH4 Bath Street	0.034	0.820	-	-	-	0.854
Sam Nicholson	39 Tavistock Place	0.126	-	-	-	-	0.126
Sam Nicholson	Highway Works At The Former Seaton Barracks Site	0.015	-	-	-	-	0.015
James Whitelock	Future High Streets Fund - Civic Centre	-	0.425	-	-	-	0.425
James Whitelock	Civic Centre Redevelopment	6.000	9.358	23.525	7.904	-	46.787
Chris Duggan	Future High Streets Fund - Guildhall	3.724	-	-	-	-	3.724
	West End Master Plan	-	-	-	-	-	-
Iain Mackelworth	West End Options Study	0.010	-	-	-	-	0.010
Iain Mackelworth	Colin Campbell Court	0.009	-	-	-	-	0.009
Iain Mackelworth	3-19 Raleigh St & 91-95 New George St	-	0.226	-	-	-	0.226
Iain Mackelworth	Colin Campbell Court Demolitions	0.147	0.392	-	-	-	0.539
Elena Muncey	New George Street & Western Approach Acquisitions	0.655	0.360	-	-	-	1.015
Chris Duggan	Plymouth Community Diagnostic Centre	0.010	0.335	-	-	-	0.345
Iain Mackelworth	Toys 'R' Us	0.045	1.206	-	-	-	1.251
Emma Wilson/Elena Muncey	Plymouth Rail Station Forecourt	0.016	0.007	-	-	-	0.023
Emma Wilson/Elena Muncey	Plymouth Rail Station MSCP	0.026	0.009	0.155	0.096	0.258	0.544
Emma Wilson/Elena Muncey	Rail Station Accommodation Block	0.023	-	-	-	-	0.023
Victoria Glennon	UKSPF: Nudge Community Builders	0.100	-	-	-	-	0.100
Victoria Glennon	UKSPF: Four Greens	0.079	-	-	-	-	0.079
Victoria Glennon	UKSPF: Real Ideas Organisation	0.011	-	-	-	-	0.011
Patrick Knight	PSNMP - Tinside 1st Floor	0.619	-	-	-	-	0.619
Patrick Knight	PSNMP - Tinside Terrace	0.181	-	-	-	-	0.181
Patrick Knight	PSNMP - Tinside B	0.280	-	-	-	-	0.280
Patrick Knight	PSNMP - Tinside Enabling & Renovation	1.072	-	-	-	-	1.072
James Whitelock	PSNMP - Mount Edgcumbe	0.193	0.721	-	-	-	0.914
Sharon Mercer	PSNMP - Mount Batten Main Works	3.760	-	-	-	-	3.760
Sharon Mercer	PSNMP - Mount Batten Pontoon	1.609	2.299	-	-	-	3.908
Sharon Mercer	PSNMP - Firestone	-	0.175	-	-	-	0.175
Sharon Mercer	PSNMP - Ernesettle	-	0.312	-	-	-	0.312
Sharon Mercer	PSNMP - Digital	0.063	0.015	0.025	0.015	-	0.118
Sharon Mercer	PSNMP - Interpretation	0.016	0.198	0.034	-	-	0.248
Sharon Mercer	PSNMP - Species and Habitat	0.028	0.116	0.032	0.023	-	0.199
Sharon Mercer	PSNMP - Action Plan Delivery	0.010	0.047	0.002	0.002	-	0.061
Sharon Mercer	PSNMP - Contingency and Inflation	0.150	0.336	0.157	0.112	-	0.755
0	City Centre Improvements:	-	-	-	-	-	-
Patrick Knight	West End Public Realm	0.001	-	-	-	-	0.001
0	Mount Edgcumbe Joint Committee Capital Programme:	-	-	-	-	-	-
Chris Burton	Mount Edgcumbe Orangery Toilets	0.003	-	-	-	-	0.003
Chris Burton	Mount Edgcumbe Chalet 2 Trennинow & Wiggle Cliffs	0.114	-	-	-	-	0.114
Chris Burton	Mount Edgcumbe Garden Battery Enabling Works	0.053	-	-	-	-	0.053
Tim Thomas	Mount Edgcumbe English Garden House	0.005	-	-	-	-	0.005
David Marshall	Mount Edgcumbe Marquee	0.009	-	-	-	-	0.009
	Total Economic Development	38.067	32.403	34.920	8.160	0.266	113.816

The capital programme will not show the details of projects with a budget of less than £500 due to rounding. This rounding may also have an impact on the subtotals.

Project Officer	Details	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME 2025-30
		£m	£m	£m	£m	£m	
0	STRATEGIC DECARBONISATION PROGRAMME	-	-	-	-	-	-
Jonathan Selman	Civic Centre District Energy - Phase 2	0.085	1.041	0.400	0.275	0.275	2.076
Ben Young	Chelson Meadow Solar Farm	0.050	12.085	-	-	-	12.135
Ben Young	Invest to Save Decarbonisation Programme Phase 1	0.168	-	-	-	-	0.168
David Walker	Local Electric Vehicle Infrastructure (LEVI)	0.313	1.700	0.415	-	-	2.428
Alastair Gets	PCC LED Lighting Replacement Programme	0.005	-	-	-	-	0.005
Alastair Gets	Heat Decarb Phase B.1 Harewood House	0.066	0.081	-	-	-	0.147
Alastair Gets	Heat Sourcing in Corporate Buildings (Big 4 + Next 7 Decarb)	0.160	0.087	-	-	-	0.247
0	Home Energy Efficiency	-	-	-	-	-	-
Nicky Turvey	Home Energy - Eco Homes pot	-	-	0.253	-	-	0.253
Nicky Turvey	Social Housing Decarbonisation Wave 2.1	0.092	-	0.226	-	-	0.318
Nicky Turvey	Home Upgrade Grant HUG Phase 2	0.040	-	2.401	-	-	2.441
Nicky Turvey	The Warm Homes: Local Grant	0.351	1.123	1.097	-	-	2.571
0	INFRASTRUCTURE IMPROVEMENT PROGRAMME	-	-	-	-	-	-
Michelle Endacott	Development Funding	0.500	-	-	-	-	0.500
0	STRATEGIC TRANSPORT PROGRAMME	-	-	-	-	-	-
Steven Flaxton	Forder Valley Link Road	0.110	1.557	-	-	-	1.667
Sarah McVeigh	Forder Valley Interchange	-	0.392	-	-	-	0.392
Lucy Pascoe	Charlton Road	0.692	1.171	-	-	-	1.863
Robin Bevan	N Corridor Junction Imps	0.014	-	-	-	-	0.014
Neil Honey	ECorridor Junction Improvements	0.005	0.226	-	-	-	0.231
Joanne Hughes	Charles Cross	0.038	-	-	-	-	0.038
Leana Hannon/Steven Flaxton	Woolwell to The George Phase 2 (Widening)	4.935	11.241	5.111	-	-	21.287
Leana Hannon/Steven Flaxton	Woolwell to The George Phase 3 (Park & Ride)	-	1.053	-	-	-	1.053
Leana Hannon/Steven Flaxton	TCF T2 Woolwell to The George	4.410	0.175	-	-	-	4.585
Robin Bevan	Morlaix Drive Access Improvements	0.202	0.042	-	-	-	0.244
Joanne Hughes	A379 Pomphelett to The Ride	-	0.043	-	-	-	0.043
Jo Hughes/Robin Saines	A38 Manadon Interchange (LLM)	4.023	12.932	-	-	-	16.955
Neil Honey	Plymouth Major Road Network	1.521	4.884	-	-	-	6.405
Joanne Hughes	Automated Traffic Counters	0.050	-	-	-	-	0.050
0	SUSTAINABLE TRANSPORT PROGRAMME	-	-	-	-	-	-
Jm Woffenden	Northern Corridor Strategic Cycle Network	-	0.010	-	-	-	0.010
Denise Clift	Eastern Corridor Strategic Cycle Network (Colesdown Hill)	0.015	-	-	-	-	0.015
Denise Clift	Eastern Corridor SCN Colesdown Hill Underbridge	1.204	2.021	0.511	-	-	3.736
Maria Kotowska	Cot Hill Crossing	0.412	-	-	-	-	0.412
Rosemary Starr	Zero Emission Bus Regional Areas	9.661	1.773	-	-	-	11.434
Rosemary Starr	Bus Grant Programme	1.085	0.697	-	-	-	1.782
Richard Banner/ Mike Jones	WWCF - Garfield Terrace	0.001	-	-	-	-	0.001
Richard Banner/ Mike Jones	WWCF - Efford Pathway Brian Vincent Way	0.006	-	-	-	-	0.006
Richard Banner/ Mike Jones	CATF- Brian Vincent Way	0.004	0.369	-	-	-	0.373
Richard Banner/ Mike Jones	CATF- Budshead Road	0.003	0.147	-	-	-	0.150
Richard Banner/ Mike Jones	CATF- Safer school streets programme	0.048	-	-	-	-	0.048
Richard Banner/ Mike Jones	CATF- Dawes Lane	0.005	0.015	-	-	-	0.020
Richard Banner/ Mike Jones	CATF- Mutley Plain / Greenbank Road junction	0.002	0.033	-	-	-	0.035
Richard Banner/ Mike Jones	CATF- Ham Drive / Honicknowle Lane	0.001	0.069	-	-	-	0.070
Richard Banner/ Mike Jones	CATF- Lucas Terrace and Seagull Bridge	0.050	-	-	-	-	0.050
Richard Banner	ATF 5 Forder Valley Cycle Safety Scheme	0.005	-	-	-	-	0.005
Richard Banner	ATF 5 Cycle Lockers	0.040	-	-	-	-	0.040
Andy Cottam	Barbican Footbridge	0.004	-	-	-	-	0.004
Denise Clift	Cycle Ci: Brixton Dr to Saltram Meadow R/bout	0.005	-	-	-	-	0.005
0	FLOOD RISK MANAGEMENT PROGRAMME	-	-	-	-	-	-
Andy Cottam	Longbrook Street Flood Defence	0.001	-	-	-	-	0.001
Andy Cottam	Plym Stonehouse & Durnford St Tidal flood alleviation	0.066	-	-	-	-	0.066
Andy Cottam	Weston Mill Flood Defence	0.108	-	-	-	-	0.108
Andy Cottam	Lipson Vale Phase 1 Trefusis Pk Flood Defence	3.665	-	-	-	-	3.665
0	BETTER PLACES PROGRAMME	-	-	-	-	-	-
Catherine Arthurs	City Centre Public Realm Old Town St/ New George St	0.168	-	-	-	-	0.168
Catherine Arthurs	Civic Square	0.058	-	-	-	-	0.058
Martin Ivatt/ Helen Trenerry	Armada Way Delivery	17.755	1.167	-	-	-	18.922
Karen Renshaw/ Sarah McVeigh	TCF T2 Royal Parade Bus Infrastructure	5.516	0.404	-	-	-	5.920
0	BETTER PLACES PROGRAMME	-	-	-	-	-	-
Wendy Eldridge/Nick Carter	Asbestos Claims by PCH	0.334	-	-	-	-	0.334
Neil Mawson	Stirling House	0.001	-	-	-	-	0.001
Neil Mawson	West Park (Former West Park Primary) - BLRF	0.008	-	-	-	-	0.008
Neil Mawson	North Prospect Regeneration - Phase 4	0.006	-	-	-	-	0.006
Liz Dunster/ Neil Mawson	6 Victoria Place - BLRF	0.160	-	-	-	-	0.160
Liz Dunster/ Neil Mawson	Kings Tamerton, Coombe Way - BLRF	0.002	0.600	-	-	-	0.602
Neil Mawson / Mel Birwe	Colebrook Road, Plympton	0.001	0.150	-	-	-	0.151
Neil Mawson	Maidstone Place	0.001	-	-	-	-	0.001
Neil Mawson / Joe McCarthy	Lancaster Gardens - BLRF	0.124	-	-	-	-	0.124
Neil Mawson	Empty Homes Financial Assistance	0.051	0.150	0.150	-	-	0.351
Joe McCarthy/Nick Carter	Broadland Gardens	0.265	-	-	-	-	0.265
Liz Dunster/ Neil Mawson	Healy Place	0.005	0.225	0.225	-	-	0.455
Liz Dunster/ Neil Mawson	Windmill Carpark - BLRF	0.103	-	-	-	-	0.103
Neil Mawson	Windmill Carpark - PCH Partnership Agreement	0.070	0.070	-	-	-	0.140
Neil Mawson	Broadway Car Park	0.002	-	-	-	-	0.002
Neil Mawson	Clowance Street - BLRF	0.103	-	-	-	-	0.103
Neil Mawson	Clowance Street - PCH Partnership Agreement	0.063	0.063	-	-	-	0.126
Neil Mawson	Raglan Court Redevelopment	0.002	-	-	-	-	0.002
Neil Mawson	Dell Childrens Centre - BLRF	0.304	-	-	-	-	0.304
Neil Mawson	Dell Childrens Centre - PCC Grant	0.200	-	-	-	-	0.200
Neil Mawson / Mel Birwe	Douglass House - BLRF	0.005	-	0.240	-	-	0.245
Neil Mawson	Bath Street West	2.647	-	-	0.475	-	3.122
Nick Carter	PCH Partnership Agreement	-	0.270	-	-	-	0.270
Nick Carter	Livewest Partnership Agreement	-	0.500	-	0.500	-	1.000
Neil Mawson	Bournemouth Churches Housing Assoc (BCHA) Ptnr Agr.	-	0.340	0.330	0.330	-	1.000
Neil Mawson	Housing Development - PCC Professional Services	0.097	0.150	0.150	-	-	0.397
Neil Mawson	Plan for Homes 4 (Holding Line)	0.018	0.018	0.018	0.018	-	0.072
Neil Mawson	Right to Buy, Buy Backs	-	0.240	-	-	-	0.240
Neil Mawson	Eco Homes Programme	-	0.335	-	0.335	-	0.670
Neil Mawson	Former North Prospect Library (Eco Homes)	0.082	-	-	-	-	0.082
Total Strategic Planning & Infrastructure		62.362	59.639	11.527	1.933	0.275	135.736

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STREET SERVICES		Details	2025-26 Latest Forecast	2026-27 Latest Forecast	2027-28 Latest Forecast	2028-29 Latest Forecast	2029-30 Latest Forecast	TOTAL PROGRAMME 2025-30
Project Officer		£m	£m	£m	£m	£m	£m	£m
0	TRANSPORT CAPITALISED MAINTENANCE PROGRAMME	-	-	-	-	-	-	-
0	Structural Maintenance schemes	-	-	-	-	-	-	-
Mark Kynaston	Minor Structure Repairs (Reactive)	0.307	0.500	-	-	-	-	0.807
Mark Kynaston	Minor Structure Repairs (Preventative)	0.236	-	-	-	-	-	0.236
Phil Bellamy	Laira Bridge Cycle Path	0.005	-	-	-	-	-	0.005
0	Street lighting & traffic signals	-	-	-	-	-	-	-
Paul German	Deteriorated Street Lighting Columns Replacement	0.889	1.000	-	-	-	-	1.889
Nigel Taylor	Traffic signal replacement	0.305	-	-	-	-	-	0.305
Paul German	Traffic signal repairs	0.127	-	-	-	-	-	0.127
Nigel Taylor/Phil Bellamy	MOVA Tavistock Road - Upgraded Traffic Signals	0.138	-	-	-	-	-	0.138
Phil Bellamy	Signal Optimisation	0.182	-	-	-	-	-	0.182
Paul German	Street lighting Energy Savings	0.352	-	-	-	-	-	0.352
Phil Bellamy	CMS Street Lighting (Challenge Fund)	0.990	1.000	-	-	-	-	1.990
0	CCTV	-	-	-	-	-	-	-
Phil Bellamy	CCTV Rapid Deployment	0.037	-	-	-	-	-	0.037
Phil Bellamy	Variable Message Systems CCTV	0.024	-	-	-	-	-	0.024
Phil Bellamy	Flytipping Intervention Scheme	0.016	-	-	-	-	-	0.016
0	Parking	-	-	-	-	-	-	-
Darren Stoneman	Mount Wise - Charge Point and Ticket Machine	0.008	-	-	-	-	-	0.008
Mike Artherton	Car Parks - Replacement Payment System	0.264	-	-	-	-	-	0.264
0	Carriageways	-	-	-	-	-	-	-
Kevin Northcott	Carriageway Permanent Repairs	0.870	-	-	-	-	-	0.870
Kevin Northcott	Carriageway Resurfacing	1.048	-	-	-	-	-	1.048
Kevin Northcott	Carriageway Lining	0.180	-	-	-	-	-	0.180
Kevin Northcott	Lining Schemes	0.039	-	-	-	-	-	0.039
Kevin Northcott	Carriageway Skid Resistance	0.565	-	-	-	-	-	0.565
Kevin Northcott	Carriageway Surface Dressing	1.288	-	-	-	-	-	1.288
Kevin Northcott	Carriageway Pothole Initiative	0.836	-	-	-	-	-	0.836
0	Footways	-	-	-	-	-	-	-
Kevin Northcott	Footway Permanent Repair	0.701	-	-	-	-	-	0.701
Kevin Northcott	Footway Resurfacing	0.867	-	-	-	-	-	0.867
Kevin Northcott	Kerb Replacements	0.085	-	-	-	-	-	0.085
0	Drainage	-	-	-	-	-	-	-
Kevin Northcott	Capitalised drainage schemes	0.472	-	-	-	-	-	0.472
Kevin Northcott	Military Road Adoption Scheme	0.114	-	-	-	-	-	0.114
Kevin Northcott	Gully and Manhole Replacements	0.069	-	-	-	-	-	0.069
0	Street Furniture	-	-	-	-	-	-	-
Kevin Northcott	Vehicle Restraint System	0.122	-	-	-	-	-	0.122
Kevin Northcott	Street Furniture Replacements	0.204	-	-	-	-	-	0.204
Kevin Northcott	Grit Bins	0.027	-	-	-	-	-	0.027
0	Local Safety & Minor Schemes	-	-	-	-	-	-	-
Mike Junes	TRO Reviews	0.042	-	-	-	-	-	0.042
Mike Junes	Collision Reviews	0.051	0.115	-	-	-	-	0.166
Mike Junes	Minor Traffic Schemes	0.020	-	-	-	-	-	0.020
Mike Junes	Embankment Road Safety Scheme	0.015	0.205	-	-	-	-	0.220
Mike Junes	Stentaway Rd Footway and Traffic Calming	0.005	0.161	-	-	-	-	0.166
Mike Junes	Millbridge Crossing and 20mph Speed Limit Zone	0.216	0.025	-	-	-	-	0.241
Mike Junes	Safer Journeys to School	0.028	0.050	-	-	-	-	0.078
Mike Junes	Inclusive Mobility	0.127	-	-	-	-	-	0.127
Mike Junes	Speed Management	0.027	0.025	-	-	-	-	0.052
Mike Junes	Direction Sign Replacement	0.019	-	-	-	-	-	0.019
0	Living Streets	-	-	-	-	-	-	-
Mike Junes	Living Streets Coordination of Cllr Schemes	0.027	-	-	-	-	-	0.027
Mike Junes	Living Streets Budshead	0.001	0.013	-	-	-	-	0.014
Mike Junes	Living Streets Compton	0.006	0.003	-	-	-	-	0.009
Mike Junes	Living Streets Devonport	0.001	0.004	-	-	-	-	0.005
Mike Junes	Living Streets Drake	0.001	0.008	-	-	-	-	0.009
Mike Junes	Living Streets Efford and Lipson	0.012	-	-	-	-	-	0.012
Mike Junes	Living Streets Eggbuckland	0.004	-	-	-	-	-	0.004
Mike Junes	Living Streets Ham	0.011	-	-	-	-	-	0.011
Mike Junes	Living Streets Honicknowle	0.028	-	-	-	-	-	0.028
Mike Junes	Living Streets Moor View	0.005	0.007	-	-	-	-	0.012
Mike Junes	Living Streets Peverell	0.007	0.005	-	-	-	-	0.012
Mike Junes	Living Streets Plympton Chaddlewood	0.004	-	-	-	-	-	0.004
Mike Junes	Living Streets Plympton Erle	0.005	0.003	-	-	-	-	0.008
Mike Junes	Living Streets Plympton St Mary's	0.009	0.004	-	-	-	-	0.013
Mike Junes	Living Streets Plymstock Dunstone	0.013	-	-	-	-	-	0.013
Mike Junes	Living Streets Plymstock Radford	0.007	0.005	-	-	-	-	0.012
Mike Junes	Living Streets St Budeaux	0.008	0.025	-	-	-	-	0.033
Mike Junes	Living Streets St Peter and Waterfront	0.001	0.012	-	-	-	-	0.013
Mike Junes	Living Streets Southway	0.012	-	-	-	-	-	0.012
Mike Junes	Living Streets Stoke	0.001	0.030	-	-	-	-	0.031
Mike Junes	Living Streets Sutton and Mount Gould	0.001	0.021	-	-	-	-	0.022
0	ENVIRONMENTAL SERVICES	-	-	-	-	-	-	-
Martin Hoar	Replacement of Hire Vehicles	1.078	-	-	-	-	-	1.078
Martin Hoar	Street Scene & Waste Vehicles	0.771	3.461	-	-	-	-	4.232
Martin Hoar	Electric Vehicles	0.078	-	-	-	-	-	0.078
Martin Hoar	Fleet Decarbonisation Programme (Climate Emergency Fund)	0.380	-	-	-	-	-	0.380
Martin Hoar	Grass Cutting Equipment 2024	0.008	-	-	-	-	-	0.008
Martin Hoar	Workshop HGV Ramp	0.054	-	-	-	-	-	0.054
Martin Hoar/ Andy Sharp	Garden Waste Collection Vehicles	-	0.021	-	-	-	-	0.021
Andy Sharp	Garden Waste Collection Containers	0.033	-	-	-	-	-	0.033
Rachel Hawadi	Food waste collection service vehicles and containers	2.211	0.077	0.008	-	-	-	2.296
Sarah Easton	Container Provision	0.352	0.190	0.189	0.190	0.227	-	1.148
0	RETAINED WASTE- Chelson Meadow restoration	-	-	-	-	-	-	-
Sarah Easton/Deven Distin/ Danny Skyrme	Chelson Meadow Closure & Leachate Plant Upgrade	0.245	-	-	-	-	-	0.245

0	NATURAL ENVIRONMENT SERVICE	-	-	-	-	-	-
0	Green Minds	-	-	-	-	-	-
Hayley Partridge	Visual Impact Mitigation Scheme (VIMS)	0.015	0.197	-	-	-	0.212
0	Strategic Green Spaces	-	-	-	-	-	-
Chris Avent	Derriford Community Park - Phase 1 Biodiversity Improvements	0.010	0.056	-	-	-	0.066
Chris Avent	Derriford Community Park - Phase 5	0.035	0.363	-	-	-	0.398
Chris Avent	Derriford Community Pk P5 Paddock Cabin	0.362	-	-	-	-	0.362
Liz Cole/ Lisa Oxford	Central Park Improvements	0.081	-	-	-	-	0.081
Phil Bellamy	Central Park Earth Movement works	0.439	-	-	-	-	0.439
0	Playing Pitches & Play	-	-	-	-	-	-
Rachel Penfound	Bond St Playing fields (Southway Comm Football Facility)	0.002	0.286	-	-	-	0.288
Rachel Penfound	Higher Elford Play Pitch Enhancements	0.036	-	-	-	-	0.036
Rachel Penfound	Marine Academy Plymouth 3G Pitch	0.001	-	-	-	-	0.001
Rachel Penfound	King George V Playing Fields	-	0.179	-	-	-	0.179
Liz Cole	Improving Outdoor Play Phase 3	0.018	0.122	-	-	-	0.140
Rachel Penfound	Central Park Baseball Pitch Improvements	0.024	-	-	-	-	0.024
Liz Cole	Central Park Access Improvements	0.012	-	-	-	-	0.012
Rachel Penfound	Victoria Park Pitch Improvements	0.004	-	-	-	-	0.004
Rachel Penfound	Tennis Improvements - Devonport Hartley and Tothill Park	0.001	0.003	-	-	-	0.004
0	Nature & Trees	-	-	-	-	-	-
Chris Avent	Plan for Trees	0.081	-	-	-	-	0.081
Chris Avent	Natural Infrastructure Works on A386	-	0.002	0.002	0.002	-	0.006
Chris Avent/Nigel Cotterill	PNG P2 Nature based solutions for Climate Change	0.075	0.023	0.023	0.020	0.020	0.161
Kim Hayden	Improvements of Allotments PL9 & PL6	0.004	-	-	-	-	0.004
Chris Avent/ Peter Hawkins-Sachs	Ply & S.Devon Community Forest	1.309	-	-	-	-	1.309
Peter Hawking-Sach	Acquisition of Merafield Land	0.272	-	-	-	-	0.272
Chris Avent	Ocean City Biodiversity- Ply Habitat Bank Loan	0.150	0.350	-	-	-	0.500
Chris Avent	Morlaix Drive BNG	0.060	-	-	-	-	0.060
Chris Avent	Dunstone Woods	0.013	-	-	-	-	0.013
Total Street Services		20.295	8.551	0.222	0.212	0.247	29.527

ADULTS, HEALTH AND COMMUNITIES

Project Officer	Details	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME
		£m	£m	£m	£m	£m	2025-30
0	ADULT SOCIAL CARE RETAINED FUNCTIONS	-	-	-	-	-	-
Gareth Sampson	Eclipse Project	0.150	0.636	-	-	-	0.786
Denise Clift	Meadow View	6.441	3.909	1.904	-	-	12.254
0	COMMUNITY CONNECTIONS- GPED	-	-	-	-	-	-
Dave Ryland	Disabled Facilities (incl Care & Repair works)	4.496	0.300	-	-	-	4.796
John London	Elford Youth & Community Centre	0.323	-	-	-	-	0.323
John London	Honicknowle Youth & Community Centre	0.377	-	-	-	-	0.377
John London	Frederick Street Centre	0.823	-	-	-	-	0.823
Jackie Kings	Local Authority Housing Fund Phase 3	1.866	-	-	-	-	1.866
Catherine Arthurs	The Royal Building Redevelopment	0.047	-	-	-	-	0.047
Jackie Kings	Dispersed Temporary Housing Programme	-	5.000	-	-	-	5.000
Jackie Kings	PATH: Temporary Accommodation Loan	0.818	0.123	-	-	-	0.941
0	STRATEGIC CO-OPERATIVE COMMISSIONING	-	-	-	-	-	-
Karlina Hall	Family Hubs - Phase 2	0.080	-	-	-	-	0.080
Total Adults, Health & Communities		15.421	9.968	1.904	-	-	27.293

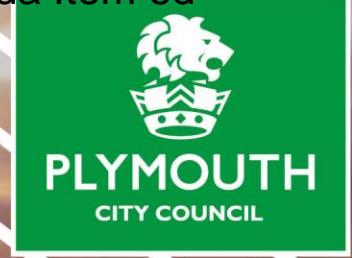
PUBLIC HEALTH

Project Officer	Details	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME
		£m	£m	£m	£m	£m	2025-30
0	Operation and Development	-	-	-	-	-	-
John London	Bereavement Infrastructure	0.247	-	-	-	-	0.247
0	Brickfields	-	-	-	-	-	-
Liz Slater/Jackie Keith	Brickfields - Relocation of Hockey Facility	0.231	-	-	-	-	0.231
Total Customer & Corporate Services		0.478	-	-	-	-	0.478

CHILDRENS SERVICES

Project Officer	Details	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME 2025-30
		Latest Forecast					
		£m	£m	£m	£m	£m	£m
	0 CHILDREN SOCIAL CARE	-	-	-	-	-	-
Tim Thomas/Vivien Lines	Residential Short Breaks (Colwill Lodge Feasibility - Project B)	0.025	0.057	-	-	-	0.082
Tim Thomas/Vivien Lines	Development of Children's Homes (Project A)	1.281	0.301	0.410	-	-	1.992
Vivien Lines	Foster for Plymouth Carers Adaptations	0.085	0.115	-	-	-	0.200
Karen Blake	Foster Home Adaptation - Living Room Conversion	0.008	-	-	-	-	0.008
Tim Thomas/Vivien Lines	DfE New Build Feasibility (Project C)	0.025	0.075	-	-	-	0.100
Barry Mountstevens	Rees Centre Wellbeing Hub	0.014	0.043	-	-	-	0.057
	0 CHILDCARE EXPANSION - NURSERY PLACES	-	-	-	-	-	-
Graham Roser	Ham Drive - Capital Expansion	0.008	-	-	-	-	0.008
Graham Roser	Plym Bridge - Capital Expansion	0.036	-	-	-	-	0.036
Graham Roser	Laira Green - Early Years Expansion	0.150	-	-	-	-	0.150
Graham Roser	Laira Green - Capital Expansion	0.020	-	-	-	-	0.020
	0 CONDITION WORKS	-	-	-	-	-	-
Ian Baker	Schools Emergency Condition Works	0.010	0.069	-	-	-	0.079
Ian Baker	Ham Drive - Roof	0.035	-	-	-	-	0.035
Ian Baker	Yealmptstone Farm Roof - Phase 3	0.050	-	-	-	-	0.050
Ian Baker	Yealmptstone Farm Roof - Phase 4	0.042	-	-	-	-	0.042
Ian Baker	College Road - Boiler	0.001	-	-	-	-	0.001
Ian Baker	Cann Bridge Fence and Bank	0.010	-	-	-	-	0.010
Ian Baker	Ham Drive Boiler	0.038	-	-	-	-	0.038
Ian Baker/Tim Thomas	Mill Ford - Health & Safety Works	0.050	-	-	-	-	0.050
Ian Baker	Woodlands Heating and Ventilation	0.053	-	-	-	-	0.053
Ian Baker	College Road - Playground	0.057	-	-	-	-	0.057
	0 SEN	-	-	-	-	-	-
Lisa McDonald	SEN Access and Safeguarding	-	-	-	-	-	-
Jacqueline Keith	SEND Sufficiency Plan Programme	0.152	-	-	-	-	0.152
Jacqueline Keith	Longcause Office Conversion (Phase 1)	0.400	-	-	-	-	0.400
Ian Baker	Woodlands School SEND Expansion	0.648	0.080	-	-	-	0.728
Ian Baker	Cann Bridge - SEN Expansion	0.042	-	-	-	-	0.042
Tina Brinkworth	Mill Ford - SEN Satellite Provision	0.067	-	-	-	-	0.067
Lisa McDonald	Mill Ford - New School	0.075	0.125	-	-	-	0.200
Ian Baker	Riverside School Phase 2	0.161	-	-	-	-	0.161
	0 SCHOOLS ICT PROJECTS	-	-	-	-	-	-
School	Sir John Hunt CC - ICT Projects	0.007	-	-	-	-	0.007
School	Mill Ford - ICT Projects	0.009	-	-	-	-	0.009
School	Riverside - Systems Upgrade	0.017	-	-	-	-	0.017
	0 DEVOLVED CAPITAL FORMULA	-	-	-	-	-	-
School	Ham Drive - Devolved Capital	0.008	-	-	-	-	0.008
School	Plym Bridge - Devolved Capital	-	0.004	-	-	-	0.004
School	Compton - Devolved Capital	-	0.009	-	-	-	0.009
School	College Road - Devolved Capital	0.010	0.023	-	-	-	0.033
School	Laira Green - Devolved Capital	0.007	-	-	-	-	0.007
School	Lipson Vale - Devolved Capital	0.009	-	-	-	-	0.009
School	Pennycross - Devolved Capital	0.018	0.006	-	-	-	0.024
School	Whittleigh - Devolved Capital	0.007	-	-	-	-	0.007
School	Yealmptstone Farm - Devolved Capital	0.010	-	-	-	-	0.010
School	Riverside - Devolved Capital	0.009	-	-	-	-	0.009
School	Sir John Hunt CC - Devolved Capital	0.005	0.010	-	-	-	0.015
School	Cann Bridge (Downham) - Devolved Capital	0.017	-	-	-	-	0.017
School	Brook Green - Devolved Capital	0.018	0.003	-	-	-	0.021
School	Longcause - Devolved Capital	0.009	-	-	-	-	0.009
School	Woodlands - Devolved Capital	0.010	-	-	-	-	0.010
	0 DEVOLVED CAPITAL PROJECTS	-	-	-	-	-	-
School	College Road - Forest School	-	0.013	-	-	-	0.013
School	Ham Drive - Access to Work	0.006	-	-	-	-	0.006
School	Pennycross - Allotment	-	0.002	-	-	-	0.002
	Total Children's Services	3.719	0.935	0.410	-	-	5.064

CUSTOMER & CORPORATE SERVICES							
Project Officer	Details	2025-26 Latest Forecast	2026-27 Latest Forecast	2027-28 Latest Forecast	2028-29 Latest Forecast	2029-30 Latest Forecast	TOTAL PROGRAMME 2025-30
		£m	£m	£m	£m	£m	£m
	INFORMATION SYSTEMS	-	-	-	-	-	-
Peter Honeywell	Delt Lights-on Infrastructure	0.280	0.418	-	-	-	0.698
Jane Hirons	Tech Forge	0.013	-	-	-	-	0.013
John Finch	WiFi and Networks Survey	-	0.019	-	-	-	0.019
John Finch	Sharepoint Migration	0.040	0.060	-	-	-	0.100
John Finch	Avaya Replacement	0.080	-	-	-	-	0.080
John Finch	Skype Replacement	0.110	-	-	-	-	0.110
John Finch	Cyber Security	0.109	-	-	-	-	0.109
John Finch	Cyber Security- Qualys	0.053	-	-	-	-	0.053
John Finch	Cyber Security - Manage Detection	0.040	-	-	-	-	0.040
John Finch	Continuation of Transformation/Modernisation Projects	0.019	1.062	-	-	-	1.081
John Finch	Device Replacement Scheme	0.857	0.070	0.100	0.101	-	1.128
Peter Honeywell	Windows 11 Delivery	0.074	-	-	-	-	0.074
Mike Atherton	Highways Management System	0.087	-	-	-	-	0.087
Andy Sharp	Hand Arm Vibration	0.002	-	-	-	-	0.002
Andy Sharp	EnviroOps Digital Service Improvement Phase 2	0.100	0.138	-	-	-	0.238
Nick King	Mobile Working for Building Control	0.025	-	-	-	-	0.025
John Finch	PVP Management Solution	-	0.024	-	-	-	0.024
John Finch	Data Intelligence	0.167	-	-	-	-	0.167
Heidi Ondrak	EHCP AI Solutions	0.033	-	-	-	-	0.033
Peter Honeywell	Replacement of Civica Image Server	0.016	-	-	-	-	0.016
Peter Honeywell	cWAN Project	0.015	-	-	-	-	0.015
Chris Squire	Replacement of CoreHRfor iTrent	0.273	-	-	-	-	0.273
	CORPORATE PROPERTY	-	-	-	-	-	-
	0 Assets Lifecycle Maintenance	-	-	-	-	-	-
Ciara Holmes	Council House Cladding Stabilisation and Repairs	0.211	-	-	-	-	0.211
Ciara Holmes	Four Woods Nursery Boiler Replacement	0.005	-	-	-	-	0.005
Kirstie Spencer	Theatre Royal Roof Repairs - Flytower	0.107	-	-	-	-	0.107
Ciara Holmes	City Business Park CCTV & Fire Alarm	0.013	-	-	-	-	0.013
Ciara Holmes	Mayflower Tourist Centre Windows	0.007	-	-	-	-	0.007
Ciara Holmes	Chelson Meadow Sprinkler System	0.001	-	-	-	-	0.001
Ciara Holmes	Elizabethan House Water Ingress	0.006	-	-	-	-	0.006
Ciara Holmes	Devonport Library Water Ingress	-	0.155	-	-	-	0.155
Ciara Holmes	Life Centre Fire and PA System Replacement	0.382	-	-	-	-	0.382
Kieran Dale/ Danny Skyrme	Chelson Meadow - Welfare Facilities making good area for 4 new portacabins	0.104	-	-	-	-	0.104
	0 Corporate Heritage Maintenance	-	-	-	-	-	-
	0 CORPORATE PROPERTY (OTHER)	-	-	-	-	-	-
Ciara Holmes	Elliot Terrace Front Elevation repairs and Decoration	0.139	-	-	-	-	0.139
Gordon White	Admirals Hard - Stonehouse Ferry Slipway	0.097	-	-	-	-	0.097
Angela Shaw	Devil's Point Tidal Pool	0.038	-	-	-	-	0.038
Richard Rhodes	Devonport Park Pavilion Decking	0.090	-	-	-	-	0.090
Steve Taylor/ Kev Tribe	Prince Rock Depot Fire System P1&2	0.192	0.100	-	-	-	0.292
Richard Rhodes	West Hoe Pier Improvements	0.250	0.267	-	-	-	0.517
Darren Puckett	Tinside Pool Structural Investigations	0.055	-	-	-	-	0.055
Darren Puckett	Chelson Meadow Weigh Bridge - electrics	0.080	-	-	-	-	0.080
Darren Puckett	Chelson Meadow HWRC RoRo skip bays	0.100	-	-	-	-	0.100
Darren Puckett	Chelson Meadow Handrails	0.011	-	-	-	-	0.011
Darren Puckett	Council House Murano Tiles	0.023	-	-	-	-	0.023
Darren Puckett	Lanyon House	0.027	-	-	-	-	0.027
Darren Puckett	Knights Yard Wall	0.100	-	-	-	-	0.100
Darren Puckett	Commercial Wharf steps	0.060	-	-	-	-	0.060
Darren Puckett	City Business Park Boiler	0.030	-	-	-	-	0.030
Darren Puckett	Mount Batten Beach	0.030	-	-	-	-	0.030
Darren Puckett	Plympton Pool Car Park	0.019	-	-	-	-	0.019
Darren Puckett	Thorn Park Lodge	0.040	0.080	-	-	-	0.120
Darren Puckett	Richmond Walk Wall Repairs	0.090	-	-	-	-	0.090
Ciara Holmes	Finnigan Road External works	0.040	-	-	-	-	0.040
Ciara Holmes	Harewood House Safety Railings	0.007	-	-	-	-	0.007
Ciara Holmes	Pebbleside Cave	0.006	-	-	-	-	0.006
Ciara Holmes	Victoria Park Wall	0.048	0.005	-	-	-	0.053
Ciara Holmes	Jennycliff Steps	0.013	-	-	-	-	0.013
Angela Shaw	Arnold's Point Repairs (Rowing Club)	0.014	-	-	-	-	0.014
	0 Public Conveniences	-	-	-	-	-	-
Jacqueline Keith	Toilet Demolition St Levans Road & Masterman Road	0.004	-	-	-	-	0.004
Ann Thorp	St Budeaux Public Toilet	0.135	0.044	-	-	-	0.179
	0 Accommodation strategy - Phase 1 - Offices:	-	-	-	-	-	-
	0 Accommodation Transformation	-	-	-	-	-	-
Nathan Sanders	Burrington Way - Annex Building Drake Hill Court	0.012	-	-	-	-	0.012
Nathan Sanders	Midland House IT Decommissioning	0.019	-	-	-	-	0.019
Nathan Sanders / Catherine Arthur	Housing Options Team move	0.025	-	-	-	-	0.025
Paul Marten/ Nathan Sanders	MASH/ Families First Accommodation move	0.111	-	-	-	-	0.111
Nathan Sanders	Crownhill Court Fit Out	0.001	-	-	-	-	0.001
David Fletcher	Go Green Employee Travel Plan	0.033	-	-	-	-	0.033
	Total Customer & Corporate Services	5.168	2.442	0.100	0.101	-	7.811



MEDIUM TERM FINANCIAL STRATEGY

City Council
MEDIUM-TERM FINANCIAL STRATEGY
2025/26 – 2029/30



PREFACE

Plymouth is entering a period of significant opportunity and transformation. With a strong foundation of strategic planning, financial governance, and a clear commitment to delivering for our residents, the city is positioned to navigate the challenges ahead and seek to maximise the opportunities on the horizon.

This Medium-Term Financial Strategy (MTFS) sets the backdrop for how Plymouth City Council will need to manage its resources over the next five years to deliver over 300 core services, support inclusive growth, and build towards long-term financial resilience. It provides a clear and coherent framework for decision-making, setting financial planning in the context of the Council's Corporate Plan and the Plymouth Plan, aiming to focus priorities to reflect the needs and aspirations of our communities.

The Strategy is published at a time when the national funding landscape is undergoing major reform. The Government's Fair Funding 2.0 consultation - a comprehensive review of local authority finance - aims to create a simpler, fairer, and more transparent system that better reflects local need. While the proposals offer progress, early modelling suggests that Plymouth will continue to face challenges, particularly due to the city's relatively low council tax base. Nonetheless, the introduction of multi-year settlements provides greater certainty and enables more strategic financial planning.

The MTFS acknowledges the pressures facing the Council, including rising demand in adult and children's social care, homelessness, and SEND provision. It also recognises the growing impact of financing the Dedicated Schools Grant (DSG) deficit. These challenges are not unique to Plymouth, but the Council is taking a proactive and ambitious approach to managing them.

At the heart of our strategy is a bold and proactive commitment to prevention – the critically needed approach to reshaping how we respond to rising demand across our services. The financial pressures we face require more than short-term fixes. Transformation in the context of prevention is not just a programme; it is a whole-system commitment to embed prevention at the heart of everything we do.

This approach builds on the work already underway across the Council. Our transformation journey is one of adaptation, learning, and development, shaped by increasing demand, ambitious goals, and the realities of reduced funding. Our business plans and savings initiatives are not simply about cost reduction - they are about shifting our cost base and laying the foundations for future delivery. The City Help & Support programme exemplifies this shift. It aims to bring together cross-functional teams to deliver outcomes that reduce reliance on high-cost, crisis-driven services.

The MTFS also sets out how we will strengthen our financial resilience. We are replenishing reserves, maintaining income collection, and embedding robust financial modelling across the organisation. Our Capital Programme supports regeneration and growth, with a focus on delivering measurable outcomes and ensuring value for money. We continue to take a prudent approach to borrowing, guided by the principles of the Prudential Code and supported by independent advice.

Looking ahead, Plymouth is well-placed to benefit from longer-term national investment programmes. The city's designation as a National Defence Growth Area and its inclusion in the New Towns programme

present significant opportunities to support housing delivery, infrastructure investment, and economic growth. These developments align with our strategic ambitions and will be integrated into our financial and service planning as further details emerge. The MTFS ensures that the Council is financially prepared to make the most of these opportunities - by maintaining flexibility, aligning resources, and planning for the long term.

Councillor Mark Lowry
Cabinet Member for Finance

Ian Trisk-Grove
Service Director for Finance
(Section 151 Officer)

Plymouth City Council

MEDIUM-TERM FINANCIAL STRATEGY 2025/26 – 2029/30

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I Introduction

The Medium-Term Financial Plan (MTFP) is a key document that integrates the Council's revenue budget, capital programme, treasury management strategy, and capital strategy. It enables the Council to plan its finances over a five-year horizon, ensuring the sustainable delivery of services while aligning financial resources with strategic priorities. By extending the focus beyond the annual budget cycle, the MTFP supports the anticipation of future financial risks and the development of mitigation strategies, thereby strengthening financial resilience in the face of uncertainty. It also enables the Council to respond effectively to both internal and external influences, including rising costs and increasing demand for services.

As a cornerstone of the Council's financial and service planning framework, this document - the Medium Term Financial Strategy (MTFS or 'the Strategy') - is a first stage of the annual budget-setting process. It outlines the key drivers that will inform the 2026/27 budget and sets the foundation of the next MTFP, promotes transparency and accountability, ensures compliance with statutory requirements, and demonstrates sound financial governance. The Strategy provides a clear and coherent foundation for decision-making, helping to safeguard the Council's financial sustainability over the medium-term.

This Strategy is prepared during a period of uncertainty within the local authority financial landscape. While the principles and assumptions underpinning the Strategy will be set out within this document, further clarity regarding funding arrangements for future years is not expected until the publication of the Local Government Finance Policy Statement in November 2025. More definitive confirmation of funding allocations is anticipated with the Provisional Local Government Finance Settlement in December 2025.

This year marks a significant shift in the local government funding landscape, with the introduction of a multi-year financial settlement for the first time in over a decade. This welcome development provides greater certainty for medium-term planning and enables a more strategic approach to resource allocation and service delivery. While the settlement brings additional funding, early modelling suggests it may not fully address the scale of demand pressures facing local authorities. This reinforces the importance of maintaining a strong focus on prevention, transformation, and long-term financial sustainability.

The outcomes of the Fair Funding 2.0 consultation and the anticipated reform of the Business Rates Retention Scheme are expected to significantly reshape how councils are funded. These changes, while potentially beneficial in the long term, introduce a period of transition that will require careful financial planning. In addition, the Council is managing a growing deficit within the Dedicated Schools Grant. Although this deficit is currently excluded from the Council's financial position through a statutory override, it nonetheless impacts the revenue budget through increased borrowing costs required to fund the associated expenditure.

The Council has been required to draw on its usable reserves and provisions to balance budgets and mitigate in-year financial pressures. While this approach has been necessary, continued reliance on reserves risks undermining the Council's long-term financial resilience and stability.

As the Council looks ahead to ensure long-term financial sustainability, it is driving forward its transformation programme, centered on a 'Prevention First' approach. This represents a more cross-cutting and transformative method of managing demand and avoiding costs, supporting the Council's ambition to deliver services more effectively and efficiently in the face of ongoing financial pressures.

Further detail on each of these areas will be set out within the Strategy to provide context, clarity, and transparency for decision-makers and stakeholders.

This MTFS covers the five-year period from 2025/26 to 2029/30. It acknowledges that the 2025/26 financial year has already been approved as part of the Council's annual budget, while the projections for the latter

years are provided for illustrative purposes to support strategic planning. The Strategy is set within a context of ongoing funding uncertainty and increasing demand for services across the Council.

By establishing a clear financial framework, the MTFS ensures that annual budgets are developed in alignment with Plymouth's strategic priorities, while also identifying appropriate mitigations for the financial risks outlined. Further detail on the assumptions, risks, and planning principles underpinning each year of the Strategy will be set out within the document to support transparency and informed decision-making.

Strategic Financial Principles

- The Council will maintain a balanced budget each financial year. Budget managers are responsible for ensuring that expenditure remains within their approved allocations.
- Services will be charged in accordance with the Council's Fees and Charges Policy, with annual adjustments made to reflect inflation.
- Provision for pay inflation will be held centrally and allocated to service budgets once agreed.
- Specific, ringfenced grants will be incorporated into service budgets. Any subsequent reduction in grant funding must be managed within the service's existing budget, except in exceptional circumstances.
- Whilst these principles will be maintained, transitional measures may need to be considered in light of Fair Funding 2.0 and future funding allocations, particularly given the anticipated consolidation of multiple existing grant schemes.
- In-year savings will be reported separately as part of the financial monitoring cycle and will be removed from service budgets in the year they are delivered.
- Capital financing costs for service-led projects will be met by the relevant service departments where these projects generate savings or additional revenue to offset financing costs. Other projects that meet corporate priorities or deliver essential maintenance may be funded centrally.
- ICT and vehicle expenditure will be funded by service departments, with corporate or cross-cutting ICT schemes supported through central funding.
- Corporate overheads will be charged against revenue funding streams in accordance with the Council's internal charging framework

Strategic Financial Objectives

- Ensure the Council sets a balanced and sustainable budget each year.
- Maximise funding opportunities to support the delivery of statutory services and wider priorities outlined in the Corporate Plan
- Ensure the Council manages and monitors its financial resources effectively, so that spending commitments remain within available resources in each service area. Where ring-fenced government funding is reduced, the relevant service must take appropriate action to reduce expenditure.
- Prioritise capital investment based on the delivery of measurable outcomes, with full consideration of the revenue implications of borrowing. All capital projects will be assessed in the context of their contribution to Corporate Plan objective
- Set Council Tax levels in accordance with central government limits
- Ensure full recovery of overheads from grants
- Optimise current income streams and continue to identify new opportunities for income generation and efficiency savings
- Work towards maintaining a General Fund working balance of at least 5% of net revenue expenditure, to safeguard the long-term financial health and viability of the Council.

- This objective will be reviewed in light of the Fair Funding 2.0 and future funding allocations, as the anticipated consolidation of specific grants into the Settlement Funding Assessment is expected to significantly alter the level of net revenue budget.

2 Local Economy

Plymouth, known as 'Britain's Ocean City', is the largest urban area in the South West outside Bristol, with a population of approximately 272,100 and an economy valued at £7.27bn, supporting 117,000 jobs. Despite high employment rates, the city faces challenges with low productivity. Gross Value Added (GVA) stands at 81.1% of the UK average, and average wages remain below the national level. Improving productivity is therefore central to enhancing prosperity for all residents, particularly by supporting higher-value sectors where Plymouth has a natural advantage.

The city's distinctive assets include the largest naval base in Western Europe, a successful manufacturing and engineering sector, a vibrant creative and cultural sector, one of only 16 critical care teaching hospitals in the UK, the associated Plymouth Science Park, and the newly established National Marine Park. Fostering strong communities and a clear sense of place is essential to creating a vibrant, attractive city in which to live, work, study, visit, and invest.

Plymouth has recently been named one of five key national defence growth areas in the UK Defence Industrial Strategy, supported by a £250m UK-wide investment. This builds on the city's designation as the national centre for marine autonomy and the Government's 10-year, £4.4bn investment in HMNB Devonport. Together, these developments present a significant opportunity to drive sustainable, long-term growth for Plymouth and the wider region.

Key city economic data

- *Gross Value Added (GVA)*: Plymouth's annual GVA was £7.27bn in 2023.
- *Employment*: There were 117,000 jobs in the city in 2023.
- *Working Age Population*: Approximately 174,700 residents (64%) are of working age, a proportion higher than both the England and South West averages (2024 estimates)
- *Employment Rate*: Plymouth's employment rate in 2024 was 74.5%, slightly below the national average of 75.6%. However, unemployment rates indicate the city is effectively at full employment.
- *UC/JSA Claimants*: In August 2025, the claimant rate was 3.4%, lower than the national average of 4.1%. Plymouth's claimant rate has remained below the national average since April 2020, when it was higher (Plymouth: 5.6% England: 5.0%).
- *Wages*: Average weekly earnings for Plymouth workers were £655.30, compared to £729.80 nationally (full-time workers by place of residence, 2024).
- *Wage Distribution*: In 2024, the lowest paid 20% of full-time workers saw a 3.9% increase in maximum weekly wages to £496.80, while the highest paid 20% saw a 2% increase to £885.50. The wage gap for full-time workers narrowed between 2023 and 2024. For all workers, the lowest paid 20% increased to £330.50, while the highest paid 20% decreased by 0.4% to £807.00, further narrowing the wage gap.
- *Qualifications*: In 2024, 34.8% of working-age residents were qualified to RQF4+ (degree level or above), compared to 47.2% nationally. The proportion with no qualifications was 9.6%, higher than the national average of 6.8%.
- *Apprenticeships*: A higher proportion of Key Stage 4 leavers (Year 11, age 16) in Plymouth move into apprenticeships (approximately 9%) compared to the national average of 3% (2022/23)

2.1 The Plymouth Plan

The Plymouth Plan is an ambitious and forward-thinking strategy that sets out a shared vision for the city's future through to 2034. It brings together a range of strategic planning processes into a single, cohesive framework, guiding Plymouth's long-term development and growth.

The plan outlines how the city will strengthen its economy, meet future transport and housing needs, and improve outcomes for children and young people, particularly by tackling the root causes of child poverty. It also sets a bold aspiration for Plymouth to become a healthier, more prosperous city, enriched by a vibrant arts and cultural scene.

Crucially, the Plymouth Plan defines the city's spatial strategy, incorporating the Plymouth-specific elements of the Plymouth and South West Devon Joint Local Plan, ensuring that future development is sustainable, inclusive, and aligned with the city's wider ambitions.

More details around the Plymouth Plan can be found here: <https://www.plymouth.gov.uk/plymouth-plan>



2.2 Corporate Plan

The vision for Plymouth remains clear: to be one of Europe's most vibrant waterfront cities, where everyone enjoys an outstanding quality of life. The MTSF is shaped by the Council's Corporate Plan, which sets out how this vision will be delivered.

The administration's priorities reflect the issues that matter most to residents, tackling crime and anti-social behaviour, repairing roads, creating cleaner streets, building new homes, investing in green infrastructure, supporting jobs and skills, and improving access to healthcare and dentistry. At the heart of the plan is a commitment to making Plymouth a fairer, greener city, one where everyone contributes to a thriving community, and where people can grow up and grow old with dignity and opportunity, despite the ongoing pressures of the cost-of-living crisis.

Achieving this ambition requires strong partnerships across the city and a commitment to evidence-led decision-making. The Corporate Plan sets out six strategic priorities and highlights the contributions of both the Council and its partners in delivering them. There is a clear recognition of the vital role played by other organisations in supporting residents to age well and live fulfilling lives.

OUR PLAN
BUILD A BETTER PLYMOUTH

CITY VISION: Britain's Ocean City
One of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone

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

WE BELIEVE IN:

- DEMOCRACY**
Because we listen and hear what people want
- RESPONSIBILITY**
Because we care about the impact of our decisions and actions
- FAIRNESS**
Because we want to address inequality and inequity in our city
- CO-OPERATION**
Because we achieve more together than we would alone

WE WILL:

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

OUR PRIORITIES:

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

DOING THIS BY:

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

www.plymouth.gov.uk/ourplan



PLYMOUTH
CITY COUNCIL

Plymouth
Britain's Ocean City

3 Fair Funding Review 2.0

On 20 June 2025, the Secretary of State for Housing, Communities and Local Government announced the launch of the Fair Funding Review 2.0 consultation, which ran until 15 August 2025. The review sets out proposals to reform the way local authorities in England are funded through the Local Government Finance Settlement from 2026/27 onwards. Its aim is to create a simpler, fairer, and more transparent system that better reflects local needs, costs, and revenue-raising capacity.

Key proposals include:

- Updated funding formulae based on relative need and local resources.
- Consolidation of over 300 grants into fewer core funding streams, including new grants for homelessness, public health, crisis resilience, and children's services.
- Inclusion of existing social care grants (e.g. Social Care Grant, Better Care Fund, Market Sustainability Fund) within the Settlement Funding Assessment.
- Phased transition arrangements, including a three-year settlement and potential funding floor to protect councils from cash losses.
- Full reset of the Business Rates Retention system in 2026/27, with revised safety net and levy mechanisms.
- Review of fees and charges framework, with potential for greater local flexibility.
- Extension of the DSG Statutory Override to 2027/28, alongside SEND system reform.

Plymouth, with a relatively low council tax base and high levels of need, particularly in adult social care, children's services, and temporary accommodation, has historically been disadvantaged under the current system. The proposed reforms aim to address these disparities by redistributing funding more equitably.

While technical details were provided, no provisional allocations were published. Internal and external analysis is ongoing to assess the potential impact on Plymouth's future funding.

Further clarity on the impact of the Fair Funding 2.0 proposals is expected in the Local Policy Statement, due in November 2025. However, confirmation of individual local authority allocations will not be available until the Provisional Local Government Finance Settlement, anticipated in December 2025.

To enable preparation of the MTFS, it has been necessary to make assumptions about the level of additional funding expected from changes to allocations under Fair Funding 2.0.

Modelling indicates that the transition to the new funding formula is projected to result in a £6.7m increase to Plymouth's baseline funding over the three-year settlement period. This is supplemented by a further £4.3m allocated through the announcement made in the June 2025 Spending Review, resulting in a total modelled increase of £11.0m

To help rebalance the impact of these demographic pressures and address the cost burden faced by the city, we have urged MHCLG to place greater emphasis on deprivation within the funding formula. Increasing the weighting for deprivation would help mitigate the effects of slower population growth and ensure that funding is more effectively targeted to areas with the highest levels of relative need.

Last year we welcomed an additional £7.0m of funding via the Recovery Grant. Recognised as more than a one-off funding measure, the Recovery Grant represented a transitional step toward the revised funding formula. While there is an expectation that this year the funding will be continued by 'rolling-in' to the RSG, we have advocated for the continuation of the Recovery Grant as a distinct funding stream within the settlement, with its existing distribution methodology preserved. This is essential to ensure that funding remains responsive to local need and that councils are supported in managing the ongoing financial challenges they face.

The adoption of a 'notional' rate of Council Tax to achieve full equalisation has provided support to Plymouth, given the city's relatively weaker tax base. Analysis indicates that, considered in isolation, this change has resulted in a relative gain of £27.4m in settlement allocation for Plymouth.

In addition, Plymouth has urged the Government to fund transition arrangements through a separate allocation, rather than offsetting these costs by delaying gains for authorities identified as requiring increased support under the proposed Fair Funding 2.0 reforms.

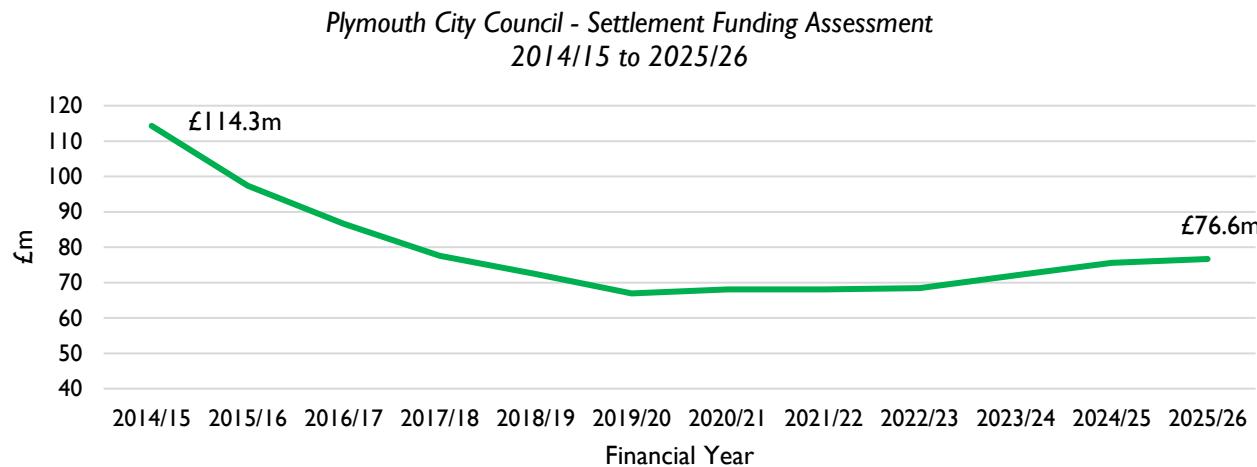
4 Settlement Funding Assessment

The Settlement Funding Assessment (SFA) is the Government's measure of core funding required by a Local Authority to meet its net revenue expenditure after accounting for income generated from Council Tax. The Settlement Funding Assessment consists of the local share of business rates, and Revenue Support Grant. It has been used to distribute Revenue Support Grant (RSG) to Local Authorities. SFA was reduced over a number of years including the amount of RSG. Inflationary uplifts have been applied since 2020/21, but these uplifts have not restored reductions made in previous years and leave Local Authorities vulnerable to

inflationary and demand pressures. In 2025/26 the increase to RSG was 1.7% as based on the September 2024 CPI rate.

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

Graph 1: Plymouth SFA 2014/15 to 2025/26



4.1 Fair Funding 2.0 Impact

Looking ahead, the expected roll-in of several large specific grants into the SFA from 2026/27, and other changes as a result of Fair Funding, will significantly alter its structure. As a result, year-on-year comparisons with earlier periods will become increasingly difficult, limiting its usefulness as a consistent funding benchmark over time.

Table 1: Specific grants expected to be rolled in to SFA

Specific Grants	£m
Market Sustainability and Improvement Fund	5.618
Social Care Grant	33.789
New Homes Bonus (ceasing)	0.030
Local Better Care Grant	15.955
Temporary Accommodation element of HPG	0.979
Recovery Grant	6.592
Employer NIC compensation grant	2.063
Total	65.027

The baseline funding modelled for comparison under the Fair Funding 2.0 now stands at £161.38m for Plymouth City Council. This figure differs significantly from the way the SFA is presented for 2025/26. Crucially, this is not additional funding, the increase reflects the anticipated roll-in of specific grants that were previously held and reported separately.

Table 2: Revised SFA under Fair Funding 2.0

Revised Settlement Funding Assessment	2026/27	2027/28	2028/29	Total Increase
	£m	£m	£m	£m
New Settlement Funding Assessment	161.380	166.200	169.053	
Modelled increase via FFR 2.0	2.715	1.776	2.240	6.732
Modelled additional funding via Spending Review	2.105	1.076	1.093	4.274
Total New SFA	166.200	169.053	172.386	11.006
% increase against baseline SFA	2.99%	1.72%	1.97%	6.82%

5 Council Core Resources

5.1 Council Tax

In the 2025/26 Local Government Finance Settlement, local authorities were permitted to apply an increase in core Council Tax of up to 2.99%, alongside an additional 2% increase for the Adult Social Care precept. Plymouth City Council agreed to apply both of these increases in full.

For the purposes of the MTFS, it is assumed that these limits will continue to be applied into 2026/27 and future years, and that Council Tax will be increased up to the maximum permitted level. However, this assumption remains subject to annual approval by Full Council each February as part of the formal budget-setting process.

For Plymouth, a 0.25% increase in Council Tax is estimated to generate an additional £0.352m in 2026/27. This figure supports financial planning and sensitivity analysis within the MTFS.

Assumptions made in 2025/26 also reflect the impact of Empty Homes and Second Homes premiums, which were introduced in 2024/25 and 2025/26 respectively. These premiums are now embedded within the Council Tax base calculation and are considered permanent features of the funding framework.

The Council Tax Base report for 2025/26 was approved by Full Council in January 2025. It set the number of Band D equivalent properties at 76,557, an increase of 1,168 compared to 2024/25. This growth is largely attributable to the inclusion of assumptions around the application of premiums. The collection rate remains at 97.5%, which is considered both realistic and prudent given the prevailing economic conditions.

The Council Tax base assumed for each financial year is shown in the table below. Future years incorporate estimates of residential property growth and the impact of the Local Council Tax Support Scheme. These projections are informed by historic trends, anticipated future developments, and the expected proportion of properties falling within Band D equivalency.

The notional Council Tax figures used within the Fair Funding 2.0 to estimate the level of resources required by Plymouth are not reflective of the actual Council Tax income that should be included in the MTFS. These figures are used for comparative and modelling purposes at a national level and do not align with the statutory processes that govern local budget setting.

Council Tax income should continue to be modelled in accordance with established statutory procedures. This includes the formal calculation of the Council Tax Base and the determination of the Council Tax

Requirement, both of which are approved annually by Full Council as part of the budget-setting process. Maintaining this approach ensures consistency, transparency, and compliance with legal requirements.

Table 3: Council Tax Income 2025/26 – 2029/30

Council Tax Income	2025/26 Budget £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m
Previous year Council Tax total	138.768	147.950	155.824	164.115	172.843
Increase in base assumptions	2.150	0.468	0.491	0.513	0.541
Revised base	140.918	148.418	156.315	164.628	173.384
Council Tax increase (2.99%) on revised base	4.213	4.438	4.674	4.922	5.184
ASC precept (2%) on revised based	2.818	2.968	3.126	3.293	3.468
Council Tax total	147.950	155.824	164.115	172.843	182.036

5.2 Council Tax Discounts and Premiums

As a result of the Levelling Up and Regeneration Act 2023, local authorities were given enhanced powers to apply council tax premiums on certain types of properties. From April 2024, councils could apply the empty homes premium on dwellings that have been unoccupied and substantially unfurnished for one year, reducing the previous qualifying period of two years. Additionally, from April 2025, councils could introduce a new discretionary council tax premium of up to 100% on second homes. Plymouth has implemented both of these premiums.

Tax base growth from both the empty homes and second homes premiums has been incorporated into the MTFS from 2025/26 onwards. These assumptions reflect the anticipated impact of the new powers on council tax income and housing availability.

5.3 Council Tax Support Scheme

Local authorities have a statutory duty to implement and administer a local Council Tax Support Scheme (CTSS), which provides financial assistance to low-income households - both in and out of work - to help meet their Council Tax obligations. This scheme is currently accessed by c.22,000 local residents, of whom nearly 70% are of working age. Any owner-occupier or tenant aged 18 or over who is legally responsible for paying Council Tax may apply for support. The level of assistance awarded is determined by the household's income and individual circumstances.

The Government prescribes the rules for calculating Council Tax support for applicants who have reached state pension age. Under these regulations, eligible pension-age claimants may receive up to 100% support against their Council Tax liability. For working-age residents, Plymouth City Council operates an Income-Banded scheme, under which the maximum support available is capped at 80% of the Council Tax charge. This approach ensures targeted support while maintaining financial sustainability within the scheme.

The table below shows the level of council tax forgone due to the application of the Council Tax Support Scheme.

Table 4: Council Tax Forgone – Council Tax Support Scheme

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

Whilst no amendments to the Council Tax Support Scheme are planned for 2026/27, this will remain under review and consultation in respect of future years may be considered as we progress and finalise the MTFS.

5.4 Council Tax Administration Consultation

The "Modernising and improving the administration of council tax" consultation was announced and published on 20 June 2025 by MHCLG. The consultation ran from 20 June to 12 September 2025 and sought views on a range of proposals aimed at improving how council tax is billed, collected, and enforced, as well as modernising the support available within the system.

The Government's consultation seeks to reform council tax enforcement by making debt collection more proportionate and supportive. Current practices allow councils to demand full annual payment shortly after a missed instalment, possibly then escalating quickly to court action. Proposed changes aim to slow this process, cap additional charges, and require councils to signpost residents to support services, reducing the financial and emotional strain on vulnerable households.

The consultation also explores modernising the structure and fairness of council tax. This includes simplifying the process for challenging outdated property banding and updating eligibility criteria for discounts such as those for carers and apprentices. Additionally, the Government proposes changing the default payment schedule from 10 to 12 monthly instalments to support household budgeting.

Further proposals focus on improving transparency and efficiency in council tax administration. Councils are encouraged to adopt digital systems, integrate data with HMRC and DWP, streamline billing processes, and consider deferred payment options in certain circumstances. These reforms aim to make the system more responsive, equitable, and financially sustainable.

At present, no changes are required to the modelling of Council Tax income within the MTFS as a result of the proposals outlined. While the consultation includes a range of potential reforms, such as changes to enforcement, payment structures, and liability, none have yet been confirmed or legislated in a way that would impact current financial planning assumptions.

5.5 Business Rates

Under the Government's current funding framework for local authorities, the Business Rates Retention Scheme enables councils to retain a proportion of their business rates income, including any growth. At present, this retention stands at 49% of total receipts. While this arrangement allows authorities to benefit from growth, it also exposes them to the risk of reductions in business rates income during economic downturns. To mitigate extreme losses, a 'safety net' mechanism is in place.

Table 5: Business Rates Income 2025/26 to 2028/29

Business Rates - Net Rates Calculation	2025/26 Budget £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m
Rateable Value	241.725	241.725	241.725	241.725	241.725
Gross Rates (after application of multipliers)	129.786	131.324	132.887	134.477	136.094
Net Rates Payable (after reliefs and transitional arrangements)	90.189	91.021	91.866	92.726	93.601
PCC Share	49%	49%	49%	49%	49%
Business Rates Income	44.193	44.600	45.014	45.436	45.864
Other Adjustments (incl. Top Up and multiplier compensation)	38.641	39.186	39.740	40.013	40.292
Surplus/(Deficit) to be charged to the General Fund	1.000	0.500	0.000	0.000	0.000
Plus Pooling Gains / Losses	2.750	2.500	2.500	2.500	2.500
Total Business Rates Income	86.584	86.786	87.254	87.949	88.656

Additionally, local authorities are compensated via Section 31 grants for reductions in business rates income resulting from Government policy changes introduced since the scheme's inception, such as the implementation of additional reliefs or the freezing of the business rates multiplier.

The final determination of business rates resources is based on the completion of the Government's NNDRI return (National Non-Domestic Rates). As the timing of this return falls outside the budget-setting cycle, assumptions must be made during the budget preparation process.

Looking ahead to 2026/27 and beyond, there is uncertainty surrounding the potential impact of a reset of the business rates retention system and the associated transitional arrangements. The Government has announced several changes to take effect from 2026/27:

- **Revaluation 2026:** The Valuation Office Agency is preparing a new rating list to be implemented from 1 April 2026. This will update property valuations and alter business rates bills. However, the Government has indicated that the revaluation will be revenue-neutral for local authorities, likely achieved through adjustments to Top-Up or Tariff payments, as in previous revaluations.
- **New Business Rates Multipliers:** As announced in Budget 2024, the Government intends to introduce differentiated multipliers, including reduced rates for the Retail, Hospitality, and Leisure sectors, alongside a higher multiplier to fund these reductions. This change is also expected to be revenue-neutral for local government, potentially managed in a similar manner to revaluations.
- **Business Rates Reset:** The original design of the retention scheme included a reset mechanism. Each authority has a Baseline Funding Level (BFL) and a Business Rates Baseline (BRB), both of which are inflated annually by the multiplier. Changes in the tax base, such as shifts between small and standard multipliers or changes in reliefs, result in growth or decline. A reset would revise both the BFL and BRB, redistributing growth from areas where it has occurred to those where the Government wishes to allocate additional funding.

It is important to note that the methodology for the reset has not yet been published, nor is it clear whether transitional arrangements will be applied. The final figures will also be subject to the outcome of the Fair Funding 2.0.

Given the level of uncertainty in this area, current modelling assumptions for business rates income remain aligned with previous forecasting approaches. These assumptions are consistent with models produced by external advisors.

A specific area requiring close attention is the future of the Devon Business Rates Pool. The MTFS currently assumes continued gains from the Pool, with £2.750m included for 2025/26 and £2.500m assumed in subsequent years. Should pooling arrangements be discontinued under the new system, this would represent a financial risk.

The table below shows pooling gain levels for the past three years. The assumption for 2025/26 is informed both by these trends and by analysis by our external advisors provided in October 2024.

Table 6: Devon Business Rates Pooling Gains

Devon Business Rates Pooling Gains 2023/24 - 2025/26	2022/23 Actual £m	2023/24 Actual £m	2024/25 Actual £m	2025/26 Forecast £m
Plymouth	1.957	2.262	2.455	2.750
Increase £	-	0.305	0.193	0.295
Increase %	-	15.60%	8.50%	12.00%

6 Government Grants

6.1 Revenue Support Grant (RSG)

Revenue Support Grant is a central government funding stream provided to local authorities to support revenue expenditure across any service area. The level of grant allocated to each authority is determined through the Local Government Finance Settlement.

Under the emerging proposals for the Fair Funding 2.0, the structure and composition of RSG may change significantly compared to previous years. Specific grants that have historically been allocated separately may be consolidated into the RSG, and any additional funding due to Plymouth under the revised formula could also be incorporated into this grant. However, it is also possible that such changes could be implemented through adjustments to the Business Rates element of the SFA instead.

This approach presents challenges for year-on-year comparisons, as the integration of previously distinct funding streams may obscure historical trends and make it more difficult to track changes in individual allocations over time.

6.2 Dedicated Schools Grant

The Dedicated Schools Grant (DSG) is a ring-fenced grant provided to local authorities by the Department for Education (DfE) to fund expenditure on schools, early years and children and young people with high needs.

The DSG is divided into four distinct blocks, each serving a specific purpose;

- Schools Block – Funds the provision of mainstream education in primary and secondary schools (from reception to year 11).
- High Needs Block – Supports children and young people aged 0 – 25 with special education needs and disabilities (SEND). This includes funding for special schools, alternative provision, support within mainstream schools / support units and further education (post 16).
- Early Years Block – Funds the various free early education entitlements for children aged 0-5. This includes the universal 15 hours for all 3 & 4-year-olds and the additional 15/30-hour entitlement for children of working parents (from 9 months).
- Central School Services Block (CSSB) – Funds statutory duties carried out by local authorities, such as school admissions, asset management, support services as well as some historic commitments.

Table 7: Plymouth's DSG Allocation 2025/26

Dedicated Schools Grant Blocks	2025/26 Allocation (£m)	2025/26 Forecast (£m)	Variance (£m)
Schools Block (before academy recoupment)	218.961	218.961	-
High Needs Block	52.210	86.826	34.616
Central Schools Services Block	2.536	2.536	-
Early Years Block	38.441	39.075	0.634
Total DSG allocation (Gross)	312.148	347.398	35.250

Plymouth is experiencing pressures consistent with national trends in SEND provision. Population growth, improved identification of needs, and a post-COVID increase in mental health and speech and language issues have significantly driven up demand. The 2014 SEND Code of Practice expanded eligibility and support up to age 25, but has not been matched by sufficient funding, contributing to wider system pressures, including increased demand for school transport.

Nationally, the number of Education Health and Care Plans (EHCPs) has risen by 140% over the past decade, from 240,183 in 2015 to 575,973 in 2023/24 and local authorities are forecast to carry a cumulative £5bn SEND deficit by March 2026. Over half are now engaged in Department for Education intervention programmes such as Safety Valve and Delivering Better Value in SEND.

Locally, Plymouth's maintained special schools and academies are at full capacity, resulting in greater reliance on high-cost independent placements outside the area.

The Council awaits the publication of the SEND White Paper, expected in January 2026, which is anticipated to set out long-term, systemic reforms to address the challenges outlined above. It is important that any reforms are underpinned by a clear and coherent vision for improving outcomes for children with SEND, rather than simply reducing support or altering legal entitlements without offering robust alternatives. Any such changes must be carefully considered to avoid unintended consequences for the children who currently benefit from existing support.

The Government has indicated an intention to strengthen core SEND provision within mainstream schools. In principle, this could lead to improved outcomes at a lower long-term cost. However, realising this ambition will require a well-planned strategy to build capacity and a commitment to developing the evidence base for what works in supporting children with SEND.

Councils are currently permitted to exclude DSG deficits from their main balance sheets under a temporary accounting provision known as the "statutory override," which has been extended until March 2028. This measure provides short-term financial flexibility while local authorities await further clarity on the national SEND reforms.

Plymouth has experienced pressures on the High Needs Block in recent years, and for 2025/26 is forecasting an in-year pressure of £35.250m. This added to the brought forward deficit balance of £18.498m brings a forecast estimated deficit balance of £53.748m at the end of 2025/26.

Without intervention, demand for EHCPs is expected to continue rising. Mitigation strategies focus on reducing reliance on independent specialist providers by increasing support in mainstream schools and expanding local specialist school provision. The most ambitious scenario combines these measures with a substantial reduction in new EHCP applications.

DSG High Needs Block deficits represent a growing financial liability that must eventually be addressed. If the override is not extended beyond March 2028 or if no long-term funding solution is provided, these deficits could fall back onto councils' core budgets, severely impacting their financial sustainability.

This is not considered to be likely at this point, and the assumption for this strategy is that the override will continue for the term of the MTFS. However, the revenue impact of borrowing costs required to fund this un-funded expenditure is included and flagged in the MTFS for future years, with an estimated cost of financing the deficit in 2026/27 of £2.774m.

Table 8: DSG Deficit financing costs

DSG Deficit	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m
Initial estimated DSG deficit for TM modelling	53.748	75.860	131.600	202.520
SEND - DSG deficit financing cost (step up)	0.450	2.774	2.369	3.014

6.3 Public Health Grant

The Public Health Grant is a ring-fenced allocation provided by the Department of Health and Social Care to local authorities in England to support the delivery of public health responsibilities. It funds a wide range of preventative services aimed at improving population health and reducing health inequalities. These include sexual health services, drug and alcohol treatment, smoking cessation, children's health services, and broader health promotion initiatives.

Although Plymouth has received a significant increase in its Public Health Grant allocation between 2024/25 and 2025/26, the funding continues to face real-terms pressures driven by rising demand, inflationary costs, and historically inequitable distribution. Planning assumptions for future years currently forecast an annual increase of 1%.

Table 9: Public Health Grant Allocations

Public Health Grant	2024/25 Actual £m	2025/26 Actual £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m
Public Health Grant Allocations and Estimates	16.737	18.089	18.270	18.453	18.637	18.823

As part of the Fair Funding 2.0 consultation, it states that the Public Health Grant will be consolidated alongside other service-specific grants to create a wider Public Health grant, delivered as a separate grant within the Local Government Finance Settlement in 2026-27.

6.4 Housing Benefit Subsidy

For 2025/26, Plymouth City Council is forecast to receive £45m in Housing Benefit Subsidy Grant. This grant is provided by the Department for Work and Pensions (DWP) to reimburse local authorities for the cost of Housing Benefit payments made to eligible claimants. Most payments attract 100% subsidy; however, there has been a notable increase in claims related to Supported Accommodation provided by non-Registered Providers, which do not qualify for full subsidy. Depending on the claimant's vulnerability, these cases receive either 60% or 0% subsidy above the rent officer-determined amount, resulting in an estimated funding gap of approximately £0.750m in 2025/26.

Additionally, Housing Benefit overpayments typically attract only a 40% subsidy from DWP, although the Council can invoice claimants for the full amount. This has contributed to a growing level of outstanding debt, which currently exceeds £8m. In response, the Council is actively engaging with Registered Providers to maximise subsidy entitlement and has allocated additional resources to strengthen debt recovery processes.

6.5 Social Care Grants

In 2025/26, three grants within the Local Government Finance Settlement provide targeted funding to support adult social care services: the Market Sustainability and Improvement Fund (£5.618m), the Local Authority Better Care Fund (£15.955m), and the Social Care Grant (£33.789m), the latter of which supports both adult and children's social care. These grants are intended to help local authorities address key pressures in the care system, including increasing provider fee rates, expanding and retaining the social care

workforce, reducing waiting times for care, improving hospital discharge performance, and promoting integrated working between councils and the NHS.

Table 10: Social Care Grants

Social Care Grants	2025/26 Allocations £m
ASC - Market Sustainability and Improvement Fund	5.618
Social Care Grant	33.789
ASC - Local Better Care Grant	15.955
Total	55.362

As noted earlier in this document, our assumptions around Fair Funding 2.0 include the anticipated integration of specific grants into the SFA. These grants, previously allocated through separate methodologies, are now expected to be rolled into the RSG. Analysis indicates this change could result in a adverse financial impact for Plymouth, estimated at £12.8m, due to the loss of targeted funding that previously reflected local need more accurately.

Included within the existing Social Care grants was a partial equalisation mechanism against the social care precept. Under the proposed changes, when these grants are rolled into the SFA, equalisation would instead be applied on a needs-share basis. This change would remove the current equalisation effect, resulting in a funding loss of an estimated £12.4m, as the new formula does not compensate for Plymouth's relative inability to raise funds locally.

7 Financing the Council

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

Table 11: Key Assumptions

2025/26	Item	2026/27	2027/28	2028/29	2029/30
£1,932.55	Increase in Core Council Tax Charge	2.99%	2.99%	2.99%	2.99%
36.81	Increase in Adult Social Care Precept	2.00%	2.00%	2.00%	2.00%
76,557	C. Tax Base (No. of Band D equivalents)	76,799	77,041	77,282	77,524
	- Collection Rate	97.50%	97.50%	97.50%	97.50%
49.9p	Increase in Small Business Rates Multiplier	1.70%	1.70%	1.70%	1.70%

Table 12: Core Resources Sensitivity Analysis

Sensitivity Analysis – Core Resources		2025/26	2026/27	2027/28	2028/29	2029/30
		£m	£m	£m	£m	£m
Council Tax						
Current Assumption:						
Core Council Tax Increase (to current referendum limit)		2.99%	2.99%	2.99%	2.99%	2.99%
ASC Precept Council Tax Increase (to current referendum limit)		2.00%	2.00%	2.00%	2.00%	2.00%
Sensitivity Analysis:						
Lost Council Tax if reduced:	-0.5%	(0.704)	(0.742)	(0.782)	(0.823)	(0.867)
	-1.0%	(1.409)	(1.484)	(1.563)	(1.646)	(1.734)
	-2.0%	(2.818)	(2.968)	(3.126)	(3.292)	(3.468)
Current Assumption:						
Growth in Council Tax Base (prior to adj)		248	248	248	248	248
Sensitivity Analysis:						
Lost Council Tax if reduced:	-50	(0.094)	(0.099)	(0.104)	(0.109)	(0.114)
	-100	(0.188)	(0.199)	(0.208)	(0.218)	(0.228)
Additional Council Tax if increased:	+25	0.047	0.049	0.052	0.055	0.057
	+75	0.141	0.148	0.156	0.164	0.172
Current Assumption:						
Collection Rate		97.50%	97.50%	97.50%	97.50%	97.50%
Sensitivity Analysis:						
Reduction in income assumption if reduced:	-0.5%	(0.750)	(0.791)	(0.833)	(0.877)	(0.924)
	-1.0%	(1.502)	(1.581)	(1.666)	(1.754)	(1.848)
Business Rates						
Current Assumption:						
Inflation Multiplier Assumption		1.70%	1.70%	1.70%	1.70%	1.70%
Addl Business Rates if increased:	0.50%	0.406	0.410	0.415	0.419	0.422
	1.00%	0.811	0.821	0.830	0.837	0.844

7.1 Key Financial Planning Assumptions

Revenue Support Grant is expected to undergo significant reform under Fair Funding 2.0. Assumptions regarding future increases have been incorporated into the MTFS, based on analysis of the current proposals. However, the future structure of the Settlement Funding Assessment remains uncertain. It is possible that the RSG may subsume certain specific grants in future allocations; for the purposes of current modelling, these elements are presented separately for clarity.

Table 13: Potential Revenue Support Grant

MTFP 2025/26 to 2029/30	2025/26	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m	£m
Revenue Support Grant	(12.662)	(12.662)	(17.482)	(20.335)	(23.668)
Addn. Revenue Support Grant (from modelling)		(4.820)	(2.852)	(3.333)	
Inflationary Assumption - post-transition					(0.473)
Specific Grants Rolled in to Core Resources		(65.027)	(65.027)	(65.027)	(65.027)
Potential New Revenue Support Grant	(12.662)	(82.509)	(85.362)	(88.695)	(89.168)

< 3-year settlement period>

- Multi-year settlements to commence from 2026/27.
- Threshold for Council Tax increases will continue at 2.99% and a further 2% Adult Social Care precept modelled for all future years. The final decision on core Council Tax and ASC Precept changes will require Full Council approval as part of the annual budget setting.
- Uncertainty around the future of the Business Rates Retention Scheme, and other expected changes impacting on the Business Rates element of Core Resources. Modelling informed by support from external advisors currently maintains the status quo.
- Planning reflects expected increased costs in demand-led services; Children's Social Care, Adults Social Care, SEND and Homelessness
- Interest rate assumption for Treasury Management Forecasting: PWLB 4.5% all future years, Short Term Borrowing 4.00% 2026/27, 3.75% 2027/28 and 2028/29. Increasing the assumption for Short Term borrowing to 4.00% in all future years increases borrowing costs by approximately £0.480m annually.
- The MTFS has been prepared on the basis of the Letter of Assurance received from the Ministry of Housing, Communities & Local Government (MHCLG, previously Department for Levelling Up, Housing and Communities) in February 2024, regarding the accounting treatment of the Council's pension arrears from 2019/20. Engagement with MHCLG has been continuing and the working assumption remains that a Capitalisation Direction will be granted from 2025/26, with the associated MRP charges commencing from 2026/27.
- The MTFS does not include any assumptions regarding future changes in funding or expenditure arising from Local Government Reorganisation, as there are currently no known implications.

7.2 Income Collection

The 2026/27 revenue budget and MTFS assumptions are based on achieving the collection targets as set out. These targets and levels of bad debt provisions are kept under regular review by the Section 151 Officer.

Table 14: Debt collection rates 2024/25

Type of debt	Actual 2024/25 %	Target %
Council Tax	96.4	97.5
Business Rates	98.7	97.5
Sundry Debt	96.3	97.5

7.3 Right-sizing the Budget

Only material cost pressures have been explicitly detailed in the MTFS on the basis that service departments will generally manage increased demand and inflationary impacts through proactive measures and operational efficiencies within their existing budgets. Any future funding allocations must be supported by a robust business case and approved by as part of the final budget setting process.

Some assumptions from the previous MTFS, which were reflected in last year's approved budget, now require ongoing resources. These include provisions for salary-related cost increases and the reversal of one-off savings or expenditure allocations from prior years. In addition, there are corporate commitments that are not attributable to individual directorates and must be accounted for centrally.

Table 15: "Right-sizing the budget" adjustments

Additional Costs – right-sizing the budget	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m
Salary related costs	3.630	3.733	3.845	3.960
Treasury Management: add'n net borrowing costs	2.726	2.931	4.986	-
RCCO/s106 swap phased reduction	-	0.980	0.900	0.210
Replenish Reserves	0.543	0.548	0.554	0.559
Total	6.898	8.192	10.284	4.729

7.4 Salary Related Costs

The NJC Pay Award for 2025/26 has been confirmed as a 3.2% increase across all scale points, resulting in an additional cost of £0.186m above the budgeted 3% uplift. This variance has been reflected in the MTFS assumptions for 2026/27, with a further 3% pay award modelled for all subsequent years.

At present, there are no other known changes to salary costs. However, any announcements made in the Autumn Budget will be reviewed and incorporated into future iterations of the MTFS as appropriate

7.5 RCCO/s106 swap phased reduction

Planning obligations under Section 106 of the Town and Country Planning Act 1990 (as amended), commonly known as S106 agreements, are a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable. In previous years, in order to bridge the budget funding gap, monies have been borrowed from s106, and adjustments will be made over 3 years from 2027/28 to rebalance this budget.

7.6 Replenish reserves

To balance prior year budgets and manage in-year financial pressures, the Council has drawn on reserves where necessary. The MTFS now includes a commitment to replenish reserves annually by 1% of the total value of usable reserves. Strengthening reserves enhances the Council's financial resilience, enabling it to better manage unforeseen risks and funding volatility. Reserves also support medium-term financial planning, provide flexibility to invest in transformation and service redesign, and help smooth budget pressures without immediate service reductions. Maintaining adequate reserves ensures compliance with statutory requirements and supports corporate priorities that may not sit within individual directorate budgets.

7.7 Treasury Management

Revenue impact modelling for borrowing incorporates all known costs, including fixed charges from existing long-term borrowing, the cost of refinancing maturing long-term debt, and a range of interest rate scenarios for both Public Works Loan Board (PWLB) and short-term borrowing with other local authorities. The modelling also profiles the costs of funding the capital programme and includes assumptions for interest receivable from investments.

As outlined in section 6.2 above, this year's modelling identifies, for the first time, a separate revenue impact arising from the requirement to fund DSG deficits – reflecting the growing scale and significance of the pressure, and ensuring it is managed transparently and effectively.

7.8 One-off 'roll-in' of Specific Grant Funding

As outlined earlier in the report, proposals under Fair Funding 2.0 include the integration of several large specific grants, primarily Social Care Grants, into the SFA. As these grants will become part of the Council's 'Core Resources', a one-off budget adjustment is required to remove the associated income lines from the Directorate budgets where they are currently held. This adjustment is net neutral, as core funding will increase by an equivalent amount.

The relevant grants are listed below. It should be noted that while the New Homes Bonus is included in the table, it is ceasing permanently; however, the associated income budget must still be removed. The Recovery Grant was received as a one-off in 2025/26 and, although not yet confirmed for inclusion in the SFA, current modelling assumes it will be rolled in.

Table 16: Specific Grants 'roll-in'

Specific Grants	£m	Existing Budget Area
Market Sustainability and Improvement Fund	5.618	ASC/Corporate
Social Care Grant	33.789	ASC/Corporate
New Homes Bonus (ceasing)	0.030	Growth
Local Better Care Grant	15.955	ASC/Corporate
Temporary Accommodation element of HPG	0.979	Community Connections
Recovery Grant	6.592	Corporate
Employer NIC compensation grant	2.063	Corporate
Total	65.027	

8 Demand-Led Pressures

In addition to the pressures already outlined, the Council must consider a range of demand-led cost pressures relating to services where expenditure is driven by levels of need, which can fluctuate due to demographic changes, policy shifts, or external factors.

The MTFS includes assumptions for increased budget requirements within these demand-led services, informed by detailed cost and volume analysis. This analysis draws on current demand data, historic trends, and forecasts of future service needs. These assumptions are critical to ensure the Council can plan effectively for future financial sustainability while maintaining service delivery standards.

Table 17: Demand-led budget pressures

Budget Pressure	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
Adult Social Care Fee Uplifts (NLW & Inflation)	5.473	5.010	4.866	4.425
Adult Social Care Demand	5.701	3.655	3.669	3.655
Homelessness	1.130	0.506	0.207	0.207
Children's Social Care	6.193	4.869	5.252	5.669
Home to School Transport	2.601	3.003	2.746	2.698
SEND - DSG deficit financing cost	2.774	2.369	3.014	-
Total	23.872	19.412	19.754	16.654

Plymouth is not alone in facing significant budgetary pressures across key service areas such as social care, homelessness, and Special Educational Needs and Disabilities (SEND). These challenges are being experienced by councils across the country, driven by rising demand, increasing complexity of need, and constrained levels of funding.

Further detail is provided later in this document regarding the Council's new Prevention First Strategy, which will be delivered through the City Help and Support programme. This strategic approach is designed to reduce demand on high-cost services over the longer term by focusing on early intervention, targeted support, and improved access to preventative services.

The strategy represents a fundamental shift in how the Council responds to need, aiming to address issues before they escalate into crisis. By embedding prevention at the heart of service delivery, the Council seeks to reduce reliance on temporary accommodation, statutory social care interventions, and other reactive services, ultimately supporting better outcomes for residents and improving financial sustainability.

8.1 ASC Fee Uplifts: National Living Wage

The Council remains committed to passing on the additional costs associated with increases to the National Living Wage (NLW) to Adult Social Care providers. The NLW rate announced for April 2025 is £12.21 per hour. For 2026/27, the current modelled rate, based on projections from the Low Pay Commission, is £12.80 per hour.

While the NLW rate for April 2026 has not yet been confirmed, the MTFS will be updated to reflect any changes once announced. For modelling purposes, future NLW assumptions are based on recent trends and guidance from the Low Pay Commission, although final rates will be determined by Central Government.

Table 18: National Living Wage Assumptions

Adult Social Care - NLW (Fee Uplift)	2025/26	2026/27	2027/28	2028/29	2029/30
NLW Assumption Rate £/hour	£12.21	£12.80	£13.42	£14.00	£14.50

To illustrate the financial impact of National Living Wage (NLW) increases, a 20 pence rise in the hourly rate would result in an additional budget requirement of approximately £1.327m. This highlights the sensitivity of Adult Social Care commissioning costs to even modest changes in wage rates.

8.2 ASC Fee Uplifts: Inflationary Uplifts to Care Providers

Decisions regarding fee uplifts to Adult Social Care providers consider both the impact of National Living Wage increases and broader inflationary pressures. For modelling purposes, it is assumed that approximately 70% of care costs relate to staffing, with the remaining 30% attributed to non-staff costs. This split enables a more accurate assessment of the financial impact of wage and inflation changes on provider fees.

Table 19: ASC Inflationary Assumptions

Adult Social Care - Inflation (Fee Uplift)	2026/27	2027/28	2028/29	2029/30
Inflation assumption %	1.93%	2.00%	2.00%	2.00%
Application to Fees - Staffing 30%	0.58%	0.60%	0.60%	0.60%

To illustrate the sensitivity of these assumptions, a 2% increase in inflation applied to the non-staff cost element would require an additional £0.694m in funding. This highlights the importance of maintaining robust modelling to ensure provider sustainability and continued service delivery in the face of rising costs.

8.3 ASC – Demand

Separating inflationary pressures from those arising due to increased demand and complexity of need provides greater transparency in understanding the overall budgetary requirements.

As of the latest data, 3,907 adults are in the care of Plymouth City Council. Within the modelled budget increase, there are significant cost pressure from the growth in client numbers and average hours of care provided per person as well as increased 'cost complexity', reflecting rising care needs driving higher costs outside of standard fee rate uplifts. This includes more intensive support packages and specialist interventions required to meet individual needs.

The Directorate maintains an ongoing programme of work focused on understanding, managing, and controlling costs across Adult Social Care services. This includes exploring innovative approaches to service delivery, improving operational efficiency, and identifying opportunities for transformation. The aim is to ensure that resources are used effectively while maintaining high standards of care.

At the heart of this work is a commitment to safeguarding the wellbeing of vulnerable adults. The Directorate continues to prioritise the delivery of appropriate and personalised care, ensuring that individuals receive the support they need in a way that is both financially sustainable and aligned with statutory responsibilities.

8.4 Homelessness

Demand for temporary accommodation continues to be a significant driver of budgetary pressure, influenced by a range of factors including evictions from the private rented sector, the ongoing cost-of-living crisis, and a shortage of affordable housing. The limited availability of suitable long-term housing options means individuals and families are remaining in temporary placements for extended periods. These placements are often high-cost and not always appropriate for the needs of those being housed. In addition, councils are experiencing rising caseloads due to expanded statutory duties, with many individuals presenting with complex needs such as mental health challenges, domestic abuse, or substance misuse, which further increases service demand and cost.

Financial modelling within the MTFS reflects current levels of demand and known service interventions. It also incorporates assumptions for inflationary increases in the rates paid for nightly accommodation. The service continues to implement targeted measures to reduce costs where possible, but the sustained growth in the number of eligible households presents an ongoing challenge.

8.5 Children's Social Care – Inflation and Demand

Children's Social Care in Plymouth continues to experience financial pressures due to rising demand and increasing placement costs. The number of children in residential care has exceeded planned levels, and some placements are now costing over £10,000 per week, significantly higher than budgeted. Unregistered placements, which often require intensive staffing arrangements such as 2:1 or 4:1 agency support, are also above expected levels. While some of these cases receive partial funding from Health partners, the overall financial impact remains considerable and requires close monitoring.

Positively, there has been a reduction in the number of children placed with Independent Fostering Agencies (IFAs), resulting in cost savings. This has been matched by growth in the Council's in-house fostering provision, which is more sustainable and cost-effective. However, overall there has been a shift away from fostering towards more expensive residential placements, reflecting a national shortage of foster carers and associated changes in placement patterns.

The cost and volume modelling within the MTFS reflects current levels of demand and includes assumptions for future growth. These projections are based on historical trends, service data, and anticipated changes in

need. However, it is important to note that these figures represent only one part of the picture. Alongside this modelling, the Directorate is actively progressing a number of strategic workstreams aimed at reducing demand and improving service efficiency.

These initiatives focus on transforming how services are delivered, identifying earlier interventions, and promoting more sustainable models of care. The overarching goal is to manage financial pressures while continuing to safeguard and support vulnerable children and young people. This approach ensures that resources are targeted effectively, and that the right support is provided at the right time, without compromising on quality or safety.

8.6 SEND – Financing the DSG Deficit

As highlighted earlier in this report, rising demand is placing pressure on the High Needs Block of the Dedicated Schools Grant (DSG). While councils are currently permitted to exclude DSG deficits from their main balance sheets under a temporary accounting provision known as the “statutory override,” this measure has only been extended until March 2028.

The revenue impact of borrowing costs required to fund this unfunded expenditure is included in the MTFS and flagged as a future financial pressure. This ensures transparency around the long-term implications of the deficit and provides for the continuation of associated financing beyond the statutory override period.

8.7 Home to School Transport

Pressures on the High Needs and SEND budgets are directly impacting the revenue-funded Home to School Transport service. The Council has a statutory duty to provide transport for pupils with Education, Health and Care Plans (EHCPs), subject to assessment. Increasing numbers of pupils with EHCPs, combined with a shortage of places in special schools within the city, have led to greater reliance on independent sector placements located further away. This is driving up both the volume and cost of transport provision.

Modelling within the MTFS reflects projected growth in specialist placements and includes an annual inflationary uplift of 3% to account for rising costs from transport providers. The service continues to implement targeted route planning and efficiency measures to manage costs. However, the growing number of eligible pupils presents an ongoing challenge.

9 The Council's Reserves

The Council has established a number of specific reserves and provisions to support the planning and management of known and anticipated future revenue costs. These reserves play a key role in ensuring financial resilience and enabling the Council to respond to emerging pressures in a controlled and sustainable manner.

The appropriateness and use of these reserves are reviewed regularly throughout the financial year, with a formal review of all specific reserves undertaken annually as part of the year-end accounting closedown process. This ensures that reserves remain aligned with strategic priorities and are used effectively to support the Council's financial strategy.

As previously noted, the Council's financial strategy includes a commitment to replenish usable reserves, which have been drawn upon in recent years to support the balancing of budgets and address in-year financial pressures.

9.1 Unusable Reserves

The Council holds a number of unusable reserves on its Balance Sheet, which are not available to support day-to-day spending. These reserves are maintained either to comply with statutory requirements or to reflect proper accounting practice. The largest of these is the Asset Revaluation Reserve, currently valued at £378.263m. This reserve records gains arising from increases in the value of the Council's Property, Plant and Equipment and ensures that asset revaluations are accounted for separately from usable resources.

Other unusable reserves include the Pensions Reserve, which reflects the accounting valuation of the Council's pension liabilities. This reserve absorbs timing differences between the recognition of post-employment benefits in the accounts and the actual funding of those benefits in line with statutory provisions. While these reserves do not impact the Council's cash position, they are essential for presenting a true and fair view of the Council's financial standing in accordance with accounting standards.

Table 20: Unusable Reserves

Analysis of Reserves	31 March 2025
Unusable Reserves:	£m
Revaluation Reserve	378.263
Capital Adjustment Account	125.980
Financial Instruments Adjustments Account	(23.572)
Pensions Reserve	(75.575)
Collection Fund Adjustment Account	(1.047)
Accumulating Compensated Absences Adjustment Account	(3.369)
Deferred Capital Receipts	0.316
Pooled Investment Fund Adjustment Account	(1.560)
DSG Deficit Account	(18.498)
Total Unusable Reserves	380.938

9.2 Usable Reserves

The Council also holds a number of Usable Reserves, which are those reserves that can be applied to support service delivery, subject to maintaining a prudent level of reserves and complying with any statutory restrictions on their use. These reserves provide flexibility in managing financial pressures and supporting strategic priorities. For example, the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt, and, subject to Council approval, may also be used to finance transformation projects.

Regular review and careful management of usable reserves are essential to ensure they remain aligned with the Council's financial strategy and are available to support both planned investment and unforeseen pressures. Their use is governed by financial regulations and forms a key part of the Council's approach to maintaining financial sustainability.

Table 21: Reserve held at end of 2024/25

Reserves Analysis	31 March 2025
	£m
General Fund Balance (Working Balance)	11.862
Earmarked General Fund Reserves	60.784
Capital Receipts Reserve	15.792
Capital Grants and Contributions Unapplied	37.823
Total Usable Reserves	126.261
Total Unusable Reserves	380.938
Total Reserves	507.199

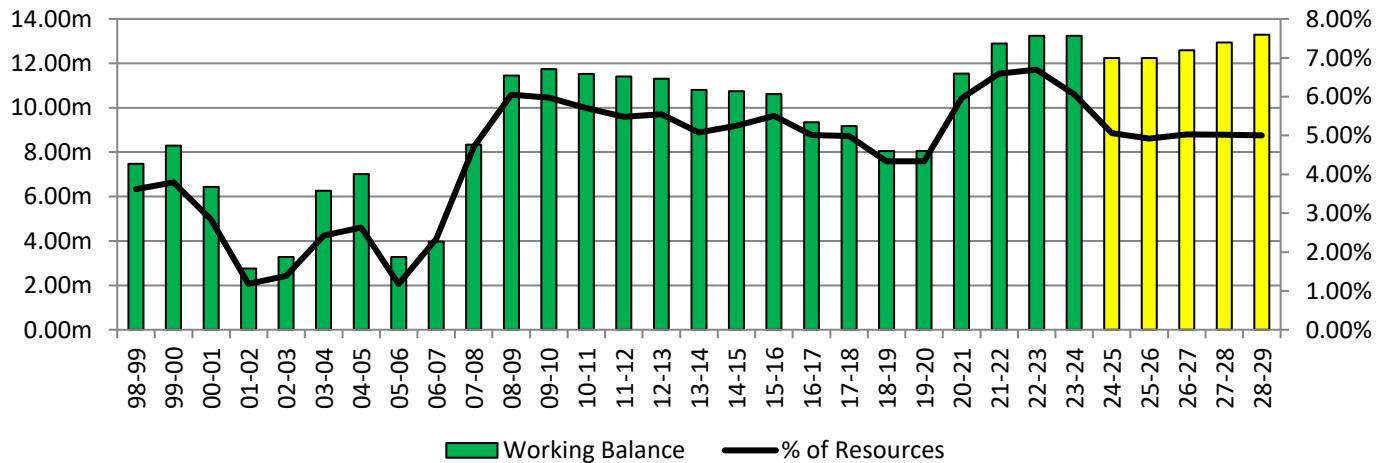
9.3 General Fund Balance (Working Balance)

The Council's Working Balance is a core revenue reserve held to mitigate significant business risks and unforeseen financial pressures. The target minimum level for the Working Balance is set at 5% of the net revenue budget.

In 2024/25, it was possible to retrospectively apply additional funding, no longer required within the Minimum Revenue Provision (MRP), to the Working Balance. This followed the reclassification of a transaction previously treated as capital, which was restated as revenue, thereby releasing the associated provision.

As a result, £3.494m was retrospectively added to the Working Balance for 2020/21, and a further £1.000m for 2021/22. These adjustments increased the Working Balance to £11.862m by the end of 2024/25, representing 4.9% of the net revenue budget for that year.

Graph 2: Working Balance Levels – prior to SFA changes



However, the 5% target will need to be reviewed if the proposed changes under the Fair Funding 2.0 are implemented. In particular, the roll-in of £65.027m of specific grants into the SFA, rather than including them within service revenue budgets, would significantly increase the reported net revenue budget. While this adjustment does not affect the overall level of financing, it does alter the basis of reporting. Current modelling indicates that the SFA could rise to approximately £323.404m (from £253.418m), meaning the current working balance would represent just 3.7% of the new total.

One option for consideration is to maintain a 3.7% target throughout the three-year Fair Funding 2.0 transition period, then gradually increase this to 5% over the following five years. Estimated annual increases

required for a 3.7% interim target would be £0.427m in 2027/28, £0.484m in 2028/29, and potentially £0.657m in 2029/30.

This approach will be further developed and confirmed in a revised Reserves Strategy, which will be developed over the coming weeks alongside an updated MTFP, to be issued with and accompany the 2026/27 Budget.

9.4 Earmarked General Fund Reserves

Earmarked reserves are set aside to provide financing for future expenditure plans and policy initiatives. The main earmarked reserves and their purposes are outlined below:

- **Education Carry Forwards:**

These reserves are held on behalf of various educational establishments operating under devolved budget arrangements. Surpluses or deficits generated by these establishments are carried forward to the following financial year, ensuring continuity and financial stability for individual schools and educational settings.

- **School Budget Share:**

This reserve represents unspent balances at year-end against schools' delegated budgets. As at 31 March 2025, the balance relating to the school budget share was £2.691m (compared to £3.149m at 31 March 2024). These funds are retained to support future school expenditure and to manage fluctuations in funding or costs.

- **Collection Fund Reserve:**

The Collection Fund Reserve is used to smooth the impact of fluctuations in grant funding for Business Rates and Council Tax across multiple financial years. This helps to manage volatility and provides greater certainty for budget planning.

- **Interest Rate Swap Reserve:**

This reserve holds gains arising from fair value movements in interest rate swaps. As these swaps approach maturity, the gains will reverse over time. Our current policy is to hold this reserve so that it is not available to finance revenue expenditure whilst the Council continues to hold interest rate swaps, but is instead held to manage the accounting impact of these financial instruments.

10 Capital Budget and Programme

Planned capital expenditure and its associated financing are set out in the budget report approved by Council in February 2025. Any amendments to the capital programme are subject to quarterly approval by Council, ensuring ongoing oversight and alignment with strategic priorities. A fully updated capital programme will be prepared for Council approval in February 2026. In the interim, the programme will be regularly reviewed and re-profiled to reflect changes in inflation, interest rates, and emerging service priorities.

At the end of the first quarter of 2025/26, the amended Capital Programme for the five-year period to 2029/30 stands at £351.063m.

Funding for the Capital Programme is comprised of four main sources:

- Grant funding from external organisations, primarily government departments, totalling £121.848m (34.7%)

- Service-funded borrowing, where departments fund the cost of borrowing, amounting to £106.495m (30.3%)
- Corporate-funded borrowing, supported by central resources, contributing £87.217m (24.8%)
- Other funding sources, including:
 - Capital receipts from the sale of assets: £20.813m (5.9%)
 - Third-party contributions, mainly from developers: £14.690m (4.3%)

Together, these sources ensure a balanced and sustainable approach to financing the Council's capital investment.

The Council remains committed to a carefully managed capital investment programme. We will continue to work with partners to support the city's regeneration, contributing to improvements and supporting local employment opportunities, such as in the construction sector. However, we recognise the need to balance ambition with financial sustainability and will ensure that all capital investments are subject to robust appraisal and risk assessment. Our focus will be on maximising outcomes and delivering revenue savings wherever possible, for example, by supporting business growth and new housing to increase business rates and Council Tax income, while remaining responsive to changing economic conditions and emerging risks.

Table 22: Capital Programme 2025/26 to 2029/30 by Directorate

Directorate	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	
Children's Services	4.474	0.075	-	-	-	4.549
Adults, Health and Communities	15.412	11.038	1.903	-	-	28.353
Growth - Economic Development	60.619	57.765	33.025	12.427	0.008	163.844
Growth - Strategic Planning & Infrastructure	79.105	30.764	6.216	9.225	0.275	125.585
Growth - Street Services	15.482	6.403	0.242	0.212	0.247	22.586
Customer & Corporate Services	3.185	2.044	0.28	0.101	-	5.61
Office for Director of Public Health	0.536	-	-	-	-	0.536
Total	178.813	108.089	41.666	21.965	0.530	351.063

Table 23: Capital Programme Financing – 2025/26 to 2029/30

Financed by:	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	
Capital receipts	11.106	3.914	1.196	4.589	0.008	20.813
Grant funding	80.149	28.817	12.394	0.193	0.295	121.848
Corporate funded borrowing	44.936	25.992	10.965	5.324	-	87.217
Service dept. supported borrowing	38.012	40.667	16.095	11.494	0.227	106.495
Developer contributions	2.477	8.686	1.016	0.102	-	12.281
Other Contributions	2.133	0.013	-	0.263	-	2.409
Total	178.813	108.089	41.666	21.965	0.530	351.063

Officers will continue to take a proactive approach to securing external grant funding wherever possible, supporting the delivery of significant and ambitious capital investment in the city. The capital budget will be updated regularly as further details of funding become available, ensuring that investment decisions remain responsive to changing circumstances.

All projects seeking funding through service borrowing must adhere to the principle of 'Invest to Save'. Business cases will be required to demonstrate, through robust financial modelling and discounted cash flow analysis, that any borrowing can be repaid from the net revenue benefits generated by the investment. This approach ensures that borrowing is only undertaken where there is clear evidence of affordability and value for money, and that risks to the Council's financial position are carefully managed.

11 Key Financial Strategies

11.1 Treasury Management

The Council's Treasury Management practices, principles, and schedules are designed to ensure full compliance with the approved Treasury Management Policy and Strategy. These working practices are reviewed annually and underpin the Council's approach to managing borrowing costs and investment returns, both of which have a direct impact on the Council's budget. The Treasury Management Strategy sets out the authorised limits and operational boundaries within which all investment and borrowing decisions are made, ensuring that risks are identified, monitored, and managed appropriately. Effective treasury management is essential to supporting the Council's business and service objectives, while safeguarding its financial position.

There is regular engagement with the Council's Treasury Management advisors, Arlingclose, whose independent advice is sought on both strategic direction and key operational decisions. This external scrutiny helps ensure that the Council's approach remains prudent and responsive to changing market conditions.

Full Council receives regular reports on Treasury and Investment Management policies, practices, and activities. As a minimum, this includes an annual strategy and plan before the start of the year, a mid-year review, and an annual report after year-end. This robust reporting framework ensures transparency, accountability, and ongoing oversight of treasury activities

11.2 Borrowing Limits

The Council must have full regard to the Prudential Code when setting its Authorised Borrowing Limit. The Prudential Code, published by CIPFA, establishes a framework of self-regulation for local authority capital financing, ensuring that borrowing and investment decisions are affordable, prudent, and sustainable. In setting the Authorised Borrowing Limit, the Council considers current and future capital financing requirements, revenue implications, and the risks associated with changes in interest rates and economic conditions.

This approach ensures that the Council's borrowing remains within safe and manageable limits, and that all decisions are subject to robust scrutiny and regular review. The Authorised Borrowing Limit is reviewed annually as part of the Treasury Management Strategy, and may be revised in-year if circumstances require, to ensure ongoing compliance with the Prudential Code and to safeguard the Council's financial resilience.

11.3 Minimum Revenue Provision (MRP) Policy

The Council is required to set aside funding each year from its revenue budget to provide for the repayment of loans used to finance capital expenditure. This is governed by the Government's Capital Financing Regulations, which place a statutory duty on local authorities to make a Minimum Revenue Provision (MRP) that is considered 'prudent'.

A prudent MRP ensures that debt is repaid over a period that is reasonably aligned with the useful life of the assets funded by the borrowing. This approach supports long-term financial sustainability by avoiding undue pressure on future budgets and ensuring that the cost of capital investment is fairly spread across the generations that benefit from it. The Council reviews its MRP policy annually as part of the Treasury Management Strategy, taking into account changes in regulation, asset life, and financial risk.

11.4 Flexible use of Capital Receipts

A Flexible Use of Capital Receipts Strategy was submitted to Council as part of the 2025/26 budget process. This strategy enables the Council to support more efficient and sustainable service delivery by allowing up to 100% of eligible fixed asset receipts (excluding Right to Buy receipts) to be used to fund the revenue costs of transformation projects, rather than being restricted solely to new capital investment.

The use of this flexibility is subject to strict government guidance and local governance arrangements, ensuring that any application of capital receipts is carefully assessed for value for money and long-term financial sustainability. All proposals for the flexible use of capital receipts are subject to robust business case approval and regular monitoring, to ensure that the Council's financial position remains secure and that transformation projects deliver the intended benefits.

12 Financial outlook for 2026/27 and after

There remains uncertainty as we prepare for 2026/27 and update our assumptions for the MTFS period.

As previously reported, the proposed changes arising from the Fair Funding 2.0 have been analysed, and the current working assumption is for an increase in funding through the SFA. This position could change materially should the proposals regarding the incorporation of specific grants be amended.

Similarly, changes to the Business Rates Retention Scheme have yet to be confirmed. In line with external advice, the MTFS currently assumes a continuation of the existing arrangements.

It is confirmed that 2026/27 will be the first year of a multi-year settlement. While the practical implications of this approach are yet to be fully understood, it is anticipated that a multi-year settlement will provide greater certainty and support more effective financial planning and decision-making.

This uncertainty is compounded by the continuing and escalating demand pressures across key service areas, including adult social care, homelessness, and SEND. These challenges are further intensified by inflationary cost increases, elevated interest rates, and the ongoing impact of the cost-of-living crisis.

The table below sets out the current overall position for 2026/27 onwards, which shows the Council is still required to achieve savings of £13.657m to be able to balance the 2026/27 budget. This savings target has been accepted across the organisation, and all directorates are actively working on proposals to address this requirement.

Table 24: Summary Medium-Term Financial Strategy

MTFP 2025/26 to 2029/30	2026/27	2026/27	2027/28	2028/29	2029/30
	original				
	£m				
Total Core Resources	(322.990)	(325.119)	(336.731)	(349.487)	(359.861)
brought forward budget requirement (rebased)	318.445	318.445	325.119	336.731	349.487
Demand-Led Pressures	8.216	23.872	19.412	19.754	16.654
Adult Social Care Fee Uplifts (NLW & Inflation)	4.000	5.473	5.010	4.866	4.425
Adult Social Care Demand	4.000	5.701	3.655	3.669	3.655
Homelessness	-	1.130	0.506	0.207	0.207
Children's Social Care	0.216	6.193	4.869	5.252	5.669
Home to School Transport	-	2.601	3.003	2.746	2.698
SEND - DSG deficit financing cost	-	2.774	2.369	3.014	-
Required Budget Adjustments	6.996	6.898	8.192	10.284	4.729
Salary Costs - Pay Award	4.080	3.630	3.733	3.845	3.960
Treasury Management	2.416	2.726	2.931	4.986	-
RCCO Swap phased reduction - to nil by 2029/30	-	-	0.980	0.900	0.210
Replenish Reserves	0.500	0.543	0.548	0.554	0.559
Savings	(4.437)	(17.523)	-	-	-
Other Growth Asks	3.767	7.084	-	-	-
Total Additional Costs/Savings	14.542	20.332	27.604	30.039	21.383
Total Budget Requirement	332.987	338.777	352.723	366.769	370.870
Total Core Resources	(322.990)	(325.119)	(336.731)	(349.487)	(359.861)
Indicative Gap	9.997	13.657	15.993	17.282	11.010
Cumulative Gap	9.997	13.657	29.650	46.932	57.942

12.1 Core Resources

The key assumptions underpinning Core Resources are set out within this document.

These include assumptions based on analysis of the Fair Funding 2.0 proposals; however, no confirmation of individual allocations has been received at this stage.

Table 25: Core Resources 2025/26 – 2029/30

MTFP 2025/26 to 2029/30	2025/26	2026/27	2027/28	2028/29	2029/30
Core Resources	£m	£m	£m	£m	£m
Revenue Support Grant	(12.662)	(12.662)	(17.482)	(20.335)	(23.668)
Addn. Revenue Support Grant (from modelling)	-	(4.820)	(2.852)	(3.333)	(0.473)
Council Tax	(149.450)	(155.824)	(164.115)	(172.843)	(182.036)
Business Rates	(86.584)	(86.786)	(87.254)	(87.949)	(88.656)
Reserves	(4.722)	-	-	-	-
Specific Grants Rolled in to Core Resources	-	(65.027)	(65.027)	(65.027)	(65.027)
Total Core Resources	(253.418)	(325.119)	(336.731)	(349.487)	(359.860)

12.2 Additional Income

In previous years, the modelling included separate assumptions for increases to social care grant funding. As these grants are now incorporated within core resources, no separate assumptions for increases have been made.

The planned use of capital receipts to fund transformation projects will be detailed in the Flexible Use of Capital Receipts Statement for 2026/27, which will accompany the budget paper.

12.3 Savings Proposals

Directorates have been developing evidenced savings proposals for 2026/27 to support the budget and will continue this work throughout the year as part of the budget-setting process. These proposals build on the work undertaken for the 2025/26 budget, with further targeted savings required to help close the gap between projected income and the additional budgetary growth needed to meet service demands. The total figures assumed for savings within the MTFS are shown in the table shown below.

Table 26: Summary of savings proposals included with MTFS

Savings	2026/27 £m
Operating Models / staffing changes	(4.785)
Consolidate existing vacancies	(0.145)
Partner contributions / contract management	(1.775)
Demand management	(7.809)
Budget adjustments	0.487
Fees and Charges / additional income	(2.696)
One-off reserves	(0.800)
Total	(17.523)

13 Closing the financial gap and Medium-Term Financial Strategy

The MTFS identifies a budget shortfall in 2026/27, which is projected to increase over the remainder of the strategy period. Plymouth has a strong track record of taking an ambitious and forward-thinking approach to managing financial challenges. However, with the potential for the Fair Funding 2.0 to deliver less additional benefit than initially anticipated, and with demand pressures continuing across key services, it is important to take a longer-term view.

Given that funding is not increasing at the same pace as demand, the Council will need to explore sustainable approaches to managing and reducing demand over time. This will require close collaboration with partners and a continued focus on improving outcomes for the people of Plymouth.

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

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

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

13.1 Prevention First Approach

Plymouth City Council is taking a bold and proactive stance in reshaping how we respond to rising demand across our services. The financial pressures we face - particularly in children's and adult social care, temporary accommodation, and SEND provision - require more than short-term fixes. They demand a fundamental shift in how we operate. Our "Prevention First" approach is not just a programme; it is a commitment to embed prevention at the heart of everything we do. It recognises that early intervention, smarter service design, and targeted support are essential to reversing the trajectory of demand and securing long-term financial sustainability.

This approach builds on the work already underway across the Council. Our transformation journey is one of adaptation, learning, and development, shaped by increasing demand, ambitious goals, and the realities of reduced funding. Our business plans and savings initiatives are not simply about cost reduction, they are about shifting our cost base and laying the foundations for future delivery. At the service level, we are driving efficiency, reducing waste, and seek to increase income generation. At the same time, we are investing in the organisational capabilities needed to enable transformation, including new data and insight tools, digital platforms, and integrated working models.

While the Fair Funding Review is expected to deliver additional resources, early modelling suggests it will not be sufficient to fully address the scale of demand pressures we face. This reinforces the need for the council to adopt a long-term, strategic approach to managing demand on statutory services, ensuring that every intervention is targeted, preventative, and financially sustainable. Delivery against these challenges requires a clear alignment of near-term actions with longer-term pathways towards systemic change. The City Help & Support programme exemplifies this shift, bringing together cross-functional teams to deliver outcomes that reduce reliance on high-cost, crisis-driven services. By understanding the key drivers for

change and connecting operational delivery with strategic ambition, our Prevention First approach will enable a more sustainable financial future.

1

Reducing Placement Costs

Targeted action is being taken now in areas where demand is growing fastest. In Adult Social Care, transformation programmes are expanding reablement, community outreach, and exploring technology-enabled care to reduce long-term dependency and promote independence. Alongside this, we are strengthening sufficiency planning for children's placements, expanding SEND provision, and increasing temporary accommodation to address homelessness.

2

Enabling Our Organisation To Change

We are investing in the tools and capabilities that enable smarter working - particularly in data, insight, and digital and AI-enabled infrastructure. This transformation is helping us to make better decisions, improve customer experience, and embed a culture of continuous improvement across the organisation, ensuring we are fit for the future.

3

City Help & Support Programme

This programme is the cornerstone of our prevention-first strategy. It brings together multi-disciplinary teams to deliver early help and targeted support, reducing the need for costly statutory interventions. By rebalancing resources and focusing on long-term outcomes, the programme is helping to reshape how we deliver services and achieve lasting financial benefits.

4

Service-Level Delivery

We are improving operational efficiency across all directorates by streamlining processes, reducing duplication, and ensuring services are delivered right first time. Commercial opportunities are being explored to maximise income, while business plans are focused on reshaping the cost base to support long-term sustainability.

13.2 Reducing Placement Costs

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

- Children's Homes – Residential and Short Breaks: The "Family Homes for Plymouth Children" program envisions Plymouth City Council as a direct provider of residential care for children. The proposal includes three core elements:
 - A hub for short residential breaks for children with complex health needs and disabilities.
 - Residential care options with a "circuit break" component for children in care.
 - Dedicated residential services for children with complex emotional and behavioural needs, developed in partnership with the ICB.
- Homelessness Provision: Demand remains high, but our emphasis on early intervention and "front door" prevention has helped manage some pressures. We delivered 27 new units in 2024/25 and anticipate delivering an additional 114 units in 2025/26. We are also exploring partnerships with organisations such as BCHA and PCH to increase available temporary accommodations.
- Adult Social Care Provision: The new Meadow View facility, expected summer 2026, will expand day and respite services, reducing the need for high-cost out-of-area placements. Additionally, our Housing Needs Assessment has identified ways to support people who may provide Adult Social Care services within the community.
- Children's SEND Provision: Plymouth has seen a 9.6% increase in children with an Education, Health, and Care Plan (EHCP) since 2022/23, reflecting a national trend. With the SEND Sufficiency Plan approved in September 2024, we aim to expand and reconfigure our special educational estate, reduce reliance on costly independent placements, and strengthen mainstream schools' capacity to serve specialist needs and improve inclusion, in line with national reforms and the revised Ofsted framework. Key next steps include deploying the project team to assessing site viability, and establish timelines for feasibility and procurement. The site viability will consider meeting children's high level and complex needs, through specialist provision as satellites along mainstream schools, resourced provision for children who may need additional support alongside mainstream education and targeted support to ensure children's needs are met at the earliest opportunity to avoid costly intervention at a later stage.

13.3 Enabling Our Organisation to Change

The Council's transformation efforts are designed to create a leaner, more agile organisation that operates efficiently. Day to day efforts across our Directorate teams are focussed on delivery of services, realisation of business plans and in-year achieving savings initiatives – driving efficiency, reducing waste through getting the basics right, and first time, and reducing costs.

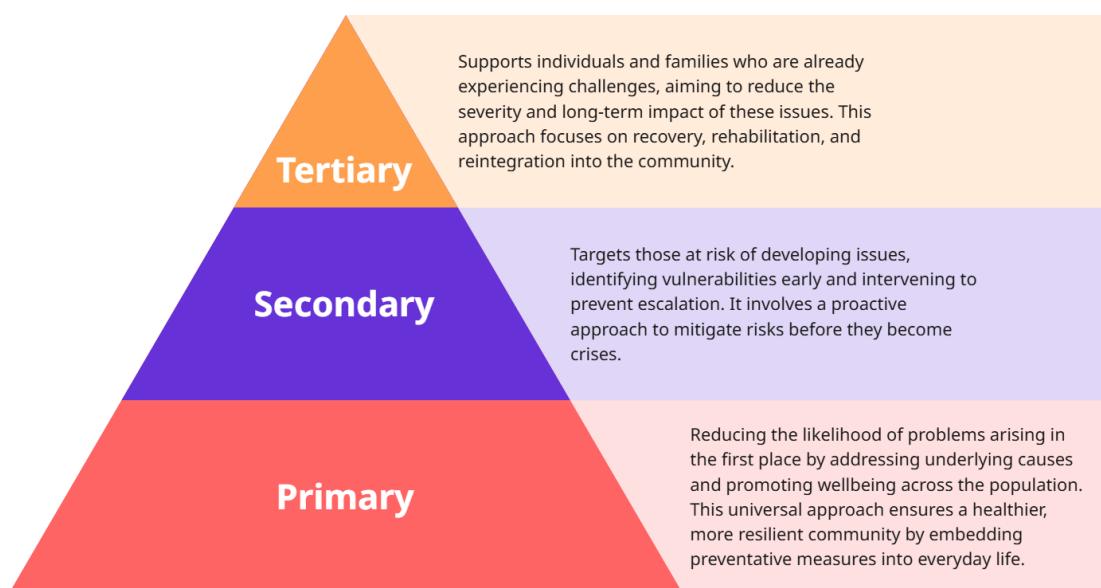
Organisational effectiveness is a critical driver of Plymouth City Council's success, ensuring that our operations deliver maximum impact. High-performing organisations consistently evaluate their operational efficiency, workforce performance, and leadership approaches. To support and challenge our continuous improvement journey, we have prioritised a series of strategic enabling initiatives designed to strengthen our capacity and enhance organisational capability:

- Engagement: A new approach to better understand our communities' needs and aspirations to better shape our services
- Asset Management: development of a new strategy to deliver a shared view of our asset portfolio enabling us to improve, identify opportunities to rationalise, divest and release.
- Data, Insight & AI: establishing a professional, organisation-wide capability delivering services that are evidence-based, allowing us to 'work smarter' and to achieve better outcomes for our residents

- **Digital & Customer Experience:** adopting a customer-first approach to service delivery, underpinned by smart use of digital and automated solutions, enabling us to better understand and meet customer needs consistently across all services.
- **Growth and Municipal Enterprise:** leveraging property and regeneration to ensure we support our wider delivery by seeking commercial revenue maximisation, particularly seeking new innovative ways to deliver increased income.

13.4 City Help & Support Programme

The City Help and Support programme is the transformational cornerstone of the Council's financial strategy, designed to deliver change that suppresses demand on expensive, crisis-driven statutory services. This is not a theoretical exercise, but a strategic investment in a new operating model. The programme will implement a tiered prevention framework to fundamentally rebalance resources away from late-stage interventions and towards early help. This will be delivered through a portfolio of cross-cutting prevention projects, alongside a specific workstream aiming to build capacity at the community level.



The programme's success hinges on a set of core enablers that will transform how the Council operates. A key pillar is the establishment of a new Data, Insight, and AI service to create a 'Single Citizen View'. This will provide rich, real-time intelligence, enabling staff to identify and support vulnerable residents before their needs escalate into crisis. Work focussed on localities will drive a shift from siloed departments to integrated, multi-disciplinary teams working directly in communities. This will be supported by a focus on asset management to ensure that community hubs and other physical assets are strategically aligned with the prevention-first approach.

Financially, the programme is built on the objective of achieving a significant, long-term reduction in overall expenditure through cost avoidance. This will be realised by reducing the reliance on high-cost placements and temporary accommodation for children in care and homeless individuals. The reinvestment of these savings will be a continuous cycle, with funds directed back into the preventative initiatives that demonstrate a clear return on investment.

Investment Objectives	
	To improve the effectiveness of public services by shifting the Council's approach to early intervention and prevention.
	To improve the economy and efficiency of public services through cost reduction by reducing demand on high-cost services by 2030.
	To improve individual and community outcomes by increasing resilience and social capacity within local communities over a 10-year period.
	To improve staff efficiency and satisfaction by enabling cross-functional working, skills development, and the use of data and AI.
	To increase the effectiveness of service delivery by establishing new collaborative partnerships and empowering communities to lead on prevention by 2030.

The programme is working at pace, with the first projects expected to be implemented prior to the start of the 2026/27 financial period to deliver initial benefits in the first forecast year of the MFTS. We anticipate that more complex projects will be delivered throughout the MFTS period. We will front-load delivery to realise benefits that can then be reinvested in future prevention initiatives in the second half of the MFTS.

Projects currently in train include:

- *Single Citizen View*: A data platform to provide a holistic view of resident needs.
- *Predictive Analytics*: Tools for homelessness and school exclusion prevention.
- *Digital Information, Advice and Guidance*: Enabling self-help through accessible digital content.
- *Technology Enabled Care*: A proactive model to reduce the cost of domiciliary care.
- *Domestic Abuse*: Workforce development and specialists embedded within Children and Family Services.
- *Commissioning for Prevention*: Ensuring the Council's spending is aligned with the Prevention-First approach.
- *Localities Model*: Delivering structural and cultural change to embed multi-disciplinary teams and empower communities.
- *Single View of Communities*: Shared understanding of the intractable issues to focus on.

This framework is a brave, long-term commitment to systemic change. It requires a cultural shift away from reactive mindsets, supported by clear governance and a robust monitoring and evaluation framework. By focusing on these concrete deliverables, the City Help and Support programme provides a clear, actionable plan to address the Council's financial picture and build a more resilient Plymouth.

Work is currently underway to finalise the key programme aims for City Help & Support. As part of this work, an assessment of financial outcomes will be derived for inclusion as part of the MTFP to be published alongside the 2026/27 budget. These financial outcomes will detail targeted savings to be achieved as a result of the work undertaken to suppress demand, offsetting in part the increasing pressure seen in the outer years of the MTFP period up to 2030/31.

13.5 Looking to the future

Plymouth City Council is on a path toward sustainable growth and service excellence. By focusing on organisational effectiveness, transformative strategies, financial stability, demand management, and continuous improvement, we are facing into the challenges in the near-term. With a plan in development and working with key internal stakeholders to develop in full as part of the 2026/27 budget setting and MTFS process, our commitment remains firm: to serve Plymouth's residents with efficiency, transparency, and resilience, building a city where everyone has the opportunity to thrive.

14 Conclusion

The Council's medium-term financial risks are comprehensively assessed within the MTFS. This includes a thorough evaluation of uncertainties related to Government funding, other key income streams, potential budget shortfalls, and both local and national economic factors that may impact the Council's financial stability.

In setting both the annual budget and the MTFS, the Council is committed to rigorously identifying, assessing, and actively managing potential risks. Where appropriate, these risks will be mitigated through the use of Contingencies, Balances, or Earmarked Reserves to ensure their impact is minimised and financial resilience is maintained. Throughout the year, the Council will closely monitor its revenue and capital budgets on a monthly basis, with formal reports provided to Cabinet on a quarterly schedule.

It is important to recognise that the revised forecast represents the Council's best estimate of its future financial position. However, there remain a number of risks associated with these projections:

- *Financial:* The forecasts for future years are underpinned by a range of assumptions. The further into the future these projections extend, the greater the risk that underlying assumptions may prove inaccurate, potentially impacting the Council's financial planning.
- *Political:* The impact and uncertainties around Fair Funding 2.0, Business Rates Reform and SEND reform are set out clearly in this document. As further details are released, or any other changes are announced, the impact will be analysed and added to our medium-term planning.
- *Treasury Management:* The MTFS is predicated on the assumption of a relatively stable global financial environment. Any significant changes to this context could have a major impact on the Council's financial position, particularly in relation to the cost of borrowing.
- *Capacity and Skills:* Delivering the transformation required to achieve long-term financial sustainability, as set out in the MTFS, will demand additional capacity and new skillsets. The Council is committed to ensuring that projects are not compromised by resource constraints and will take steps to secure the necessary expertise as required.

The MTFS outlines projected budget shortfalls from 2026/27 onwards and emphasises the need for proactive planning to support the Council's financial sustainability over the medium-term. The current forecast presents a challenging outlook, with increasing budgetary pressures, particularly in children's social care, adult social care, and homelessness, growing at a faster rate than available funding.

The Council continues to strengthen its financial and governance arrangements. Improvements have been made in financial management and performance monitoring, scrutiny processes have been enhanced, and the independent Audit and Governance Committee is functioning effectively. These developments provide a solid foundation for managing future challenges and supporting informed decision-making.

The Council's medium-term strategy is focused on integrating key elements to enable effective and coordinated monitoring and management of:

- The Corporate Plan and its priorities
- Benchmarking of expenditure and key performance indicators
- Revenue budgets and spending aligned to priorities
- Progress against revenue delivery plans
- Delivery of the capital programme

At present, specific savings to offset future pressures have not yet been identified. With reserves having been used to balance recent years' outturns, there is limited opportunity to replenish these reserves in the short term.

It will remain essential to robustly challenge any additional budget pressures before incorporating them into future budgets. At the same time, urgent action is required to identify solutions for addressing projected budget shortfalls in the coming years.

To close the financial gap for 2026/27, the Council must identify the necessary savings and efficiencies ahead of the Full Council Budget meeting in February 2026. Full clarity on grant allocations will not be available until the Provisional Settlement is announced in December. During the period leading up to February, the budget will be presented to the Scrutiny Management Board and senior officers, and Cabinet will continue to work towards the February deadline.

The MTFS is designed to supplement, not replace, the annual budget-setting process by providing a forward-looking view of risks and opportunities. Final decisions on key elements will be made by Full Council at the annual budget meeting each February.

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Draft Treasury Management Strategy

2026/27



DRAFT

Councillor Mark Lowry

This strategy sets out a framework of controls that provides assurance for the way the City Council manages its investments and borrowing.

It demonstrates Plymouth City Council's commitment to sound management and control of the Council's cash and investments and forms a key strand of the Medium-Term Financial Strategy and Budget. In doing so, the strategy provides a strong foundation which underpins the Council's ambitious investments in the future of Plymouth.

Interim Service Director for Finance (S151 Officer)

The Treasury Management Strategy sets out a framework within which the Council's treasury management requirements and risks can be managed successfully.

The uncertain outlook for financial markets and the world economy impacts upon borrowing and investment rates of interest. This Strategy will help support the council in responding to this volatility in the short to medium term.

The strategy will ensure that Plymouth City Council stays within the limits prescribed under CIPFA's Prudential Code for Capital Finance and complies with other areas of national guidance relating to Treasury Management and related activity.

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SECTION I: INTRODUCTION, OVERVIEW & CONTEXT

I. Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The City Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management. Treasury risk management at Plymouth City Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the City Council to approve a treasury management strategy before the start of each financial year. This Appendix fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

The document also sets out Plymouth City Council's Non-Treasury Investment Strategy, a requirement of statutory guidance on Local Government Investments. Finally, the document sets out Plymouth City Council's statement of policy on the Minimum Revenue Provision for approval by the City Council, fulfilling the Council's legal obligation under statutory guidance issued under the Local Government Act 2003.

2. Overview – Investment & Borrowing strategies at a glance

INVESTMENTS – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

- To achieve the best secure investment returns (a target rate of 3.75% has been set for 2026/27)
- To achieve a balanced spread of maturities and commitments
- To achieve the right mix of borrowing vehicles
- To balance risk against return

Market Intelligence

- Bank of England reports
- Market advice, credit ratings and other information from the Council's advisers Arlingclose.

Investments

- Sterling only
- Can use UK Government, Local Authority or a body of high credit quality (defined as organisations and securities having a credit rating of [A-] or higher and domiciled in UK).

Counterparties and Limits (see table on page 14)

Investment Limits – subject to Counterparty table on page 20

- **Unlimited** UK Government
- **Unlimited** Money Market Fund and up to £15m per individual fund to a maximum limit up to 0.5% total fund value.
- **£25m** any single local authority or government entity
- **£10m** per Bank (unsecured)
- **£20m** unrated corporates
- **£60m** Strategic Pooled Funds

Statutory and Performance Framework

Rules that guide us

Approach

Hierarchy of objectives - Security first, then liquidity and then Yield.

Choices made within the framework

Risk Assessment and credit rating - We monitor credit ratings daily so any new investments will be made using the latest credit information. Market intelligence from our advisors may give warnings before credit warning changes e.g., credit default swaps information. Market intelligence from our advisors may give warnings before credit warning changes e.g., credit default swaps information.

BORROWING – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

- To minimise the cost of borrowing (a target rate of 4.5% has been set for medium/long-term borrowing and 4% short term borrowing)
- To achieve a balanced spread of maturities and commitments
- To achieve the right mix of borrowing vehicles

Market Intelligence

- Bank of England reports
- Market outlook, debt restructuring advice and technical support from the Council's advisers Arlingclose.

Borrowing requirements – key assumptions and limits for 2026/27

- **£114m** Total Capital Expenditure in 2026/27 of which financed by £52m external borrowing, with an allowance for further borrowing of £38m to support known capital pipeline need.
- **£961m** Capital Finance Requirement (underlying need to borrow)
- **£936m** assumed total debt (financing required in 2026/27 of which £98m borrowing to fund the forecast DSG deficit.
- **£1022m** Operational Boundary (practical ceiling on borrowing)
- **£1072m** The Authorised Limit (absolute maximum debt approved)

Key Prudential & Treasury Management Indicators

- **17.0%** Ratio of finance costs to net revenue stream (statutory definition of borrowing costs as a proportion of net revenue resources)
- **10.5%** Ratio of core finance costs to net revenue stream (local indicator measuring compliance with Capital Strategy policy framework)
- **100%** Limit on Fixed Interest Rate exposure
- **25%** Limit on Variable Interest Rate exposure

Upper and Lower limits are set for different durations to provide a framework for the Council's maturity structure of borrowing, to mitigate the risk of over-exposure to refinancing risks – see page 19 for further details.

Minimum Revenue Provision Policy (MRP)

- Annuity Method
- PFI/Leases can be charged on an annuity method over the life of the asset.
- Option for capital receipts to be used towards repaying debt

<p>Approach</p> <p><i>Choices made within the framework</i></p>	<p>Balanced objectives - The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. In addition, the Council seeks to ensure a minimum level of short-term borrowing is held to maximise the benefit from a hedging arrangement.</p> <p>Strategy the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates anticipated to be lower than long-term rates for much of 2026/27. Mitigation of interest rate risk continues to be an important consideration thus an approach to use a mix of internal resources, short-term loans and PWLB loans under an EIP (equal instalment payment) to remain within the 2026/27 revenue provision for borrowing. EIP loans spread the risk of refinancing across the life of the loan on equal 6 monthly repayments.</p> <p>LOBOs - with interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Authority will take the option to repay LOBO loans to reduce refinancing risk in later years</p> <p>Debt Restructuring - the council will reschedule or restructure debt if it reduces cost or risk, in consultation with our appointed advisors Arlingclose. The council uses a present value calculation (based on current rates) to assess value of debt restructuring options that could result in a discount or premium being receivable / payable. A present value calculation based on current rates for the same period of loan may result in a discount or premium. The council will re-schedule debt if it reduces cost/risk or offers essential revenue saving options that are required to balance the revenue budget position.</p>
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3. Context – economic background and interest rate outlook

Specialist advisers Arlingclose support the Council with borrowing and investment advice. This section summarises Arlingclose's assessment of the economy and interest outlook in the coming months and years. Further detail is set out in Appendix A.

Economic background: The most significant impacts on the Authority's treasury management strategy for 2026/27 are expected to include: the influence of the government's 2025 Autumn Budget, lower short-term interest rates alongside higher medium- and longer-term rates, slower economic growth, together with ongoing uncertainties around the global economy, stock market sentiment, and geopolitical issues. The Bank of England's Monetary Policy Committee (MPC) cut Bank Rate to 3.75% in December 2025, as expected. The vote to cut was 5-4, with the minority instead favouring holding rates at 4.0%. Those members wanting a cut judged that disinflation was established while those preferring to hold Bank Rate argued that inflation risks remained sufficiently material to leave rates untouched at this stage. Figures from the Office for National Statistics showed that the UK economy expanded by 0.1% in the third quarter of the calendar year, this was unrevised from the initial estimate. The final Treasury Management Strategy for 2026/27 taken to full council in February 2026 will include any further updates as appropriate.

Interest Rate Forecast

Interest rate forecast (22nd December 2025): Arlingclose, the Authority's treasury management adviser, currently forecasts that the Bank of England's Monetary Policy Committee will continue to reduce Bank Rate in 2026, reaching around 3.25%. This forecast reflects amendments made following the Autumn Budget and an assessment of the fiscal measures and their market implications, and following the Bank of England Monetary Policy Committee meeting held on 18th December.

Long-term gilt yields, and therefore interest rates payable on long-term borrowing, are expected to remain broadly stable on average, though with continued volatility, and to end the forecast period marginally lower than current levels. Yields are likely to stay higher than in the pre-quantitative tightening era, reflecting ongoing balance sheet reduction and elevated bond issuance. Short-term fluctuations are expected to persist in response to economic data releases and geopolitical developments.

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

4. Context – the Council's Capital Financing Requirements

On 31 December 2025, Plymouth City Council held £757.032m of borrowing and £160.830m of treasury investments (this is set out in further detail at Appendix B). Forecast changes in these sums will be driven by changes to the Council's total capital financing requirement, driven in turn by the Council's capital programme. In line with the Plymouth Plan – a long-term strategy for the City, the Council has a large programme of investment to support economic growth and health and wellbeing in Plymouth. The financial impact of this investment programme is analysed in the tables below.

4.1. Estimates of Capital Expenditure

The Council's planned capital expenditure and financing forecast as at December 2025 is summarised in the table below. The forecast incorporates reprofiling assumptions for current and future years based on a trend analysis using actual information from previous years.

This is how we will fund the investment needed to deliver the Plymouth Plan in each year of the MTFP period

Capital Expenditure and Financing	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	2029/30 Forecast £m
Forecast of in-year Capital Expenditure (General Fund only)	145.510	113.938	49.083	10.406	0.788
Total Expenditure	145.510	113.938	49.083	10.406	0.788
Capital Receipts	10.872	4.163	1.189	1.762	0.266
Grants and Contributions	80.751	58.094	17.209	0.295	0.296
Revenue	2.511	0.015	0.000	0.000	0.000
Borrowing	51.376	51.666	30.685	8.349	0.226
Leasing and PFI	0.000	0.000	0.000	0.000	0.00
Total Financing	145.510	113.938	49.083	10.406	0.788

4.2. Estimates of Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. It is essentially the total amount of capital expenditure that has not yet been financed by grants, capital receipts or revenue contributions. The underlying need to borrow considers the borrowing required to finance historic capital investment as well as new borrowing required to finance forecast investment over the MTFP period. A key point is that this is an **accounting measure** and not the actual amount borrowed.

It reflects the theoretical level of debt needed to fund capital assets.

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

Capital Financing Requirement	31 Mar 25 Actual £m	31 Mar 26 Forecast £m	31 Mar 27 Forecast £m	31 Mar 28 Forecast £m	31 Mar 29 Forecast £m
Forecast CFR (General Fund only)	869.464	900.920	960.562	998.685	1001.807
Total CFR	869.464	900.920	960.562	998.685	1001.807

The Council has an increasing CFR, which is forecast to rise by £100.887m over the next three years through the element of capital programme investment not externally financed by grants, capital receipts and contributions.

4.3. Gross Debt and the Capital Financing Requirement

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

Dedicated Schools Grant (DSG) deficits arise when spending on schools and high-needs provision exceeds the DSG allocation and are revenue in nature which will require the cashflow impact from the deficit to be financed either through financial reserves or additional borrowing. The council is following existing statutory guidance and regulations on DSG deficit accounting, with the statutory override in place until 2027–28; further guidance is expected in early 2026. In the meantime, borrowing forecasts below include provision for the Council's need to borrow to finance the DSG deficit.

The Treasury Management mid-year report presented to Audit & Governance committee on 18 November 2025 highlighted the impact of borrowing to finance the DSG deficit.

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

Debt	31 Mar 25 Actual £m	31 Mar 26 Forecast £m	31 Mar 27 Forecast £m	31 Mar 28 Forecast £m	31 Mar 29 Forecast £m
Borrowing	702.532	798.295	935.714	1053.019	1053.502
Other long-term liabilities (including PFI liabilities & Finance Leases)	99.153	92.828	86.611	80.490	74.369
Total Debt	801.685	891.123	1022.325	1133.509	1127.871

The table below adjusts the borrowing figures above for the impact of the DSG deficit:

DSG Deficit	18.498	54.261	98.475	168.369	159.951
Borrowing excluding DSG Deficit	684.034	744.034	837.239	884.650	885.134

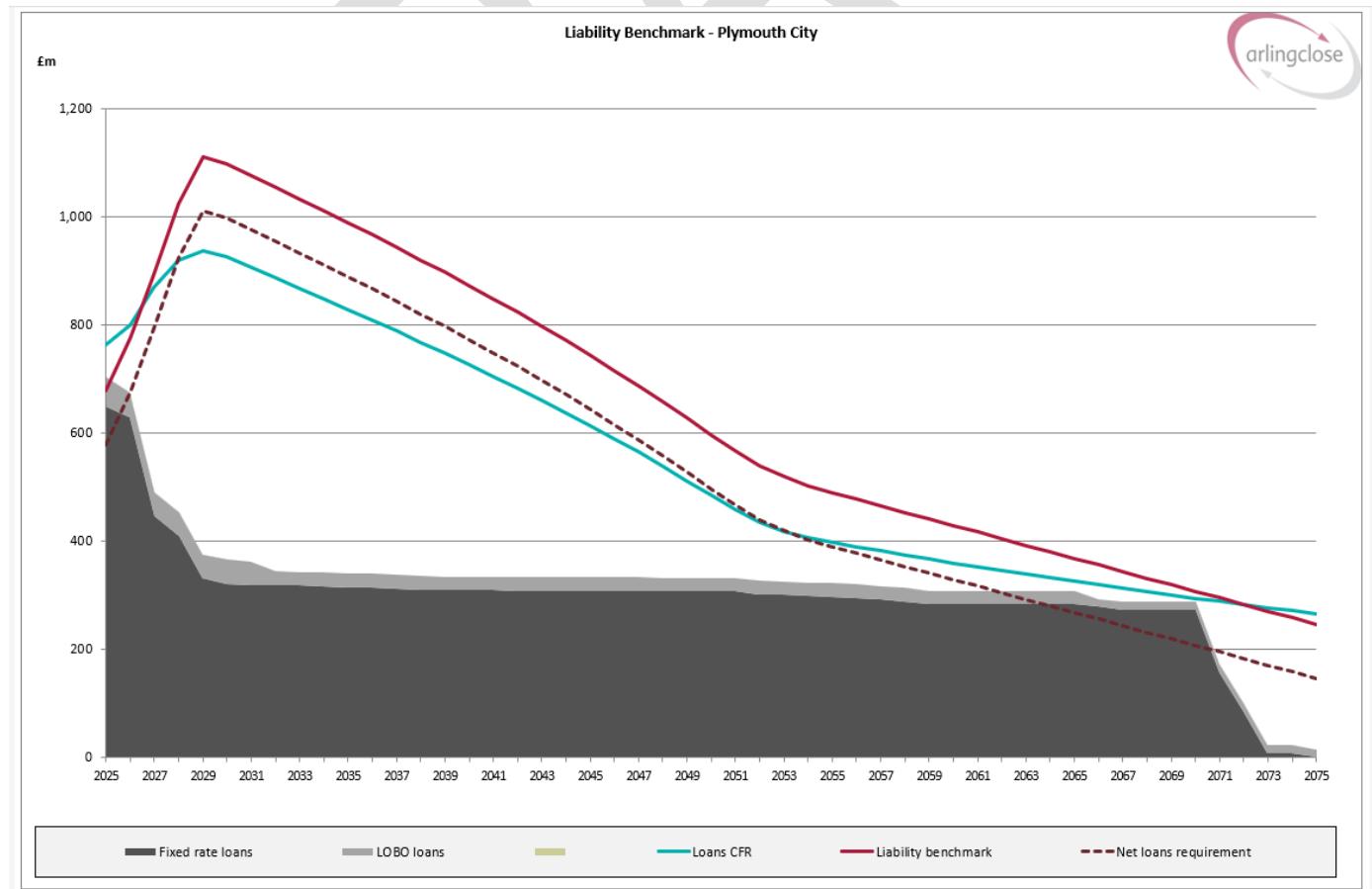
CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. The table above shows that excluding the impact of the DSG deficit borrowing, forecasts will be lower than CFR.

4.4. Liability benchmark

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. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Following on from the medium-term forecasts in the tables above, the long-term liability benchmark assumes approved capital expenditure funded by borrowing across 5-year capital programme of £142.302m, minimum revenue provision on new capital expenditure based on an average 20- or 25-year asset life (as appropriate) and income, expenditure and reserves all increasing by inflation of 2.5% a year. The potential capital pipeline borrowing requirements are not included in the calculations of the liability benchmark shown in the chart below.

The liability benchmark chart demonstrates that the Council is likely to be a long-term borrower. On the basis of approved investment needs, the maturity structure of existing debt remains below the cumulative amount of external borrowing forecast for a long-term period, which will require the council to borrow more funds to meet its borrowing needs over an estimated 20-year period.



SECTION 2: TREASURY MANAGEMENT STRATEGY

5. Borrowing Strategy & Borrowing Limits

As at 31 December 2025, Plymouth City Council held £748.7m of loans, an increase of £46.2m from 1 April 2025, as part of its strategy for funding previous years' capital programmes. Table 4.3 above show that the Council expects to borrow up to £788m by the end of the 2025/26 financial year. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed authorised limits agreed by the City Council, as set out in this report.

5.1. Borrowing strategy

The Council's primary objective when borrowing money is to strike an appropriately low risk balance between securing low interest and fixing borrowing to obtain certainty of costs. The flexibility to renegotiate loans or to reschedule debt should the Council's long-term plans change is a secondary objective.

Given the context of increasing demand for statutory services and a challenging outlook for public finances and local government funding, Plymouth City Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. Short-term interest rates are currently higher than in the recent past but are expected to fall in the coming year and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead. The risks of this approach will be managed by keeping the Council's interest rate exposure within the limit set in the treasury management prudential indicators (set out in section 7 below), and through the use of PWLB Equal Instalment of Principal (EIP) repayment financing products, a strategy which has been recommended by the Council's Treasury Management advisors and approved by the Treasury Management Board.

By doing so, the City Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The Council has taken the opportunity to refinance some of its short-term borrowing with longer-term fixed rate EIP borrowing from PWLB. This has reduced the Council's short-term borrowing and therefore reduced the interest rate risk (risk of interest rates rising).

The Council will continue to review its portfolio of borrowing and may refinance its debt dependant on the market conditions. The benefits of short-term borrowing will continue to be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Short term borrowing may be a cheaper option, but it could leave the Council exposed to refinancing risk, a combination of interest rate risk (the risk that rates will rise) and availability risk (the risk that no-one will lend to the Council). Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Council will reschedule or repay loans where this is expected to lead to an overall cost saving or a reduction in risk to reduce the overall long-term costs of the loan portfolio. The Council will only borrow from approved sources (set out in section 5.3 below). In its budget assumptions for 2026/27, the Council has assumed that new long-term loans will cost an average rate of 4.25%.

5.2. Borrowing Limits: Maximum Total Debt

We are required to set borrowing limits by law. Limits are set at affordable levels, with sufficient scope to fund our forecast capital programme.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Usable reserves and working capital are the underlying resources available for investment, or to finance internal borrowing. The current strategy is not to borrow to the full underlying CFR, and to use working capital and reserves to offset an element of borrowing need.

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

After taking account of the councils known capital pipeline commitments, the Council expects to hold borrowing up to £936m in 2026/27. Including PFI and other long-term liabilities forecast at £87m, total borrowing must not exceed an **authorised limit** set by the Council of £1072m (which includes an allowance for short term cashflow borrowing requirements). Further detail on the authorised limit and other Prudential Indicators is set out in section 6 below.

The council will review the appropriateness and affordability of its capital programme and associated financing requirements and borrowing limits if there is a significant change in the balance of costs and income forecast in the Council's rolling Medium-Term Financial Plan. This Treasury Management Strategy has been developed in conjunction with a Capital Strategy and Medium-Term Financial Plan for the period 2026-29.

5.3. Sources of borrowing

The approved sources of long-term and short-term borrowing are set out in the table below.

These are the lenders we are able to use.

Sources of Borrowing

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

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

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

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

The Council has specific strategic issues to consider for some forms of borrowing, and our strategy for a selection of certain financing options is set out here.

5.3.1. Lender's Option Borrower's Option loans (LOBOs)

The Council holds LOBO agreements, which were entered into under different market conditions. Where appropriate we will replace them with lower cost

The Authority holds £44m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

There have been a further two £5m calls in 2025/26 as more cost effective to repay compared to option of accepting new rates of 6.33% and 6.47% respectively. Opportunities to repay any future LOBO obligations will be considered when it can be demonstrated to be cost effective. A total £20m has been repaid in 2024/25 and 2025/26.

There are no further LOBO call in options during 2025/26, and one £5m LOBO call in on 3 September 2026 currently held at a 4.20%. If the option is exercised then the Authority will consider the option to repay LOBO loans to reduce refinancing risk in later years.

5.3.2. Municipal Bond Agency loans

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

The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any proposal for Plymouth City Council to borrow from the Municipal Bond Agency will be the subject of a separate report to full Council, and would require the agreement of the City Council.

5.3.3. Short-term and Variable Rate loans

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. To address some of the interest rate risk the Council has entered into a rate swap arrangement with Santander PLC which covers the risk on any differential between the Sterling Overnight Index Average (SONIA) and a set interest rate. The twenty-year arrangement was entered into on 1 April 2020 and since July 2022 this has generated a financial benefit to the Council.

Other financial instruments may be used to manage interest rate or other risks in line with the Council's policy on the use of Financial Derivatives (see section 9.1 below).

5.4. Debt Rescheduling

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

The council will re-schedule debt if it reduces cost/risk or offers essential revenue saving options that are required to balance the revenue budget position.

6. Investment strategy and associated policies

6.1. Treasury Management Investment Strategy and Objectives

This section sets out how we invest any surplus funds for cash management, and to manage short term interest rate risks

The Council invests its money for three broad purposes:

- because it has surplus cash from its day-to-day activities, for example when income is received in advance of expenditure, or to mitigate medium term interest rate risks (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- to regenerate areas within the City of Plymouth or immediate surrounding economic area to encourage private investment and to create or retain local jobs (known in Plymouth City Council as '**Property Regeneration Fund**' **investments**).

This section focusses on the first category. Section 10 below focuses on the second and third of these categories and meets the requirements of statutory guidance issued in January 2018.

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds grants received in advance of future expenditure, and levels of reserves in order to manage risk. These activities, plus the timing of borrowing decisions, lead to a cash surplus which will be invested in accordance with the strategy and policies set out in this document. The balance of treasury investments is expected to fluctuate between £20m and £60m during the financial year 2026/27.

The CIPFA Code requires Plymouth City Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the City Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. Plymouth City Council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing, as set out in paragraph 6.2 below.

As demonstrated by the liability benchmark (see section 4.4 above), the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The majority of the cash held by the council for working capital purposes is currently invested in short-term money market funds which offer lower rates but allow for immediate withdrawal.

The Council holds investments in diversified managed funds (defined as 'strategic pooled funds' in table 6.2 below) which offer a higher yielding alternative to short-term money market funds. The CIPFA Code no longer permits local authorities to both borrow and invest long-term for cash flow management, however, decisions to invest in these funds were taken some time ago under a different policy framework. The CIPFA Code does permit long-term investments to be held for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years; to manage inflation risk by investing usable reserves in instruments whose value rises with inflation; and to manage price risk by adding diversification to a strategic pooled fund portfolio. Accordingly, the Council's historic portfolio

of strategic pooled funds will be retained to diversify risk into different sectors and to manage medium term interest rate risk. The Council currently holds £55m across a number of such funds (CCLA Property Fund, CCLA Better World Cautious Fund, Schroder's Income Maximiser and Fidelity Enhanced Income Fund); these funds have no defined maturity date but can be either withdrawn after a notice period or sold on an exchange. Their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly. These investments have out-performed other investment returns through both annual dividends received quarterly in arrears and the fair value of the investment as at 31 December 2025 exceeding the value of the original investment.

In its budget assumptions for 2026/27, the Council has assumed that investments will return at an average interest rate of **3.75%**. This interest rate excludes returns through capital appreciation, where the council is currently in a positive position. However, the council will be reviewing its investments during 2026/27 to ensure that holding funds remains appropriate.

6.2. Environmental, social and governance investment policy

Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

6.3. Treasury Management Investment business models and strategic pooled funds

Under the new IFRS 9 accounting standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost. The Government have recently extended the backstop for forthcoming changes to the accounting treatment for certain strategic pooled fund investments; however, the changes (which will take effect from April 2029) will affect how the Council's pooled fund investments impact on the general fund revenue position. As noted in paragraph 6.1 above, the pooled fund investments will be reviewed ahead of the changes taking effect, and the council's approach to pooled investments may change as a result.

6.4. Security Risk and Counter Party policies

6.4.1. Sector guidance, approved counterparties and investment limits

These are the limits we use for making individual investments.

They are based on advice from Arlingclose.

The Council may invest its surplus funds with any of the counterparty types in table 6.2 below, subject to the limits shown.

Table 6.2: Investment limits	Time Limit	Counterparty Limit	Sector limit
The UK Government	3 years	Unlimited	n/a
Local authorities & other government entities	3 years	£25m	Unlimited
Secured investments *	3 years	£25m	Unlimited
Banks (unsecured) *	13 months	£10m	Unlimited

Table 6.2: Investment limits	Time Limit	Counterparty Limit	Sector limit
Building Societies (unsecured) *	13 months	£5m	£10m
Registered providers (unsecured) *	3 years	£5m	£10m
Money Market Funds *	n/a	£15m	Unlimited
Strategic pooled funds	n/a	£25m	£60m
Loans and investments to unrated corporates	n/a	£5m	£20m
Other investments, unrated investments in equity, quasi-equity, debt or otherwise	n/a	£5m	£20m

* See paragraph 6.2.4.1 below for specific credit risk management procedures applying to these sectors.

When considering investment limits in the table above, the Council's treasury management team will also refer to the credit ratings of the individual organisations to make the final assessment, in consultation with the Council's professional advisors where appropriate. Limits will also be placed on fund managers, investments in brokers' nominee accounts and industry sectors as set out in the further guidance below. The Council does not invest in non-Sterling currencies, though may make sterling investments in banks domiciled outside the UK. The Council's treasury management team will also refer to the detailed sector guidance set out below for specific sectors.

UK Government:

These are sterling-denominated investments with or explicitly guaranteed by the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts. These are deemed to be zero credit risk due to the government's ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Local authorities and other government entities:

These are loans to, and bonds and bills issued or guaranteed by, other national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk.

Secured investments:

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

Investments in banks and building societies (unsecured), including operational bank accounts:

These are investments in accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than AAA- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances should be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Investments in registered providers (unsecured):

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

Money market funds:

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

Strategic pooled funds:

These are bond, equity and property funds, including exchange traded funds, that offer enhanced returns over the longer term but are more volatile in the short term. Strategic pooled funds allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but can be either withdrawn after a notice period or sold on an exchange, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly. As noted in paragraph 6.1 above, the Council currently holds £55m across a number of such funds.

Real estate investment trusts:

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

Other investments:

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

6.4.2. Risk assessment and credit ratings

Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

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

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

6.4.2.1. Sector-specific credit rating policies

Treasury investments in the sectors marked with an asterisk in table 6.2 above will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

6.4.2.2. *Other considerations on the security of investments*

When assessing the security risk of investments, the Council's treasury management team will also consider the following factors:

- For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £10m per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.
- The Council defines "high credit quality" organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of [A-] or higher or if unrated an assessment will be made from the financial information available.
- The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.
- When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security.

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

6.4.3. **Reputational considerations**

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

6.5. **Liquidity Management**

Plymouth City Council uses a purpose-built excel cash flow forecasting tool to determine the maximum periods for which funds may prudently be committed. The forecast is compiled on a prudent basis highlighting when borrowing needs to be secured to minimise the risk of the Council being forced into unplanned borrowing under unfavourable terms to meet its financial commitments. Limits on longer term investments are set with reference to the Council's medium-term financial plan and cashflow forecast.

The City Council will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds), of which at least two will be UK domiciled, to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

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7. Treasury Management and Prudential Indicators

7.1. 2026/27 Prudential Indicators

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

7.1.1. Operational Boundary for External Debt

This indicator provides some flexibility to allow borrowing for day-to-day cashflow requirements.

The operational boundary is based on the Council's estimate of most likely, (i.e. prudent, but not worst case) scenario for external debt. The focus of the operational boundary will be on the Council's external debt shown on the first table below however the tables also include other long-term liabilities (such as PFI and finance lease debt), which for accounting purposes and to comply with the CIPFA code are included in the table below.

Operational Boundary	31 Mar 25 Actual £m	31 Mar 26 Forecast £m	31 Mar 27 Forecast £m	31 Mar 28 Forecast £m	31 Mar 29 Forecast £m
Borrowing	702.532	798.295	935.714	1053.019	1053.502
Other long term liabilities	99.153	92.828	86.611	80.490	74.369
Total liabilities	801.685	891.123	1022.325	1133.509	1127.871

7.1.2. Authorised Limit for External Debt

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

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

Authorised Limit	31 Mar 25 Actual £m	31 Mar 26 Forecast £m	31 Mar 27 Forecast £m	31 Mar 28 Forecast £m	31 Mar 29 Forecast £m
Borrowing	702.532	843.295	980.714	1098.019	1098.502
Other long term liabilities	99.153	97.828	91.611	85.490	79.369
Total liabilities	801.685	941.123	1072.325	1183.509	1177.871

7.1.3. Ratio of Financing Costs to Net Revenue Stream

This measure demonstrates that our proposed borrowing is affordable.

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income. For the 2026/27 Treasury Management Strategy we are setting out two separate indicators. The first indicator uses the statutory definition prescribed by the CIPFA Prudential Code, and is set out in the first table below (noting the impact of the DSG deficit) for the 2024/25, 2025/26, 2026/27 and subsequent two financial years. The second indicator, set out in the second table below, uses a locally-developed definition which aligns with the Council's Capital Strategy policy framework. This is being adopted from 2026/27 onwards, and so is set out for that financial year and the subsequent two years only (again, the impact of the DSG deficit is noted).

Ratio of Financing Costs to Net Revenue Stream (Statutory indicator)	2024/25 Actual	2025/26 Forecast	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Financing costs (£m) incl DSG deficit borrowing costs	43.480	47.822	53.999	62.037	75.098
Proportion of net revenue stream – all financing costs*	18.4%	18.9%	17.0%	18.9%	22.0%
Note: element of financing costs above relating to DSG deficit	<0.5%	0.5%	0.9%	1.5%	4.4%

* Note that the statutory definition for this indicator sets out a requirement that all financing costs are included. The table above therefore includes financing costs for income-generating assets that are funded by income additional to the Net Revenue Budget, DSG Deficit financing costs, and notional financing costs assigned to long term liabilities such as PFI and Finance Leases within the calculation.

Ratio of Financing Costs to Net Revenue Stream (Local indicator)	2024/25 Actual	2025/26 Forecast	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Core financing costs (£m)*			33.339	37.529	40.792
Proportion of net revenue stream – core financing costs			10.5%	11.4%	11.9%
Note: Capital Strategy: Local Policy Framework Upper Threshold			12.5%	12.5%	12.5%
Note: additional financing costs relating to DSG deficit			0.9%	1.5%	4.4%

* Core financing costs are defined in the Council's Capital Strategy. They include all elements of the Council's Capital Financing budget (including Service Borrowing where this has not been utilised to finance income-generating assets), but excludes the costs of financing the DSG deficit, and the costs of financing income-generating assets.

7.1.4. Adoption of the CIPFA Treasury Management Code

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

7.2. Other Treasury Management Indicators

In addition to the statutory Prudential Code indicators set out in section 7.1 above, the Council measures and manages its exposures to treasury management risks using the following non-statutory indicators.

7.2.1. 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. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit rating	A

7.2.2. Liquidity

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

7.2.3. Interest Rate Exposures

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

	2025/26	2026/27	2027/28	2028/29
Upper limit on fixed interest rate exposure	100%	100%	100%	100%
Upper limit on variable interest rate exposure	25%	20%	15%	15%

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

7.2.4. 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 for different time periods will be:

Time period	Upper	Lower
Under 12 months	35%	10%
12 months and within 24 months	25%	5%
24 months and within 5 years	25%	5%
5 years and within 10 years	15%	0%
10 years and above	45%	25%

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.

7.2.5. 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 long-term principal sum invested to final maturities beyond the period end will be:

	2025/26	2026/27	2027/28
Limit on principal invested beyond one year	£10m	£10m	£10m

8. Alternative approaches considered

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

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

9. Other Treasury Management policies and considerations

There are a number of additional items that the Council is obliged by CIPFA and government guidance to include in its Treasury Management Strategy; these and other matters considered appropriate are set out in this section.

9.1. Policy on the use of Financial Derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). Other than the interest rate swap arrangement detailed in section 5.3.3 above, the Council has no further plans to make use of derivative instruments at the present time.

However, the Council does not discount the possible use of these in the future dependent on the existence of appropriate operating conditions, the acquisition and analysis of specialist advice and consultation with appropriate stakeholders. The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

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

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

9.2. Markets in Financial Instruments Directive

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

9.3. Policy on Investment of Money Borrowed in Advance of Need

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

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

9.4. Skills, staff development and professional advice

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 25 years' experience. Within the accountancy and treasury management function, the Council employs staff with professional finance qualifications and supports junior staff to study towards relevant qualifications.

The training and development needs of the Council's treasury management staff are assessed every twelve months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

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

9.5. Treasury Management Practices, Principles and Schedules guidance

A Treasury Management Practices, Principles and Schedules document is reviewed and revised annually, and forms the operational guidance for the Council's Treasury Management function. It is subservient to this

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

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SECTION 3: NON-TREASURY INVESTMENTS & MINIMUM REVENUE PROVISION STATEMENT

10. Non-Treasury Management Investment Strategy

10.1. Introduction and scope

Local Authorities invest money for three broad purposes:

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

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

The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Authority interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Authority’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

10.1.1. Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is largely used to offset the need to borrow for capital investment, or invested to support treasury management activities. The balance of treasury management investments is expected to fluctuate between £40m and £60m during the 2026/27 financial year.

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

Full details of the Council’s policies and its plan for 2026/27 for treasury management investments are covered in Sections 1 and 2 above.

10.1.2. Service Investments

Plymouth City Council supports local public services and economic growth through making loan investments. Further details on these Non-Treasury Management investments are set out in section 10.2 below. The Council does not expect to make any new investments in shares for the purpose of supporting local public services or promoting local economic growth during 2026/27, however section 10.3 below sets out some considerations as a guide for potential shareholder investments that the Council may wish to consider to further its organisational public service objectives.

The Council has interests in a number of companies established as wholly-owned or joint venture vehicles for the delivery of various activities that support Plymouth City Council's objectives; from time to time the Council may establish new Companies or Joint Venture structures for particular purposes. Whilst loans or financial investments in these companies would be considered to fall within the scope of this strategy, non-financial interests (e.g. control exercised through service contracts or board positions, contributions of leasehold or freehold property interests, licences or rights to use assets, or other contributions in kind) are not considered to be Non-Treasury Investments and therefore fall outside of the scope of this document. The Council discloses its interests in companies through its group accounts in accordance with sector accounting guidance; company interests are governed through the specific contractual terms applicable to each individual arrangement and through a wider 'family of companies' governance structure within the Council.

10.1.3. The Property and Regeneration Fund

At Plymouth City Council, no new investments are entered into for the sole purpose of earning investment income – where the Council has surplus funds over and above working capital needs, these are used to offset debt financing requirements through 'internal' borrowing. However, property investments are made to regenerate areas within the City or immediate economic area to encourage private investment and to create or retain jobs – a portfolio of property known at the City Council as the Property and Regeneration Fund (PRF). These investments generate a yield and (for affordability purposes and to manage financial risks), PRF investments are appraised on a commercial basis as well as for regeneration, economic development and place-shaping value. As such, the Property and Regeneration Fund is considered to fall within the scope of this Non-Treasury Investment Strategy, even though the primary purpose of the portfolio is not to earn investment income. Further detail on the Property and Regeneration Fund is set out in section 10.4 below.

10.2. Service Investments - Loans

The Council may lend money to its subsidiaries, its suppliers, local businesses, local charities, registered social housing providers or other organisations to support local public services and / or public service objectives. For example, the Council has given a loan to Plymouth Community Energy to support the construction of the solar energy farm at Ernesettle, which in turn supports the Council's Climate Emergency Strategy objectives.

The vast majority of such loan investments are low value; however, taking a proportionate approach commensurate with the value of any loan the Council will ensure that an appropriate due diligence exercise is undertaken and adequate security is in place. All loans are agreed by the Section 151 Officer and will be subject to close, regular monitoring. Long-term loans are treated as capital expenditure for accounting purposes, where the applicable criteria are met.

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

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

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

- I. reviewing the financial statements of the organisation and reviewing the organisation's business plans and future projections and future cash flows;

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

10.2.1. Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are appraised and risk-assessed through a similar process to service loans.

10.3. Service Investment - shares

The Council may make financial investments through the purchase of shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth. The Council does not currently hold any material shareholding investments, but should an opportunity arise to support Plymouth City Council's objectives through an investment in shareholdings the guidance in this paragraph will apply.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. The individual and absolute level of financial investment made in shareholdings should be considered with regard to this security risk, with limits set with reference to the Council's level of available general reserves. All financial shareholding investments should be agreed by the Section 151 Officer and should be subject to close, regular monitoring.

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

Liquidity: The Council covers its liquidity for working capital and cash flow by holding cash in its Money Market Fund and being able to borrow short term loans from other local authorities. Shares of this type should not be considered to be a suitable investment for managing liquidity risk and should be appraised accordingly, with regard to the Council's liquid Treasury Management investments and cashflow forecast.

10.4. Property and Regeneration Fund

From 1 April 2021 the Council ceased to invest in commercial property where the investment decision was based on a primary objective of generating income. Since this date, the Council has only invested in property where the main purposes of such investment are to regenerate areas of the City, encourage private investment and / or to create or retain local jobs. Some legacy commercial property assets have been retained within a broader portfolio where these assets were purchased prior to April 2021, and where best value would not have been obtained by a disposal of the asset in the period following April 2021. These legacy commercial property assets are kept under review as a potential source of capital financing.

Over time, a portfolio of property investments has developed, known within the City Council as the Property and Regeneration Fund. This portfolio provides a modest return to the council which can help to support local public services. However, the primary objective of the portfolio is to support place-shaping and economic development objectives. The table below sets out the net yield achieved in the last full financial year, and forecast for future years. The Council uses an internal mechanism (known internally as 'Service Borrowing') to recover repayment and financing costs (including a provision for MRP) from the gross income; provision is also made for contributions to reserves held to mitigate the risk of voids and to provide a fund for capital investment. In this way, Property and Regeneration Fund assets are funded by rental income - borrowing is not directly taken out against each property but is managed through our Treasury Management function. The net income set out in the table below is the sum after these deductions.

	2024/25 actual £m	2025/26 forecast £m	2026/27 budget £m	2027/28 budget £m	2028/29 budget £m
Total net income from service & commercial investments income excl financing costs	(11.281)	(12.443)	(12.477)	(12.609)	(13.287)
Proportion of net revenue stream	4.77%	4.92%	3.92%	3.83%	3.77%

10.4.1. Security

In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its development / acquisition cost including taxes and transaction costs. A fair value assessment of the Council's Property and Regeneration property portfolio is undertaken regularly. Adverse market conditions have impacted on the valuation of non-residential property, with a downturn in the market driven by higher interest rates, post-COVID social trends and broader economic circumstances. The Council's Property and Regeneration portfolio is held to provide long-term financial and non-financial benefits for the City Council and the wider community and as such, the Council anticipates that it will continue to hold assets where fair value has reduced below development / acquisition costs until market conditions recover and valuations improve. The Council mitigates against longer term impairments to this portfolio by setting aside funds for future capital investment, and regular reviews of lease agreements.

The Council assesses the risk of loss before entering into and whilst holding property investments by carrying out the evaluation process described in paragraph 10.4.4 below.

10.4.2. Liquidity

Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. As noted above, national market factors for the commercial property sector may mean that the Council would not recover its investment value of property investment is sold during a downturn period. Accordingly, the council considers the Property Regeneration Fund to be a long-term investment and makes alternative arrangements to cover its short and medium-term cash requirements. Because borrowing for Property and Regeneration Fund assets is financed through the income generated by the asset (through the council's internal Service Borrowing mechanism), the first call on any proceeds of sale would be to repay any outstanding service borrowing due, rather than to provide working capital.

10.4.3. Proportionality – reliance on net revenue

The Council uses the surplus generated by Property Regeneration Fund to provide services for the city and to achieve a balanced revenue budget. The table below shows the extent to which the Council's revenue budget is dependent on achieving the expected net profit from investments over 2026/27 financial year. It shows that the Council is not over-reliant on this income stream in the context of its overall resources.

	2026/27 Forecast
Net total revenue resources (estimate)	£318.075m
Net Investment income excl financing costs	£12.477m
Proportion	3.92%

10.4.4. Investment Evaluation Process for the Property and Regeneration Fund

Prior to any acquisition or development of a Property and Regeneration fund asset, the Council conducts a due diligence and appraisal evaluation processes, following the steps set out below:

1. Proposed development opportunities are reviewed by the Council's Land and Property team (in consultation with officers from the Economic Development team) in areas of the City which require redevelopment or regeneration of brown and green field sites or areas where the Council want to stimulate inward private investment and to create or retain local jobs. A report on development opportunities is prepared by suitably qualified and experienced in-house MRICS (Member of the Royal Institute of Chartered Surveyors) professionals.
2. Prospective developments are evaluated against a set of key criteria. An assessment is produced, highlighting matters such as tenant covenant strength, lease length and location, and economic development value in a transparent and consistent format, to support clear scrutiny and decisions.
3. The assessment provides a basis for scoring and weighting risk and benefits, to support the analysis of potential development / acquisition and qualify overall suitability for inclusion in the portfolio. The score is not an absolute threshold but helps to guide decisions.
4. To ensure arms-length objectivity, external agents provide professional market analysis, data and advice to support the evaluation and internal reporting process.
5. Since tenant default is a significant threat to the performance of the property investment financial checks are made on any proposed tenants. This is augmented by additional internal assessment of tenants' covenant and likely future performance.
6. With all the additional information a detailed model is produced. The model is tailored for each prospective development, by including items such as future demand, yield, cash flows; rental movement, optimal holding periods for the property and data to support the regeneration and job creation to cover the cost modelling. Provision is made within financial modelling for capital investment and an allowance for voids.
7. If a decision is made to proceed, in-house surveyors lead negotiations, via the introducing/retained external agents, who are professional property firms. At this stage, two key activities are commissioned
 - A valuation, in accordance with the RICS Red Book, Professional Valuation Standards, is produced to inform potential acquisition cost. This valuation is used as a baseline for fair value assessments.
 - A Building Survey report is produced, as part of the proposed development, including preparation of a Site Environmental Assessment and preparation of a Reinstatement Cost Assessment for insurance purposes.

8. The above is reviewed by the Asset Portfolio Manager as an experienced in-house MRICS (Member of the Royal Institute of Chartered Surveyors) professional, with support from the internal multi-disciplinary property teams, for final decision by the Head of Land and Property on whether to proceed. Acquisitions are subject to the governance process set out in section 10.4.5 below as well as the Council's standard internal control framework.
9. The Head of Land and Property Projects receives regular updates on market activity, trends, forecasts and occupier activity from RICS firms and in-house surveyors to support the decision process.

10.4.5. Property and Regeneration Fund Governance

Clear, robust and transparent governance is critical to making sound decisions (with an appropriate level of due diligence and scrutiny) and meeting statutory guidance. It is also important to ensure any decision process retains fluidity, so officers are empowered to respond promptly to changes in the market. For example, if there is a commercial company failure in the city the Council would need to be able to respond quickly to help retain local jobs and look for alternative purchasers.

The Council's power to acquire or dispose of land is vested, under delegation, in the Head of Land and Property and where the land is purchased through the Property and Regeneration Fund a proposal is presented to the Officers and Members with a recommendation for authorisation as required by Leader, Legal and the Section 151 Officer. The Property and Regeneration Fund is governed by an internal joint officer and member board, which regularly reviews the performance of the portfolio.

10.4.6. Skills, staff development and professional advice

The Council employs professionally qualified and experienced staff in senior positions with responsibility for valuations, acquisitions and disposals and investment appraisals relating to the Property Regeneration Fund. Within the council's land and property function, the Council employs staff with professional surveying qualifications; the Head of Land and Property is a RICS chartered surveyor. The development needs of staff in the Land and Property function are assessed every twelve months as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses and other professional development opportunities.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Head of Land and Property and the land and property team receive regular updates on market activity, trends, forecasts and occupier activity from RICS firms, as well as knowledge from in-house surveyors, all of which is used to support decisions relating to the portfolio.

II. Annual Minimum Revenue Provision Statement 2026/27

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in April 2024.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is aligned with that over which the capital expenditure provides benefits. The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and provides a number of options for calculating a prudent amount of MRP, but does not preclude the use of other appropriate methods. Plymouth City Council's Minimum Revenue Position statement is set out in this section, and complies with the most recent (April 2024) guidance.

II.I. Minimum Revenue Position Policy

MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Authority's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Expenditure in Local Authorities*, 2021 edition. Plymouth City Council adopts the following approach in calculating MRP:

- The MRP payment is funded from revenue with an option that part or all of the payment could be funded from capital receipts to repay debt. MRP will commence in the financial year following the asset coming into use or after purchase.
- For capital expenditure incurred before 1st April 2008, and for supported capital expenditure incurred on or before that date, MRP will be charged on an annuity basis over 50 years, incorporating an "Adjustment A" calculated in accordance with the guidance.
- For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset as the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the year of expenditure, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation (including the council's Capitalisation Direction) or direction will be charged over 20 years.
- For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value any repayments of loan principal received during in the year, with the capital receipts so arising applied to finance the expenditure instead.
- For capital expenditure on loans to third parties which were made primarily for service purposes, the Authority will make nil MRP except as detailed below for expected credit losses. Instead, the Authority will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.
- For capital loans made on or after 7th May 2024 where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Where expected

credit losses are reversed, for example on the eventual repayment of the loan, this will be treated as an overpayment.

- For capital loans made before 7th May 2024 and for loans where expected credit losses are not applicable, where a shortfall in capital receipts is anticipated, MRP will be charged to cover that shortfall over the remaining life of the assets funded by the loan.

11.2. Capital receipts

Proceeds from the sale of capital assets are classed as capital receipts, and are typically used to finance new capital expenditure. Where the Authority decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.
- Capital receipts arising on the repayment of principal on finance lease receivables will be used to lower the MRP charge in respect of the acquisition of the asset subject to the lease in the year of receipt, if any.
- Capital receipts arising from other assets which form an identified part of the Authority's MRP calculations will be used to reduce the MRP charge in respect of the same assets over their remaining useful lives, starting in the year after the receipt is applied.
- Any other capital receipts applied to repay debt will be used to reduce MRP in 10 equal instalments starting in the year after receipt is applied.

The capital receipt proceeds of sale from legacy investment properties, assets held within the Property and Regeneration Fund, and other applicable assets will be used to repay the outstanding Service Borrowing finance for that property before any balance of capital receipts is available for repay debt or to finance other capital projects.

Appendix A - Arlingclose Economic and Interest Rate Forecast December 2025

Underlying assumptions:

- The Bank of England duly delivered on expectations for a December rate cut, but, despite softer economic data over the past two weeks, the minutes highlighted increased caution surrounding both the inflation outlook and the speed of future easing. With a close vote of 5-4 in favour of a rate reduction, this suggests that the bar for further monetary easing may be higher than previously thought despite the possibility of the CPI rate falling to target in 2026.
- Budget policies and base effects will mechanically reduce the CPI rate in 2026, on top of the downward pressure arising from soft economic growth and the looser labour market. However, many policymakers appear concerned that household and business inflation and pricing expectations are proving sticky following recent bouts of high price and wage growth, which may allow underlying inflationary pressure to remain elevated. While, the Bank's measure of household expectations ticked lower in December, it remains above levels consistent with the 2% target at 3.5%.
- While policymakers hold valid concerns, these appear somewhat out of line with current conditions; CPI inflation fell to 3.2% in November, private sector wage growth continued to ease amid the highest unemployment rate since the pandemic, and the economy contracted in October after barely growing in Q3. Business surveys pointed to marginally stronger activity and pricing intentions in December but also suggested that the pre-Budget malaise was not temporary. These data are the latest in a trend suggesting challenging economic conditions are feeding into price and wage setting.
- Risks to the growth and inflation outlook lie to the downside, which may ultimately deliver lower Bank Rate than our central case. However, the minutes suggest that the bar to further rate cuts beyond 3.25% is higher and the near-term upside risks to our Bank Rate forecast have increased. Having said that, we believe inflation expectations will naturally decline alongside headline inflation rates.
- Investors appear to have given the UK government some breathing space following the Budget, with long-term yields continuing to trade at slightly lower levels than in late summer/early autumn. Even so, sustained heavy borrowing across advanced economies, the DMO's move towards issuing more short-dated gilts and lingering doubts about the government's fiscal plans will keep short to medium yields above the levels implied by interest rate expectations alone.

Forecast:

- In line with Arlingclose's long-held forecast, Bank Rate was cut to 3.75% in December.
- Continuing disinflation, rising unemployment, softening wage growth and low confidence suggests that monetary policy will continue to be loosened.
- Arlingclose expects Bank Rate to be cut to 3.25% by middle of 2026. However, near-term upside risks to the forecast have increased.
- Medium and long-term gilt yields continue to incorporate premia for UK government credibility, global uncertainty and significant issuance. These issues may not be resolved quickly and we expect yields to remain higher

	Current	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28
Official Bank Rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.75	3.50	3.25										
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
3-month money market rate													
Upside risk	0.00	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central Case	3.82	3.55	3.30	3.35	3.35	3.35	3.35						
Downside risk	0.00	0.00	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	3.96	3.85	3.80	3.75	3.75	3.75	3.75	3.75	3.75	3.80	3.80	3.80	3.80
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
10yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.52	4.40	4.35	4.30	4.30	4.30	4.30	4.30	4.30	4.35	4.35	4.35	4.35
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
20yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	5.16	5.00	4.95	4.90	4.90	4.90	4.90	4.90	4.90	4.95	4.95	4.95	4.95
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85
50yr gilt yield													
Upside risk	0.00	0.40	0.45	0.50	0.55	0.60	0.65	0.70	0.70	0.70	0.70	0.70	0.70
Central Case	4.74	4.65	4.60	4.65	4.65	4.65	4.65						
Downside risk	0.00	-0.50	-0.60	-0.70	-0.80	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85

PWLB Standard Rate = Gilt yield + 1.00%

PWLB Certainty Rate = Gilt yield + 0.80%

PWLB HRA Rate = Gilt yield + 0.40%

National Wealth Fund (NWF) Rate = Gilt yield + 0.40%

Appendix B - Existing Investment and Debt Portfolio Position

	31 Dec 2025 Actual Portfolio £m	31 Dec 2025 Average Rate %
PWLB – Fixed Rate	561.7	3.40
Short-term borrowing	125.0	4.35
LOBO Loans	44.0	4.50
Long Term Borrowing	18.0	4.43
Total borrowing	748.7	3.65
Short-term Money Market funds	52.3	3.89
Other Pooled Funds	53.9	5.21
Cash and cash equivalents	0.5	1.25
Total investments	106.7	4.52
Net borrowing	642.0	

Appendix C – Provisional Treasury Management Budget 2026/27

Position at 31 December 2025	2025/26 Budget	2025/26 Latest Forecast	Forecast variance	2026/27 Provisional Budget
	£m	£m	£m	£m
LOBO and other long term loans	3.128	2.803	(0.325)	2.769
PWLB (Public Works Loan Board)	20.136	19.750	(0.386)	22.876
Temporary loans	0.923	2.383	1.460	2.750
Other Interest and charges	0.812	0.700	(0.112)	0.250
Collateral Interest	1.324	1.249	(0.075)	1.260
Recharge to Departments for Unsupported Borrowing	(19.581)	(19.508)	0.073	(19.963)
Total Interest Payable	6.742	7.377	0.635	9.942
Pool Funds	(2.611)	(2.817)	(0.206)	(2.750)
Money Market Fund	(1.500)	(2.624)	(1.124)	(2.250)
Other Interest	(0.431)	(0.416)	0.015	(0.774)
Total Interest Receivable	(4.542)	(5.857)	(1.315)	(5.774)
Other Payments/Bank Charges	0.552	0.634	0.082	0.164
Debt Management	0.160	0.160	0.00	0.160
Amortised Premiums	0.544	0.544	0.00	0.544
Total Other Charges	1.256	1.338	0.082	0.868
Minimum Revenue Provision	20.504	17.010	(3.494)	22.514
TOTAL	23.960	19.868	(4.092)	27.550

Treasury Management Strategy 2026/27

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AUDIT AND GOVERNANCE COMMITTEE: DRAFT CAPITAL STRATEGY 2026/27



I. INTRODUCTION AND CONTEXT

This draft Capital Strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services, alongside an overview of how associated risk is managed and the implications for future financial sustainability. The statutory 2018 Treasury Management Code of Practice Guidance requires that all Local Authorities produce a Capital Strategy each year.

Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report. This year's Capital Strategy report has been developed following a review of the capital programme, and a consideration of the affordability of ongoing capital investment. The local policy framework described in section 7 below sets out overarching principles for the Council's capital programme and planning in order to ensure the capital programme remains affordable.

The Capital Strategy forms part of a suite of strategies which provide a holistic view of the Council's financial planning framework. This document should be considered in conjunction with the Medium-Term Financial Strategy and the Treasury Management Strategy.

2. CAPITAL EXPENDITURE, SOURCES OF FINANCING AND THE CAPITAL PLAN

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

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

- Capital Receipts.
- Grants and contributions.
- S106 and Community Infrastructure Levy (CIL).
- Revenue Contribution to Capital Outlay (RCCO).
- Borrowing – both funded corporately ('Corporate Borrowing'), or where schemes deliver a saving or income, funded directly by a service using income or budget savings (known as 'Service Borrowing').

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

The Capital Programme (described in section 3 below) is the list of schemes which have a confirmed funding source and have been approved for capital investment by the Leader following consideration of a robust, evidence-based business case.

The Capital Pipeline (described in section 4 below) is the term used to refer to identified need or strategic ambition for future investment, utilising funding that the Council hopes to receive in the future

but which has not yet been approved; or potential future borrowing. Only more significant, strategic items are identified as part of the Capital Pipeline, which is used primarily to assess the affordability of the overall Capital Programme in the context of future demand, and to inform the Council's Medium Term Financial Forecast. It is a high-level projection for planning purposes, and will change and develop over time. Inclusion of a scheme or programme within the Capital Pipeline does not mean the scheme or programme is approved – the governance process set out in section 8 below will apply to all schemes before they are approved onto the Capital Programme, whether or not schemes are previously included in the Capital Pipeline.

3. CAPITAL PROGRAMME

The City Council's capital programme continues to drive high levels of investment into the City, with a broad range of projects in delivery or about to start, including:

- Investment in City Centre regeneration (for example, Armada Way, the Guildhall project, the Civic centre).
- Investment in additional capacity for social care and SEND services (for example, the acquisition of new Homes for Plymouth Looked After Children, the Meadow View project, the expansion of capacity for SEND education).
- Investment in major transport, infrastructure and flood prevention schemes (the Manadon and Woolwell to the George major road schemes, the Royal Parade project).
- Investment to address the condition of the City Council's asset base (our FM, Foreshore and Highways Maintenance programmes).
- Investment to support the economic growth of the City (e.g. the Embankment Road scheme within the Property Regeneration Fund, the Freeport programme).
- Investment in leisure and recreation facilities and to address the climate emergency (e.g. the National Marine Park programme, the Plymouth & Southwest Devon Community Forest, investment in parks and play equipment, the city centre heat network and building decarbonisation projects).

The current capital programme builds on a period of transformational investment by the City Council in recent years. The City Centre regeneration, leisure and recreation and major transport investments described above build on previous investments such as Old Town / New George Street, the Forder Valley Link Road and the redevelopment of the former Brickfields site (now Foulson Park). Earlier investments to create the Box and the Life Centre have provided Plymouth with world-class heritage, culture and sports facilities; more recently the investment in the Park Crematorium will provide modern, best-in-class facilities to support bereaved families. Ongoing investment in economic growth at our Freeport sites builds on developments already delivering employment opportunities at Derriford District Centre, Oceansgate and many other sites operated through the Council's Property Regeneration Fund portfolio.

Following these recent investments, and with the current programme drawing to a close, the need for ongoing investment beyond the current programme is envisaged to level off. The planning horizon for this Capital Strategy envisages that our investment to date has provided a platform where the City Council will take an enabling leadership role, rather than a direct development role. Future transformational regeneration and economic development investment (such as the New Towns programme and Defence Growth Deal) will be progressed through partnerships. Whilst we anticipate an ongoing, dynamic and ambitious investment programme will continue across the city, the scale of City Council borrowing required is anticipated to reduce and refocus on core, smaller-scale infrastructure such as the Council's highways network, foreshore and other key assets.

Table 1 below sets out a summary of the 5-year Capital Programme as at 31st December 2025, summarised by funding source in Figure 1. Appendix I provides more detail of the component schemes and sub-programmes.

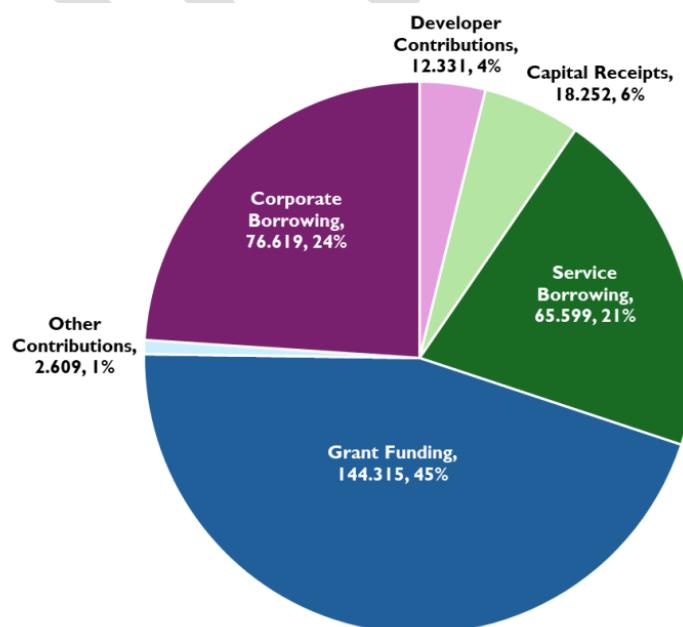
Table 1. Five Year Capital Programme by Directorate:

Directorate	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	Total
	£m	£m	£m	£m	£m	£m
Children's Services	3.719	0.935	0.410	-	-	5.064
Adults, Health and Communities	15.421	9.968	1.904	-	-	27.293
Growth - Economic Development	38.067	32.403	34.920	8.160	0.266	113.816
Growth - Strategic Planning & Infrastructure	62.362	59.639	11.527	1.933	0.275	135.736
Growth - Street Services	20.295	8.551	0.222	0.212	0.247	29.527
Customer & Corporate Services	5.168	2.442	0.100	0.101	-	7.811
Office for Director of Public Health	0.478	-	-	-	-	0.478
Total	145.510	113.938	49.083	10.406	0.788	319.725

Financed by:

Capital Receipts	10.872	4.163	1.189	1.762	0.266	18.252
Grant Funding	79.616	47.935	16.275	0.193	0.296	144.315
Corporate Funded borrowing	35.110	19.032	17.374	5.187	-	76.703
Service dept. supported borrowing	16.266	32.634	13.311	3.162	0.226	65.599
Developer contributions	1.135	10.159	0.934	0.102	-	12.330
Other Contributions	2.511	0.015	-	-	-	2.526
Total Financing	145.510	113.938	49.083	10.406	0.788	319.725

Figure 1: Funding of the 2025-2030 Capital Programme:



The Capital Programme Review

The Capital Programme is regularly reviewed through the council's ongoing budget monitoring process. However, following recommendations by external auditors, the Finance team have worked with project officers, Service Directors and the council's political and officer leadership to undertake a more extensive review of the capital programme. This has resulted in £86.0m of project expenditure (£46.3m of which is financed by borrowing) being re-profiled from the 2025/26 capital budget into future years, together with an additional £82.3m removed from the 5-year programme altogether (£71.4m of which was financed by borrowing). Table 2 below shows the net impact of this review work in the first two years of the 5-year programme, after the offsetting impact of new schemes approved during the year has been taken into account. It shows a 'flattening' of the original programme, achieved through a detailed re-profiling and re-forecasting exercise, as well as a considerable overall net reduction in borrowing compared to the original position. The budgeted pressure for debt financing in 2026/27 has reduced significantly as a result of this work.

Table 2: Capital Programme Review - overall movement in capital programme forecast for 2025-2027 period

	2025/26		2026/27	
	Total (£m)	Of which financed by borrowing (£m)	Total (£m)	Of which financed by borrowing (£m)
Original capital programme (April 2025):	195.2	92.6	73.9	67.2
Less: expenditure re-profiled into future years (net)	(86.0)	(46.3)	52.3	18.1
Less: approvals removed from programme	(1.6)	(1.0)	(41.6)	(38.6)
Less: funding switched / reprofiled between borrowing and other funding sources	0.0	(1.6)	0.0	0.0
Plus: total new approvals	37.9	7.7	29.3	5.0
Current capital programme (December 2025)	145.5	51.4	113.9	51.7

4. CAPITAL PIPELINE

The Capital Pipeline is an important tool for financial and strategic planning, but (as noted in section 2 above) inclusion of an item on the Capital Pipeline does not mean that it will be approved for funding through the Capital Programme. It is a high-level document for planning purposes and will change over time as more detailed plans and programmes are developed, and in response to emerging strategic opportunities and objectives. The Capital Pipeline focuses on areas that require more significant elements of council borrowing – wholly grant funded projects and programmes are generally excluded from the pipeline, as these schemes do not place any direct burden on the council's capital financing budget. Table 3 overleaf sets out the summary Capital Pipeline that has been used to inform the capital planning assumptions set out elsewhere in this document

Table 3: Summary Capital Pipeline

Capital Pipeline	Estimated cost (£m)				
	2026-27 possible pipeline	2027-28 possible pipeline	2028-29 possible pipeline	2029-30 possible pipeline	2030-31 or future years possible pipeline
Children's Services - Residential Homes	1.00	0.50	-	-	-
Children's Services – SEND provision	8.00	14.00	8.00	-	-
Public Health - Leisure facilities	2.50	0.70	-	0.10	-
ICT infrastructure	-	0.50	0.50	0.50	0.50
Energy Efficiency Invest to Save	1.00	1.00	1.00	-	-
Asset Mgt. & Foreshore programme	3.25	3.50	2.50	2.50	2.50
Foreshore contingency	0.50	0.50	0.50	0.50	-
Vehicle, Plant and Equipment	1.00	1.00	1.00	1.00	1.00
Highways & Transport Asset Management programme	14.30	16.60	14.60	15.20	15.00
City Regeneration (allowance estimate)	4.00	6.00	6.20	-	-
Major Transport Schemes (pipeline)	-	-	-	-	11.80
Play Strategy, Parks and Public Realm investment	4.00	4.00	2.00	2.00	2.00
Year 1 contingency (6.5% of total Capital Plan)	11.00	-	-	-	-
TOTAL CAPITAL PIPELINE	50.55	48.30	36.30	21.80	32.80
Financed by:					
Grants and other External Funding	13.10	13.70	10.30	12.40	16.80
Corporate Funded Borrowing	33.75	25.50	25.00	8.40	15.00
Service Department Supported Borrowing	3.70	9.10	1.00	1.00	1.00
TOTAL FINANCING	50.55	48.30	36.30	21.80	32.80

5. THE DEDICATED SCHOOLS GRANT (DSG) DEFICIT

Plymouth faces significant pressures in SEND provision, consistent with national trends. Nationally, Education, Health and Care Plans (EHCPs) have increased by 140% over the past decade (from 240,183 in 2015 to 575,973 in 2023/24), and councils are forecast to carry a £5 billion SEND deficit by March 2026. Locally, Plymouth's special schools and academies are at capacity, driving reliance on costly out-of-area placements. The Council awaits the SEND White Paper (expected early in 2026), which should set out long-term reforms focused on improving outcomes rather than reducing support or altering entitlements without robust alternatives. In the meantime, councils can exclude DSG deficits from balance sheets under a statutory override extended to March 2028, providing short-term flexibility while awaiting reform.

Because of the ongoing extension of the DSG High Needs block statutory override, the Council's DSG deficit will continue to accumulate in a reserve on the Council's balance sheet, which is forecast to stand at £54.261m by the end of the 2025/26 financial year (an increase of £35.250m on the previous financial year's closing position of £18.498m). In line with national trends, this level of deficit is now

having a material impact on the council's cash balances, and therefore the Council's underlying need to borrow. For the first time, the council's Capital Strategy must consider the need to finance this growing working capital shortfall.

In Budget 2025, Central Government stated that: "*Future funding implications will be managed within the overall government DEL envelope, such that the government would not expect local authorities to need to fund future special educational needs costs from general funds once the statutory override ends at the end of 2027-28. The government will set out further details on its plans to support local authorities with historic and accruing deficits and conditions for accessing such support through the upcoming Local Government Finance Settlement.*" At the provisional settlement, it was reiterated that: "*We will provide further detail on our plans to support local authorities with historic and accruing deficits and conditions for accessing such support later in the Settlement process.*" Our Capital Strategy therefore assumes that from 1st April 2028 the council's DSG High Needs Block deficit is anticipated to move 'on balance sheet' to some extent. This could have a significant impact on the council's capital financing costs – the impact will depend on the level of government support, details of which will be incorporated into the Capital Strategy when known.

In line with the November budget announcement, we are assuming that DSG deficits will be fully funded by central government from April 2028 onwards (and so will cease to increase from that point). However, this Draft Capital Strategy assumes a worst-case scenario whereby the City Council becomes responsible for repayment of all of its DSG deficit from the 2028/29 financial year onwards. The table below shows what the estimated cost of financing the City Council's DSG deficit would be in future years, in a scenario where we receive no financial support from Central Government.

Table 4: Estimated borrowing to fund Dedicated Schools Block cumulative deficit

	2025/26 forecast (£m)	2026/27 forecast (£m)	2027/28 forecast (£m)	2028/29 forecast (£m)	2029/30 forecast (£m)
DSG Deficit Borrowing Requirement (as at year end)	54.261	98.475	168.369	159.951	151.532
Forecast financing costs – interest	0.536	2.932	4.936	6.598	6.251
Forecast financing costs – MRP (assumes worst case scenario of no government support)	0	0	0	8.418	8.418

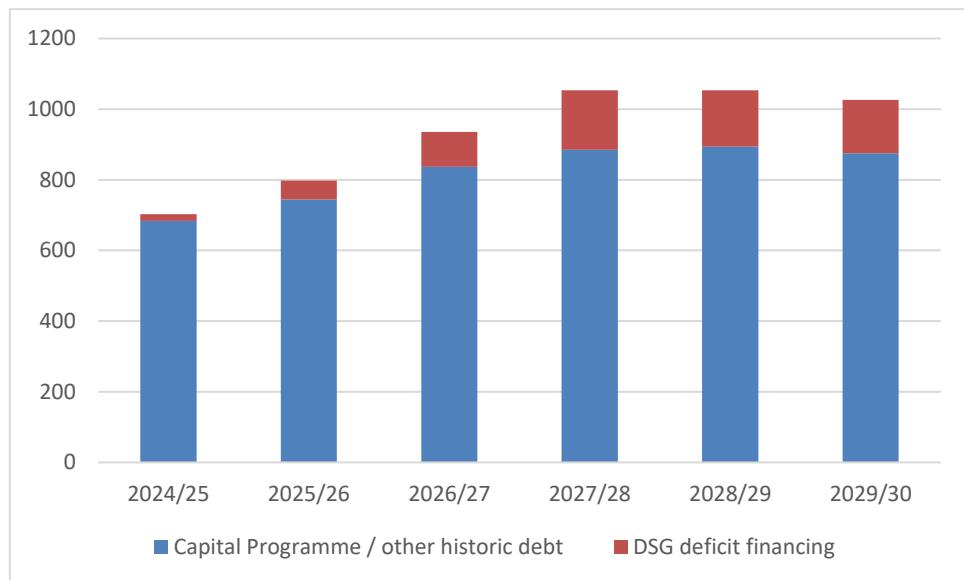
The estimates in table 4 below could change significantly with further Government announcements.

6. CAPITAL FINANCING AND THE MINIMUM REVENUE PROVISION

Plymouth City Council has been highly effective at leveraging in external funding to finance investment. From 2015 to 2025, over 40% of the council's capital investment was funded from external sources. As illustrated in Figure 1 above, going forward c. 50% of the current 5-year programme to 2030 is funded externally. In order to leverage in this funding, and directly to invest in income-generating assets, the Council has largely borrowed to finance the remainder of its capital programme (although Capital Receipts form a small but important component of financing, both historically and in the current programme).

As a result of historic borrowing, Plymouth City Council's debt – excluding PFI and lease liabilities – stood at £702.532m as at 31st March 2025. Figure 2 below shows how this debt is forecast to grow over the life of the current 5-year investment programme, based on the approved Capital Programme set out in section 3 above, the estimated Capital Pipeline set out in section 4, and the forecast cumulative DSG deficit set out in section 5. Whilst the total debt figures are significant, they should be seen in the context of the Council's total asset base, which (at the close of the 2024/25 financial year) stood at a book value of over £1.5bn.

Figure 2: Forecast debt (excluding PFI and lease liabilities) – total value of loans (£m).



The figure shows that, after factoring in the City Council's Capital Plan (both the current Capital Programme and the estimated Capital Pipeline), the level of borrowing is forecast to peak in 2028/29, before starting to reduce. This profile reflects the continuation, following a major review of the Capital Programme, of an ongoing dynamic and ambitious investment programme described in section 4 above. It also provides for an increasing focus on asset management following a period where much of the strategic need for public investment in the City has been addressed. A levelling-off, and then reduction in the council's level of capital financing debt will also support the Council's overall financial position, whilst still leaving scope for critical asset management programmes, and more modest levels of investment to support strategic priorities and ongoing major projects. The borrowing required to finance the DSG working capital position (shown in the red portion of the bar) is far more uncertain; these estimates will be affected by the forthcoming SEND White Paper and detail of the support for Local Authority SEND deficits heralded in the recent Provisional Local Government Finance Settlement.

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue through the minimum revenue provision (MRP) and loans fund repayments. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and loan repayments are set out in Table 5 overleaf; these are accounted for within the debt profile set out in Figure 2 above.

Table 5: Replacement of prior years' capital debt finance (£m)

	2025/26 forecast	2026/27 forecast	2027/28 forecast	2028/29 forecast	2029/30 forecast
Minimum revenue provision (MRP)	17.010	22.514	24.308	25.433	25.818
Loans fund repayments	0.546	0.549	0.555	0.563	0.600
TOTAL	17.556	23.063	24.863	25.996	26.418

Note: Table 5 above excludes potential MRP for DSG deficit financing from 2028/29 as this is unknown)

When a capital asset is no longer needed, it may be sold so that the proceeds (known as capital receipts), can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts “flexibly” on service transformation projects up until and including 2029/30. Repayments of capital grants, loans and investments also generate capital receipts. The Authority plans to receive £12.891m of capital receipts in the coming financial year as set out in Table 6 below:

Table 6: Capital receipts receivable (£m)

	2025/26 forecast	2026/27 forecast	2027/28 forecast	2028/29 forecast	2029/30 forecast
Asset sales	9.804	0.492	0.000	0.450	0.000
Loans repaid and other receipts	3.087	1.341	1.117	1.162	1.196
TOTAL	12.891	1.832	1.117	1.612	1.196

The Authority's full minimum revenue provision statement is set out within the Treasury Management Strategy [[link to be inserted in final document](#)].

7. AFFORDABILITY – A CAPITAL STRATEGY POLICY FRAMEWORK

The CIPFA Prudential Code requires all councils to demonstrate that borrowing is affordable, prudent and sustainable. To achieve this objective, this section sets out a policy framework that the City Council will be asked to agree at its budget setting meeting in February 2026. The policy framework will be reviewed each year as part of setting the annual Capital Strategy.

As set out in section 6 above, whilst a significant proportion of the council's Capital Programme investment is funded by external grant, it could not have happened without Plymouth City Council being prepared to borrow to drive the growth and development of the City. Following the recent Capital Review, and the development of a full Capital Pipeline, Figure 2 above shows that debt is forecast to peak and then start to fall over the medium-term financial planning period. This will support the long-term affordability of the ambitious investment the City Council has undertaken in recent years. A large proportion of the Council's debt has been used to invest in income-generating assets, principally the Council's Property Regeneration Fund (PRF) portfolio which is discussed in greater detail in section 9

below. The financing of this debt is affordable because of the income it has generated, with a surplus that also supports the Council's wider revenue budget (the PRF also supports employment and the generation of business rate income, which in turn supports the financial sustainability of the City Council). We hope, following recent government announcements, that the council will also receive support for financing the DSG deficit.

Aside from the income-backed financing used to fund the PRF and other income-generating assets, and the temporary financing burden placed the Council by the DSG deficit, there is a core level of debt associated with our historic and current capital programme that will be funded from the Council's core resources for many years to come. The cost of financing this element of debt is forecast to rise over the near-term (due to the ongoing growth in the capital programme), before reducing in the longer term due to the impact of MRP. Figures 3 and 4 below show how debt financing costs for each element of debt (income-backed financing, DSG deficit financing and core debt) are forecast to grow, in absolute terms, and as a proportion of the Council's core (net revenue) resources.

Figure 3 – forecast debt financing costs (£m).

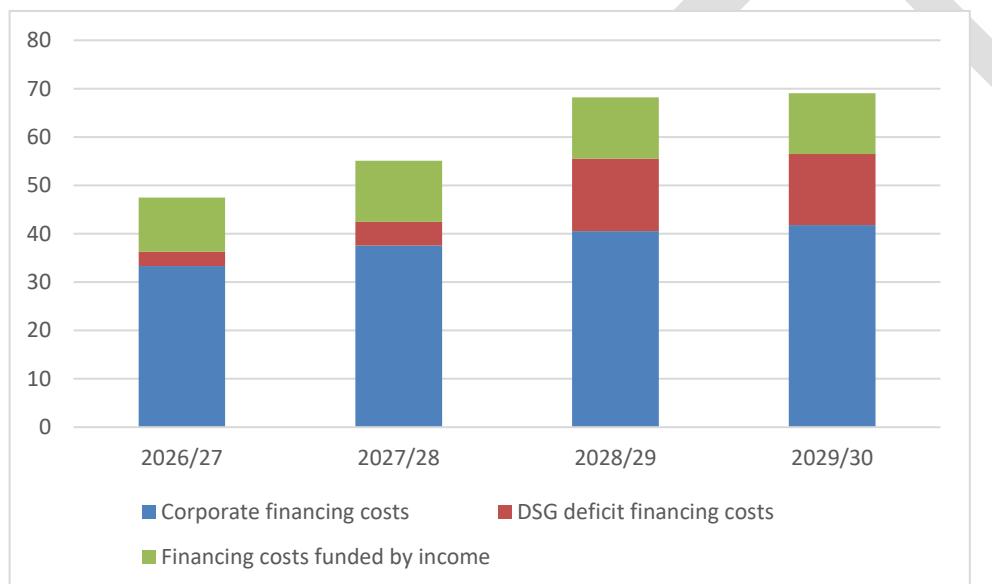
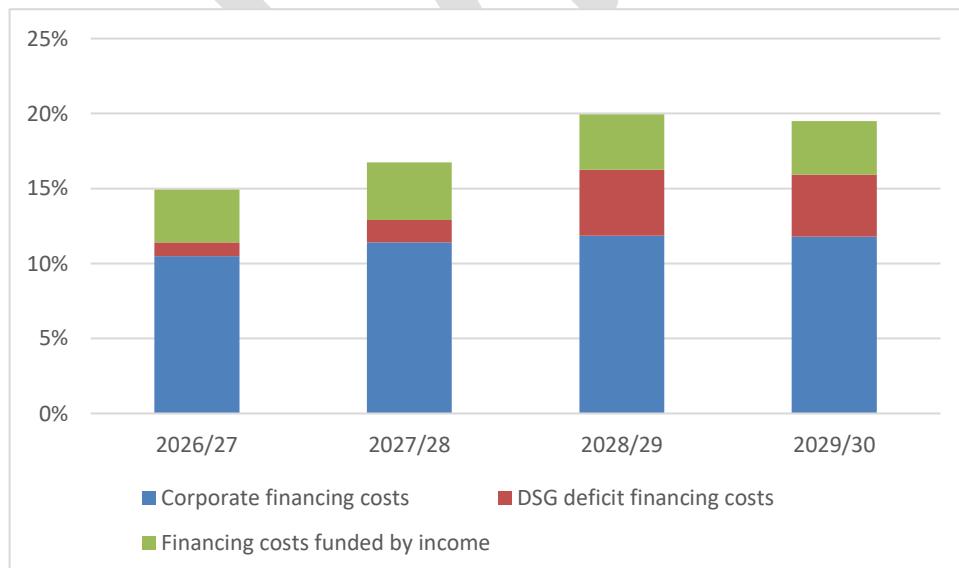


Figure 4 – forecast debt financing costs expressed as a % of forecast Net Revenue Budget.



Local Policy Framework: Capital Strategy principles

The objectives of the Council's Capital Strategy are to enable investment that:

- supports the delivery of the City Council's strategic objectives,
- ensures existing assets are proactively maintained or replaced where necessary, and
- is affordable and does not over-expose the City Council to financial risk.

The following Capital Strategy principles have been developed to balance the need to improve proactive asset management of existing assets with investment in new infrastructure and regeneration, within an affordable capital programme. The additional burden of the Dedicated Schools Grant deficit has been considered within an affordable financial strategy for borrowing, as has the additional income provided through assets that generate revenue (e.g. the Property Regeneration Portfolio).

The principles set out here will guide the affordability and prioritisation of investment, for the period of this Capital Strategy, subject to annual review by the City Council at its budget setting meeting:

1. The Council should ensure that total debt borrowed for capital purposes (excluding funding for the DSG deficit and any other temporary, working capital requirement) remains below £900m over the 5-year life of the capital programme. This threshold excludes notional 'book' borrowing through PFI and other lease arrangements.
2. The Council will set a target cap of 12.5% as the % of revenue funding required to finance core debt (excluding the DSG deficit and income-backed debt) as a proportion of the council's core net revenue budget. The financing of DSG deficit debt and financing that is backed by ongoing income (shown in red and green respectively in Figures 3 and 4 above) will be outside of this target cap. The achievement of this target will depend on interest rate movements and the Council's borrowing strategy, and it may be reviewed in line with exceptional or unforeseen increases in the cost of borrowing. However, the Council will aim to reduce the % of core debt financing costs as a proportion of core revenue funding to a 10% threshold in the longer term and will ensure that the % starts to reduce within the next 5 years.
3. Ensure that total borrowing for capital investment (excluding DSG) levels off and starts to reduce over the life of the future 5-year programme from 2026/27 – 2030/31. In practice, this means that additional borrowing for capital purposes must be lower, over the 5-year period, than the MRP debt repayments we make over the next 5 years.
4. Within these financial parameters, the Council will prioritise funding to ensure that sufficient capital approvals are provided for ongoing programmes to prevent and address future asset failure and critical health and safety risks. Wherever possible, funding for these programmes will utilise external contributions and grants as a first call on any such available resources.
5. The Council will continue to explore opportunities to secure external funding to support investment into the City. However, to ensure that external funding supports the affordability of the Capital Programme, additional governance will be developed as part of the capital governance process set out in section 8 below. This will require that larger bids for external funding are brought into the capital governance process prior to a bid being entered into, so that implications for financial risk and affordability can be explored at an early stage.

In summary, these five principles propose that:

1. Core debt should remain below £900m over the next 5 years.

2. Core debt financing costs should be not more than 12.5% of the Council's core revenue funding, reducing within the next 5 years, with a longer-term objective to reduce to a 10% threshold.
3. Total borrowing for capital investment will start to reduce by 2030/31.
4. Within the capital programme, the Council will prioritise funding for essential maintenance.
5. Additional governance will ensure the financial risk and affordability implications of external funding bids are considered at a corporate level before a bid is submitted.

Taken together with the Prudential Code indicators set through the Council's Treasury Management Strategy, these principles will ensure that capital investment is affordable, prudent and sustainable. The Council will review its capital programme and associated financing requirements and borrowing limits if there is a significant change in the balance of costs and income forecast in the Council's rolling Medium-Term Financial Plan. This Capital Strategy has been developed in conjunction with a Medium-Term Financial Plan for the period 2026-29. There is a high degree of confidence that assumptions on costs and income made for the first year of this period are robust; as such the Council can be confident that the revenue consequences of the Capital Programme set out in this document for 2026/27 are affordable. However, looking forward to 2027/28 and future years there is more uncertainty, in particular over the level of demand for statutory services (and associated cost pressures). This being the case, the Local Policy Framework set out in this section will be reviewed on an ongoing basis as part of the Medium-Term Financial Planning cycle.

8. GOVERNANCE AND RISK MANAGEMENT

The Council has published guidance in a Capital Handbook to strengthen governance on the Capital Programme. In conjunction with the Council's Constitution, the Capital Handbook details how capital projects are approved and added into the capital programme. The Local Policy Framework and Capital Strategy Principles set out above will be incorporated into capital governance processes.

As part of its capital governance process, the Council considers all financial decisions from a prudent perspective; this includes the assessment of the affordability of all capital investments. At the point of approval of a scheme, both the funding implications and any ongoing revenue implications are evaluated alongside financial risks, to enable informed decisions to be made. As much of the capital programme is funded by borrowing, assumptions and decisions on the cost and affordability of the Council's borrowing are linked to interest rates, prudential indicators and the approved borrowing strategy as set out in the Treasury Management Strategy. Treasury Management risks are set out in detail, alongside mitigating measures, in the Treasury Management Strategy [*link to be inserted into final document*].

Risks are assessed continually from both an operational and financial perspective. In carrying out due diligence, potential project risks are identified, and relevant mitigation measures documented prior to approval. All risks are then managed in line with the Council's risk management policy which includes documenting risks on a risk register, assigning owners, and the regular review of risks. Subject to careful consideration, the Council may consider investing in a higher risk initiative should there be a significant direct gain to the Council's resources or enable more effective delivery of its statutory duties.

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field.

9. NON-TREASURY INVESTMENT: THE PROPERTY AND REGENERATION FUND

Plymouth City Council manages a portfolio of assets known as the Property and Regeneration Fund (PRF). The strategic objectives of the PRF portfolio are to deliver regeneration, economic and employment growth with associated income benefits in the Plymouth functional economic area. The Council has invested in direct developments and forward funding opportunities to promote regeneration, safeguarding and create new jobs as well as encouraging economic growth. The Property and Regeneration Fund helps deliver the Council's 'Plymouth Plan' and assists in the redevelopment of brown field sites in the Plymouth area where it can be difficult to attract external investment. Any regenerated areas encourage other private companies to invest in the locality as well as attracting external investment from inward investment by companies moving into the area.

The Property and Regeneration Fund (previously known as the Asset Investment Fund) has approved investment of over £250 million in commercial property. The principle objective of this investment is to drive economic growth and regeneration, however there are associated long-term income generation benefits (via rental revenues) which support the wider financial position of the Council.

The PRF portfolio forms the Council's principle "Non-Treasury" investment, and the detailed strategy, governance and risk management framework for the portfolio is set out in the Council's Non-Treasury Investment Strategy, along with further information on investment appraisal procedures, key financial indicators, and the capability and skills of staff and professional advisors involved in managing the assets. A draft Non-Treasury Investment Strategy is included within the draft Treasury Management Strategy for the Audit and Governance Committee to consider.

The Property and Regeneration Fund portfolio, alongside historic ('legacy') commercial property investments, form an important part of the Council's overall Capital Strategy. Following a recent review, the current approach is to continue to operate these assets and develop the portfolio for the economic benefit of Plymouth and the surrounding area, and to generate income which repays associated capital investment and provides a return over and above financing costs. The review (which took place in Autumn 2025) concluded that disposing of property would be detrimental to the Council's overall long-term financial position. However, this position will be kept under review as part of the Council's evolving Medium Term Financial Strategy and Capital Strategy as the portfolio also provides a potential source of capital receipts, which could be used to repay borrowing and / or finance investment.

CONCLUSION

The Capital Strategy sets the context and framework to guide decisions on investment through the Capital Programme. It has been written to meet the requirements of CIPFA's Prudential Code and recommended best practice. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Service Director of Finance is satisfied that the proposed Capital Plan is prudent, affordable and sustainable based on a clear five-year Capital Programme and an assessment of the Capital Pipeline. However, as noted above the affordability of capital financing will be reviewed as the Council's Medium Term Financial Plans evolve; in addition, budget assumptions around interest rates have risk which will be reviewed regularly and may lead to a further review of the Capital Programme to ensure it remains affordable.

The Audit and Governance Committee is asked to endorse this draft Capital Strategy.

Appendix 1: 5-year Capital Programme

CAPITAL PROGRAMME (DECEMBER 2025)	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME 2025-30	Capital Receipts	Corporate Borrowing	Service & External Borrowing	Grants	Contribns.	\$106 / CIL	Revenue	Total Funding
	Latest Forecast £m	£m	£m	£m	£m	£m	£m	£m	£m	£m				
TOTAL CHILDREN'S SERVICES	3.719	0.935	0.410	-	-	5.064	-	0.009	2.382	2.608	0.002	0.058	0.005	5.064
TOTAL ADULTS & COMMUNITY SERVICES	15.421	9.968	1.904	-	-	27.293	0.790	1.977	12.320	11.792	0.400	-	0.014	27.293
TOTAL PUBLIC HEALTH	0.478	-	-	-	-	0.478	-	0.423	-	0.055	-	-	-	0.478
TOTAL CUSTOMERS AND COMMUNITIES	5.168	2.442	0.100	0.101	-	7.811	-	5.731	2.055	-	-	-	0.025	7.811
ECONOMIC DEVELOPMENT	38.067	32.403	34.920	8.160	0.266	113.816	1.024	25.187	28.907	58.170	0.528	-	-	113.816
STREET SERVICES	20.295	8.551	0.222	0.212	0.247	29.527	0.301	10.351	7.835	9.568	0.156	1.262	0.054	29.527
STRATEGIC PLANNING & INFRASTRUCTURE	62.362	59.639	11.527	1.933	0.275	135.736	16.137	33.025	12.100	62.122	1.202	11.010	0.140	135.736
TOTAL PCC CAPITAL PROGRAMME	145.510	113.938	49.083	10.406	0.788	319.725	18.252	76.703	65.599	144.315	2.288	12.330	0.238	319.725
CAPITAL PROGRAMME (DECEMBER 2025)	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME 2025-30	Capital Receipts	Corporate Borrowing	Service & External Borrowing	Grants	Contribns.	\$106 / CIL	Revenue	Total Funding
	Latest Forecast £m	£m	£m	£m	£m	£m	£m	£m	£m	£m				
Children's Services - Residential Homes	1.282	0.300	0.410	-	-	1.992	-	-	1.992	-	-	-	-	1.992
Children's Services - other social care	0.157	0.291	-	-	-	0.448	-	-	0.390	-	-	0.058	-	0.448
Children's Services - SEND sufficiency	1.545	0.205	-	-	-	1.750	-	-	-	1.750	-	-	-	1.750
Children's Services - other education / early years	0.735	0.139	-	-	-	0.874	-	0.009	-	0.858	0.002	-	0.005	0.874
TOTAL CHILDREN'S SERVICES	3.719	0.935	0.410	-	-	5.064	-	0.009	2.382	2.608	0.002	0.058	0.005	5.064
Adults & Community Services - Meadow View	6.442	3.909	1.904	-	-	12.255	0.790	0.469	10.546	0.450	-	-	-	12.255
Adults & Community Services - The Royal Building	0.048	-	-	-	-	0.048	-	-	0.048	-	-	-	-	0.048
Adults & Community Services - Family Hubs / Youth & Community centres	1.602	-	-	-	-	1.602	-	1.508	-	0.080	-	-	-	1.602
Adults & Community Services - Disabled Facilities	4.496	0.300	-	-	-	4.796	-	-	-	4.396	0.400	-	-	4.796
Adults & Community Services - Dispersed Temporary Housing Programme	-	5.000	-	-	-	5.000	-	-	-	5.000	-	-	-	5.000
Adults & Community Services - Other housing / homelessness	2.683	0.123	-	-	-	2.806	-	-	0.940	1.866	-	-	-	2.806
Adults & Community Services - Eclipse project	0.150	0.636	-	-	-	0.786	-	-	0.786	-	-	-	-	0.786
TOTAL ADULTS & COMMUNITY SERVICES	15.421	9.968	1.904	-	-	27.293	0.790	1.977	12.320	11.792	0.400	-	0.014	27.293
Public Health - the Park Crematorium	0.247	-	-	-	-	0.247	-	0.247	-	-	-	-	-	0.247
Public Health - Foulson Park and other leisure	0.231	-	-	-	-	0.231	-	0.176	-	0.055	-	-	-	0.231
TOTAL PUBLIC HEALTH	0.478	-	-	-	-	0.478	-	0.423	-	0.055	-	-	-	0.478
Customers & Communities - ICT Device Replacement	0.858	0.070	0.100	0.101	-	1.129	-	1.129	-	-	-	-	-	1.129
Customers & Communities - i-Trent	0.273	-	-	-	-	0.273	-	0.273	-	-	-	-	-	0.273
Customers & Communities - Delt 'Lights on' infrastructure	0.280	0.418	-	-	-	0.698	-	0.698	-	-	-	-	-	0.698
Customers & Communities - Other ICT	0.983	1.302	-	-	-	2.285	-	0.398	1.887	-	-	-	-	2.285
Customers & Communities - FM Asset Management & Maintenance	2.433	0.608	-	-	-	3.041	-	3.041	-	-	-	-	-	3.041
Customers & Communities - Public Toilets	0.139	0.044	-	-	-	0.183	-	0.158	-	-	-	-	0.025	0.183
Customers & Communities - Accommodation Strategy	0.202	-	-	-	-	0.202	-	0.034	0.168	-	-	-	-	0.202
TOTAL CUSTOMERS AND COMMUNITIES	5.168	2.442	0.100	0.101	-	7.811	-	5.731	2.055	-	-	-	-	7.811

CAPITAL PROGRAMME (DECEMBER 2025)	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL	Capital Receipts £m	Corporate Borrowing £m	Service & External Borrowing £m	Grants £m	Contribns. £m	S106 / CIL £m	Revenue £m	Total Funding £m
	Latest Forecast £m	Latest Forecast £m	Latest Forecast £m	Latest Forecast £m	Latest Forecast £m	PROGRAMME 2025-30 £m								
Growth (Climate Emergency) - CM Solar Farm	0.050	12.085	-	-	-	12.135	-	-	12.095	-	-	-	0.040	12.135
Growth (Climate Emergency) - District Heating scheme	0.085	1.041	0.400	0.275	0.275	2.076	-	-	-	1.574	-	0.502	-	2.076
Growth (Climate Emergency) - Electric Charging Infrastructure (LEVI)	0.168	-	-	-	-	0.168	-	0.168	-	-	-	-	-	0.168
Growth (Climate Emergency) - PCC Estate Decarbonisation	0.544	1.869	0.415	-	-	2.828	-	0.286	0.005	2.537	-	-	-	2.828
Growth (Climate Emergency) - Home Energy / Warm Homes	0.482	1.123	3.977	-	-	5.582	-	-	-	5.582	-	-	-	5.582
TOTAL GROWTH (CLIMATE EMERGENCY)	1.329	16.118	4.792	0.275	0.275	22.789	-	0.454	12.100	9.693	-	0.502	0.040	22.789
Growth (Transport) - Woolwell to the George	9.346	12.468	5.111	-	-	26.925	-	10.622	-	9.346	-	6.957	-	26.925
Growth (Transport) - Manadon	4.023	12.932	-	-	-	16.955	-	2.059	-	14.896	-	-	-	16.955
Growth (Transport) - Charlton Road	0.692	1.171	-	-	-	1.863	-	1.687	-	0.176	-	-	-	1.863
Growth (Transport) - Other Strategic Transport schemes	1.941	7.144	-	-	-	9.085	-	2.019	-	6.224	-	0.842	-	9.085
Growth (Transport) - Bus grants (ZEBRA & other)	10.747	2.469	-	-	-	13.216	-	-	-	11.560	1.181	0.375	0.100	13.216
Growth (Transport) - Eastern Corridor Cycle network	1.218	2.021	0.511	-	-	3.750	-	-	-	2.082	-	1.668	-	3.750
Growth (Transport) - Other active travel schemes	0.577	0.634	-	-	-	1.211	0.010	0.004	-	1.177	0.015	0.005	-	1.211
TOTAL GROWTH (TRANSPORT)	28.544	38.839	5.622	-	-	73.005	0.010	16.391	-	45.461	1.196	9.847	0.100	73.005
Growth (Other infrastructure) - Armada Way	18.255	1.167	-	-	-	19.422	7.888	11.534	-	-	-	-	-	19.422
Growth (Other infrastructure) - Royal Parade	5.515	0.404	-	-	-	5.919	-	4.399	-	1.500	-	0.020	-	5.919
Growth (Other infrastructure) - Other Public Realm / Better Places	0.227	-	-	-	-	0.227	-	0.227	-	-	-	-	-	0.227
Growth (Other infrastructure) - Flood Risk Management	3.840	-	-	-	-	3.840	-	-	-	3.840	-	-	-	3.840
Growth (Other infrastructure) - Plan for Homes	4.652	3.111	1.113	1.658	-	10.534	8.239	0.020	-	1.628	0.006	0.641	-	10.534
TOTAL GROWTH (Other infrastructure)	32.489	4.682	1.113	1.658	-	39.942	16.127	16.180	-	6.968	0.006	0.661	-	39.942
TOTAL GROWTH (Strategic Planning and Infrastructure)	62.362	59.639	11.527	1.933	0.275	135.736	16.137	33.025	12.100	62.122	1.202	11.010	0.140	135.736

CAPITAL PROGRAMME (DECEMBER 2025)	2025-26	2026-27	2027-28	2028-29	2029-30	TOTAL PROGRAMME 2025-30 £m	Capital Receipts £m	Corporate Borrowing £m	Service & External Borrowing £m	Grants £m	Contribns. £m	S106 / CIL £m	Revenue £m	Total Funding £m
	Latest Forecast £m	Latest Forecast £m	Latest Forecast £m	Latest Forecast £m	Latest Forecast £m									
Growth (Economic Dev.) - Freeport programme	14.268	4.304	4.012	-	-	22.584	-	-	4.013	18.571	-	-	-	22.584
Growth (Economic Dev.) - Civic Centre	5.575	9.357	23.525	7.904	-	46.361	-	16.757	2.971	26.633	-	-	-	46.361
Growth (Economic Dev.) - Guildhall	3.724	-	-	-	-	3.724	-	1.309	0.193	2.222	-	-	-	3.724
Growth (Economic Dev.) - West End redevelopment	0.876	2.519	-	-	-	3.395	-	0.486	2.492	0.417	-	-	-	3.395
Growth (Economic Dev.) - Railway Station redevelopment	0.064	0.018	0.156	0.095	0.258	0.591	0.568	-	-	-	0.023	-	-	0.591
Growth (Economic Dev.) - PRF Embankment Road	0.030	6.931	6.961	-	-	13.922	-	-	13.922	-	-	-	-	13.922
Growth (Economic Dev.) - other PRF schemes	3.628	2.854	-	-	-	6.482	-	-	5.301	1.181	-	-	-	6.482
Growth (Economic Dev.) - National Marine Park	7.982	4.218	0.248	0.153	-	12.601	-	4.168	-	7.933	0.500	-	-	12.601
Growth (Economic Dev.) - other regeneration schemes	1.289	2.173	-	-	-	3.462	-	2.467	0.015	0.980	-	-	-	3.462
Growth (Economic Dev.) - Investment Fund & UKSPF	0.446	0.029	0.018	0.008	0.008	0.509	0.290	-	-	0.219	-	-	-	0.509
Growth (Economic Dev.) - Mount Edgcumbe	0.185	-	-	-	-	0.185	0.166	-	-	0.014	0.005	-	-	0.185
TOTAL GROWTH (ECONOMIC DEV.)	38.067	32.403	34.920	8.160	0.266	113.816	1.024	25.187	28.907	58.170	0.528	-	-	113.816
Growth (Highways) - Highways Structural Maintenance	0.548	0.500	-	-	-	1.048	-	1.048	-	-	-	-	-	1.048
Growth (Highways) - Highways Carraigeway & Footway Maintenance	6.480	-	-	-	-	6.480	-	1.972	-	4.493	0.015	-	-	6.480
Growth (Highways) - Signals, Lighting & Other Highways Maintenance	3.991	2.000	-	-	-	5.991	-	4.551	0.630	0.558	0.115	0.137	-	5.991
Growth (Highways) - Safety & Other Minor Highways schemes	0.550	0.581	-	-	-	1.131	-	0.816	-	0.271	-	0.044	-	1.131
Growth (Highways) - Living Streets	0.164	0.139	-	-	-	0.303	-	0.303	-	-	-	-	-	0.303
Growth (Highways) - Highway CCTV	0.077	-	-	-	-	0.077	-	0.061	-	0.016	-	-	-	0.077
Growth (Highways) - Parking	0.272	-	-	-	-	0.272	-	-	0.264	-	-	0.008	-	0.272
TOTAL GROWTH (HIGHWAYS)	12.082	3.220	-	-	-	15.302	-	8.751	0.894	5.338	0.130	0.189	-	15.302
Growth (Waste & Environment) - Food Waste	2.211	0.077	0.008	-	-	2.296	-	-	0.354	1.942	-	-	-	2.296
Growth (Waste & Environment) - Vehicle, Container & Plant replacement	2.753	3.673	0.190	0.190	0.227	7.033	0.033	0.381	6.565	-	-	-	0.054	7.033
Growth (Waste & Environment) - Chelston Meadow maintenance / upgrade	0.245	-	-	-	-	0.245	-	0.245	-	-	-	-	-	0.245
Growth (Waste & Environment) - Plymouth & South Devon Comm. Forest	1.309	-	-	-	-	1.309	-	-	-	1.290	0.019	-	-	1.309
Growth (Waste & Environment) - Ocean City Biodiversity Loan	0.150	0.350	-	-	-	0.500	-	0.500	-	-	-	-	-	0.500
Growth (Waste & Environment) - Other Nature & Trees (incl. VIMS)	0.521	0.222	0.024	0.022	0.020	0.809	-	0.065	0.022	0.493	-	0.229	-	0.809
Growth (Waste & Environment) - Derriford Park Improvements	0.407	0.419	-	-	-	0.826	-	-	-	0.382	-	0.444	-	0.826
Growth (Waste & Environment) - Central Park Improvements	0.521	-	-	-	-	0.521	-	0.389	-	0.027	-	0.159	-	0.521
Growth (Waste & Environment) - other Parks, Pitches & Play Equipment	0.096	0.590	-	-	-	0.686	0.268	0.020	-	0.150	0.007	0.241	-	0.686
TOTAL GROWTH (WASTE & ENVIRONMENT)	8.213	5.331	0.222	0.212	0.247	14.225	0.301	1.600	6.941	4.230	0.026	1.073	0.054	14.225
TOTAL GROWTH (STREET SERVICES)	20.295	8.551	0.222	0.212	0.247	29.527	0.301	10.351	7.835	9.568	0.156	1.262	0.054	29.527

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Plymouth City Council



PLYMOUTH CITY COUNCIL CORPORATE PLAN 2023-2026

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

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

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

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

OUR PLAN

BUILD A BETTER PLYMOUTH



CITY VISION: Britain's Ocean City

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

Plymouth
Britain's Ocean City

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

WE BELIEVE IN:

DEMOCRACY
Because we listen and hear what people want

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

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

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

WE WILL:

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

OUR PRIORITIES:

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

DOING THIS BY:

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

www.plymouth.gov.uk/ourplan

Corporate Plan Monitoring Report

Plymouth City Council

Our priorities

This section outlines the Council's progress against its strategic priorities, including community safety, infrastructure, housing, economic growth, health, and safeguarding.

Working with the Police to Tackle Crime and Anti-Social Behaviour (ASB)

- The number of ASB incidents reported to the Council increased significantly from 102 in Q3 2024/25 to 353 in Q2 2025/26, indicating a consistent upward trend across all four quarters.
- Early Intervention cases rose from 44 in Q2 2024/25 to 59 in Q2 2025/26, reflecting a proportional increase aligned with the overall rise in ASB reporting.
- High-End Threshold Interventions saw a slight decline between 2024/25 and 2025/26, suggesting that early intervention strategies may be effectively mitigating escalation.

Direction of travel: The increase in ASB reporting is indicative of growing public confidence in the reporting process and the effectiveness of early intervention measures.

Fewer Potholes, Cleaner, Greener Streets and Transport

- Carriageway works consistently achieved high on-time completion rates, ranging from 96% to 100% monthly.
- Volume of works increased, with over 300 works completed in September 2025.
- Pavement improvements reached 3,751 square metres cumulatively by September 2025 (cumulative annual measure).
- Customer satisfaction with pavement cleanliness and condition remains low (below 40%), with a slight downward trend since 2021.
- Cycle trips on DfT count days remain modest, with a slight increase to 146 in 2024.

Direction of travel: Operational delivery is strong, but public perception of street quality and traffic flow remains a challenge.

Build More Homes – For Social Rent and Affordable Ownership

- Affordable housing delivery peaked at 189 homes in 2023/24 but declined to 96 in 2024/25.
- Social rent homes followed a similar trend, dropping from 99 to 42.
- Net additional homes remain steady, with cumulative delivery reaching 7,018 by 2024/25.
- Long-term empty homes brought back into use held steady at 41 in 2024/25.
- Planning performance is strong, with 100% of major applications determined on time and no appeals overturned.
- Stalled developments remain a concern, with 25.3% of affordable dwellings (244 homes) with planning permission yet to commence construction, alongside 52.5% of all dwellings (2,380 homes) in the planning pipeline that are currently stalled.

Direction of travel: Planning efficiency is high, but housing delivery is slowing. Unlocking stalled developments is key to meeting targets.

Our priorities

Plymouth City Council

Our priorities

Green Investment, Jobs, Skills and Better Education

- Employment rate dipped to 71.9% in Q4 2024/25 but saw a small increase to 72.0% in Q1 2025/26. Q2 2025/26 employment data is not yet available.
- Under-25s make up a growing share of Universal Credit claimants, reaching 24.2% in Q2.
- CO₂ emissions from corporate operations declined to 6,932 tonnes in 2023/24.
- Low-carbon investment increased year-on-year, reaching £13.4M in 2024/25.
- The Ofsted Inspection outcomes for schools continues a trend of improvement with 85% of primary and 73% of secondary schools rated good or outstanding by the end September 2025.
- Children's attendance at school has improved over the past 3 years in primary and special schools but remains high in secondary schools with an overall absence rate of 11.1%. More recent school attendance data to the end of August 2025 shows an overall 0.8% improvement against a national decline.
- Persistent absence (more than 10% of school sessions lost) has also reduced over the past 3 years in primary and special schools. It remains high across secondary schools with over 30% of secondary pupils having more than 10% absence.
- Education, Employment or Training (EET) participation among 16 to 17 year-olds remains high at over 92%.
- At key stage 4 (16 year olds) the percentage of young people achieving 5-9 in English and Maths has exceeded the average for statistical neighbours in the last 2 years.

Direction of travel: Economic and environmental indicators are improving and continuing to improve educational outcomes, particularly attendance at secondary schools, is a priority in the Council's work with all Multi Academy Trusts and Schools through the delivery of the Place Based Working and Belonging Strategy.

Working with the NHS to Provide Better Access to Health, Care and Dentistry

- Primary care access is stable, with over 82% of patients seen within two weeks and around 57% seen the same day.
- Mental health caseloads remain high, with around 1,000 community contacts monthly and consistent crisis referrals.
- Emergency department attendances are gradually declining, from 316 in July to 279 in September 2025.
- NHS dental access remains a significant issue, with over 19,000 adults and 4,199 children registered as seeking a dentist as of Q3 2024/25 (most recent data available, as this measure reports in arrears).

Direction of travel: Health services are under sustained pressure, particularly in mental health and dentistry. Continued collaboration with NHS partners is essential.

Our priorities

Our priorities

Keeping Children, Adults and Communities Safe

- Adult safeguarding referrals remained steady, averaging around 500 per month.
- Adult safeguarding outcomes are strong, with over 90% of cases achieving personal outcomes and on average 78% of Section 42 Enquiry (Safeguarding investigation stage) resulted in a risk reduced or removed within the quarter.
- Children with protection plans declined from 364 in April to 338 in September 2025.
- Looked after children numbers remained stable, averaging around 535.
- Food hygiene enforcement activity increased, with 1,022 inspections and 29 enforcement actions in 2024/25.

Direction of travel: Safeguarding systems are responsive and effective. Food safety oversight has strengthened, and child protection numbers are stabilising.

Plymouth City Council

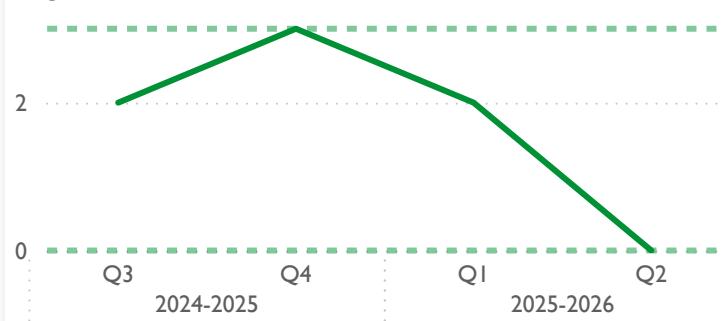
Working with the Police to tackle crime and anti-social behaviour

Qtr Year	ASB incidents reported directly to the Council	High threshold interventions	ASB early interventions	Community engagement / events
Q3 2024-2025	102	2	59	15
Q4 2024-2025	177	3	75	2
Q1 2025-2026	232	2	62	7
Q2 2025-2026	354	0	59	10

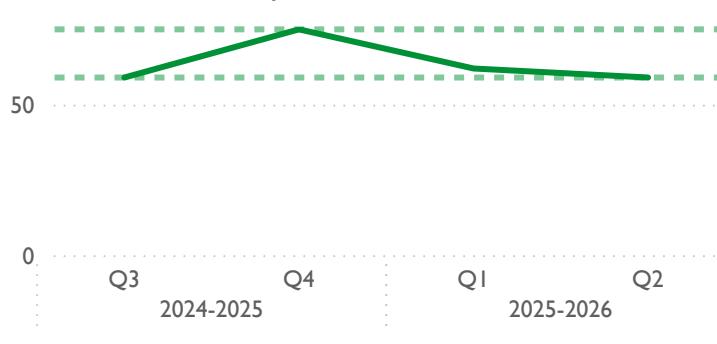
Total ASB reported to Council



High threshold interventions

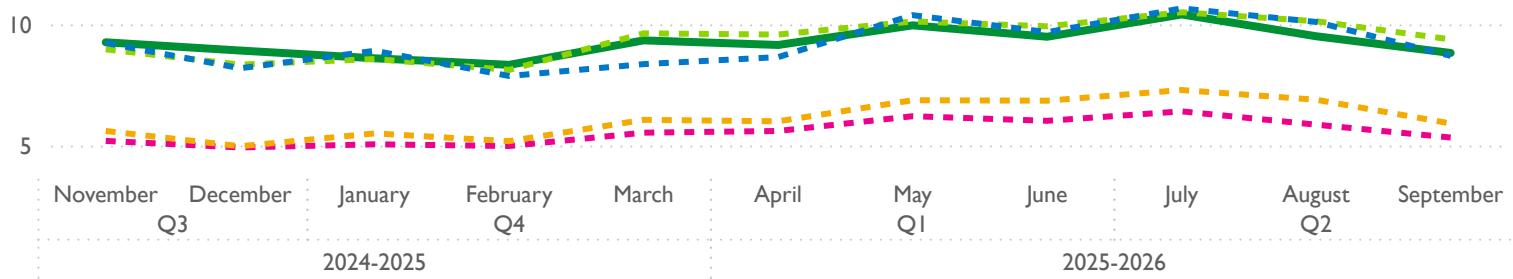


Number of ASB early interventions



Rate of ASB and crime reports to the police (per 1k pop.)

● Plymouth ● Plymouth CIPFA Comparator (Average) ● Devon ● Cornwall ● Torbay

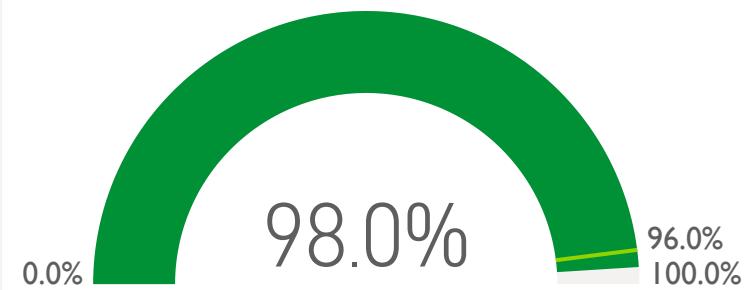


Plymouth City Council

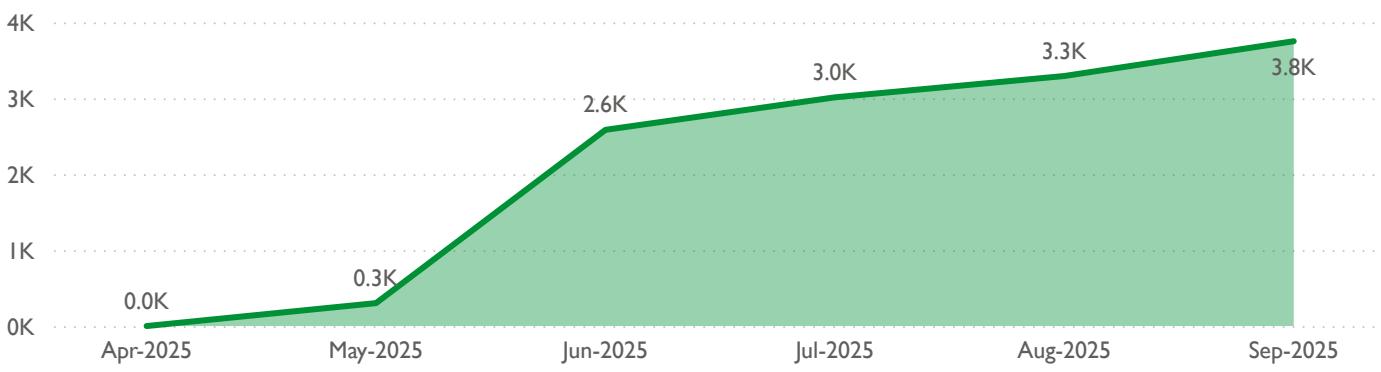
Fewer potholes, cleaner, greener streets and transport

Month Year	% of carriageway works completed on time	Number of incoming carriageway works within the month	Number of completed carriageway works within the month
Apr-2025	100.0%	53	70
May-2025	100.0%	307	203
Jun-2025	98.0%	347	214
Jul-2025	100.0%	223	285
Aug-2025	96.0%	227	187
Sep-2025	98.0%	276	305

Carriageway works completed in timescale
(most recent month reported)



Square metres of improved pavement (annual cumulative measure)



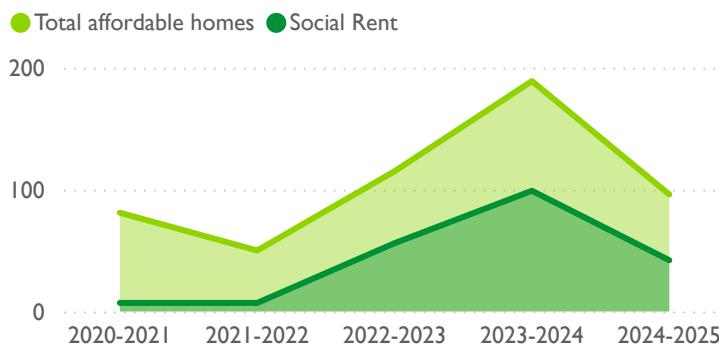
Cal Year	Ave. Cycle trips taken on DfT count day	% of customers satisfied with the cleanliness of pavements	% of customers satisfied with the condition of pavements and footpaths	% of customers satisfied with the traffic flow	Highway maintenance satisfaction score
2021	183	40.0%	46.0%	38.0%	40.0%
2022	159	39.0%	44.0%	39.0%	44.0%
2023	136	36.0%	44.0%	42.0%	41.0%
2024	146	37.0%	39.0%	41.0%	39.0%

Plymouth City Council

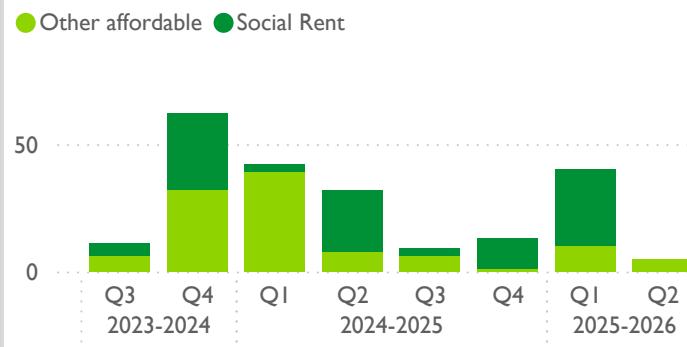
Build more homes – for social rent and affordable ownership

FY	Total affordable homes delivered (gross)	Social Rent homes delivered (gross)	Net additional homes (all tenures)	Cumulative net additional homes (all tenures)	Long-Term Empty homes brought back into use
2020-2021	81	7	535	5,836	41
2021-2022	50	7	341	6,177	31
2022-2023	115	56	385	6,562	28
2023-2024	189	99	236	6,798	39
2024-2025	96	42	220	7,018	41

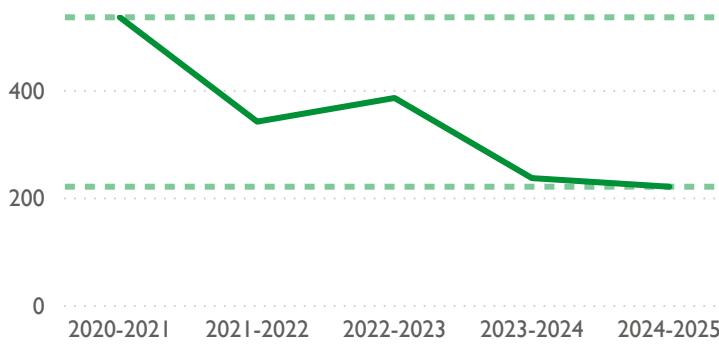
Gross new affordable homes delivered (in year)



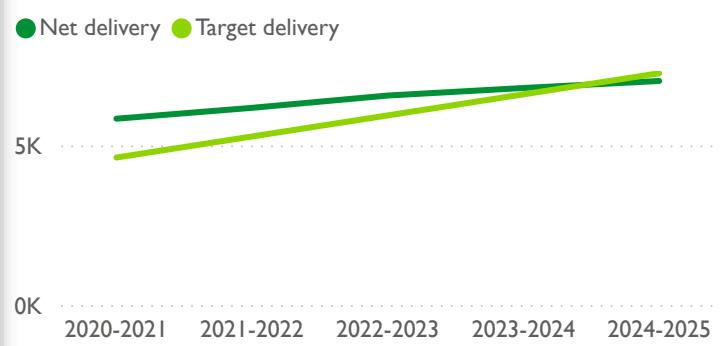
Gross new affordable homes delivered (in quarter)



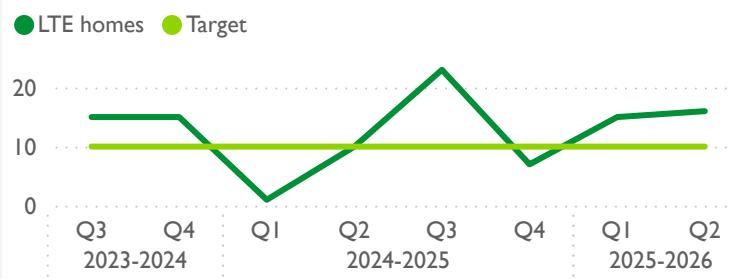
Net additional homes (in year)



Net additional homes (cumulative from 2014/15)



Long-Term Empty homes brought back into use (in year)



Plymouth City Council

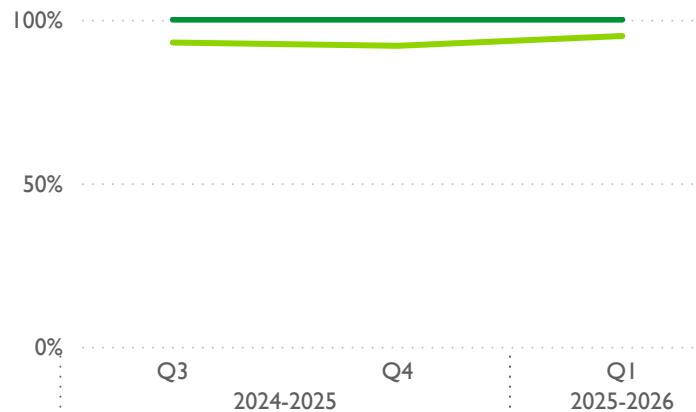
Build more homes – for social rent and affordable ownership

Qtr Year	% of Major developments determined on time	% of Minor developments determined on time	% of all planning applications overturned at appeal
Q3 2024-2025	100.0%	100.0%	0.0%
Q4 2024-2025	100.0%	96.1%	0.0%
Q1 2025-2026	100.0%	97.8%	0.0%
Q2 2025-2026	100.0%	100.0%	0.0%

Published statistical neighbour (CIPFA) figures are a quarter in arrears

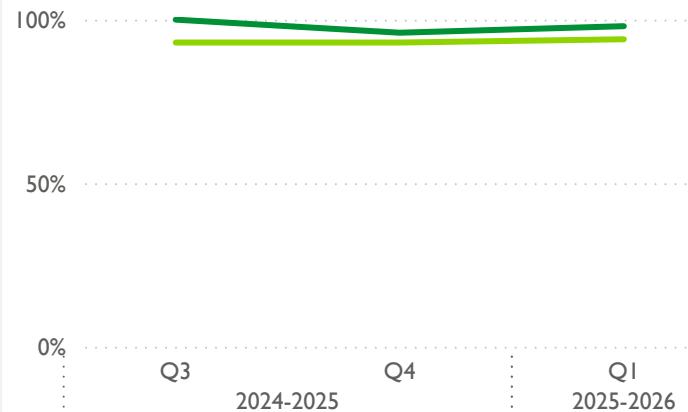
% Major applications decided on time

● Plymouth ● CIPFA Family Group



% Minor applications decided on time

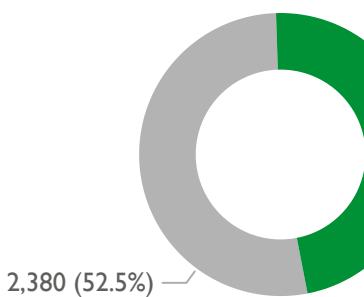
● Plymouth ● CIPFA Family Group



Snapshot on 1st April 2025

Status of dwellings with planning permission yet to commence construction

● Stalled ● Active



Status of affordable dwellings with planning permission yet to commence construction

● Stalled ● Active



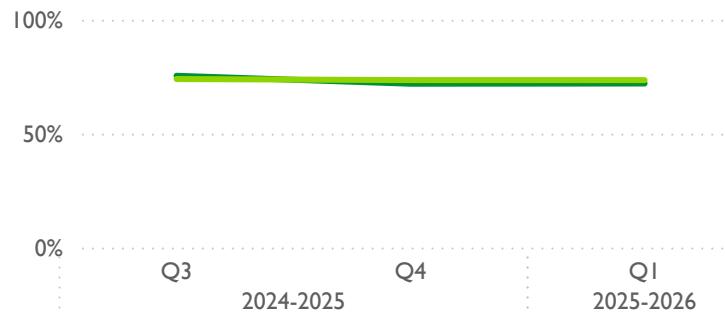
Plymouth City Council

Green investment, jobs, skills and better education

Qtr Year	Total number employed in Plymouth	Plymouth employment rate	CIPFA mean employment rate	Under 25 years olds) Universal Credit claimants % of all claimants
Q3 2024-2025	127,400	75.4%	74.0%	22.6%
Q4 2024-2025	122,800	71.9%	73.5%	22.6%
Q1 2025-2026	124,400	72.0%	73.5%	22.2%
Q2 2025-2026		Data not yet available - Quarter in arrears		24.2%

Employment rate

● Plymouth ● CIPFA Average



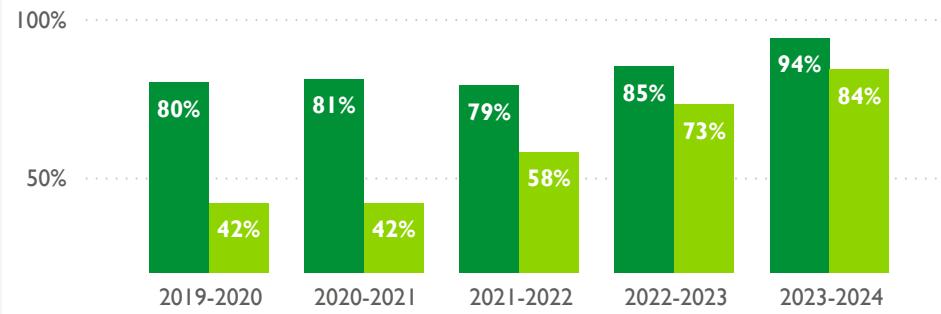
Under 25 years old Universal Credit claimants as a % of all claimants (out of work)



FY	Business births per 10,000 residents aged 16 +	Business survival 5 years (5 years to year end)	Corporate scope 1/2 Co2 emissions (tonnes Co2e)	PCC investment in low carbon infrastructure (3 year average)
2020-2021	47.60	39.4%	7,007	Data not available
2021-2022	43.10	45.1%	Methodology change	£5,862,152
2022-2023	37.50	43.9%	7,070	£8,458,112
2023-2024	33.80	39.8%	6,932	£11,186,407
2024-2025		Data not yet available for these measures		£13,426,975

% Good and outstanding primary and secondary schools

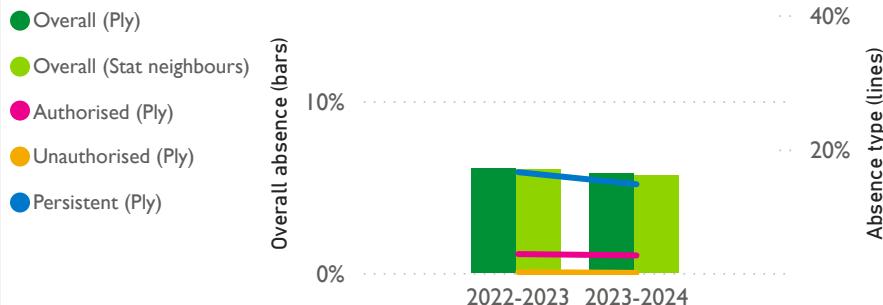
● Primary ● Secondary



Plymouth City Council

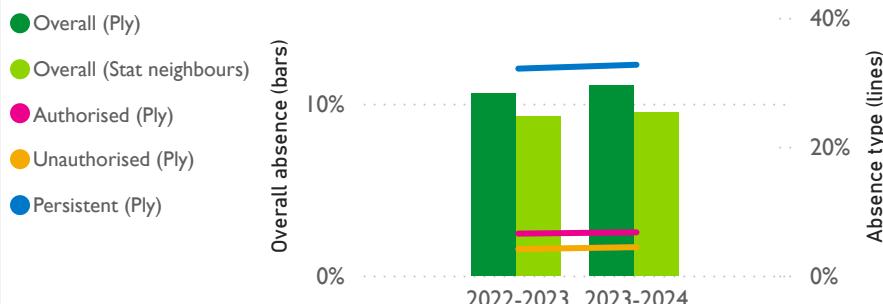
Green investment, jobs, skills and better education

Primary schools - Absence



Academic Yr	Primary overall absence	Primary % persistent absentees (>=10%)
2020-2021	3.5%	8.1%
2021-2022	7.0%	21.0%
2022-2023	6.1%	16.6%
2023-2024	5.8%	14.8%

Secondary schools - Absence



Academic Yr	Secondary overall absence	Secondary % persistent absentees (>=10%)
2020-2021	6.3%	17.7%
2021-2022	10.8%	35.6%
2022-2023	10.6%	32.1%
2023-2024	11.1%	32.7%

Special schools - Absence



Academic Yr	Special school overall absence	Special school % persistent absentees (>=10%)
2020-2021	11.9%	36.2%
2021-2022	13.5%	46.3%
2022-2023	12.3%	39.7%
2023-2024	12.1%	38.8%

Month Year

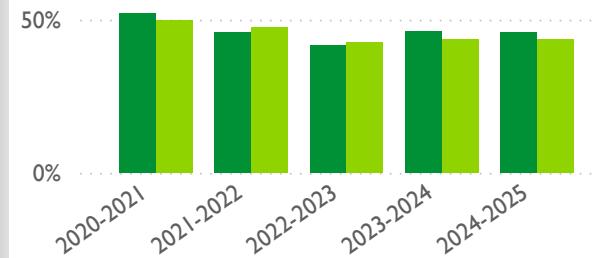
% of People 16/17 years going to /remaining in, Education, Employment or Training (EET)

No. of Pupils with an EHCP (at month end)

April 2025	92.3%	3,287
May 2025	91.9%	3,362
June 2025	92.6%	3,397
July 2025	92.6%	3,419
August 2025	Data not captured during summer / transition period	3,398
September 2025		3,433

% Pupils achieving 9-5 in English and Maths

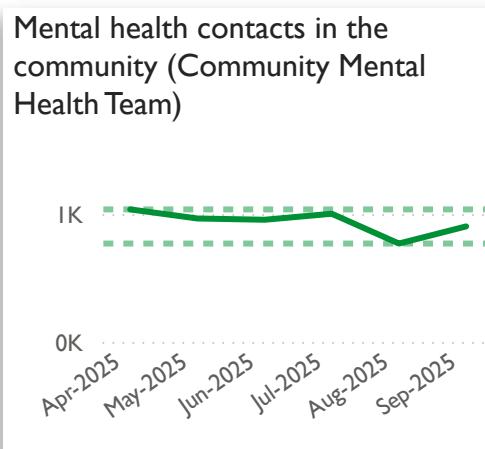
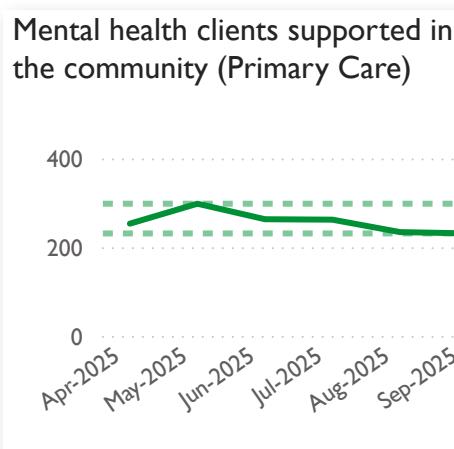
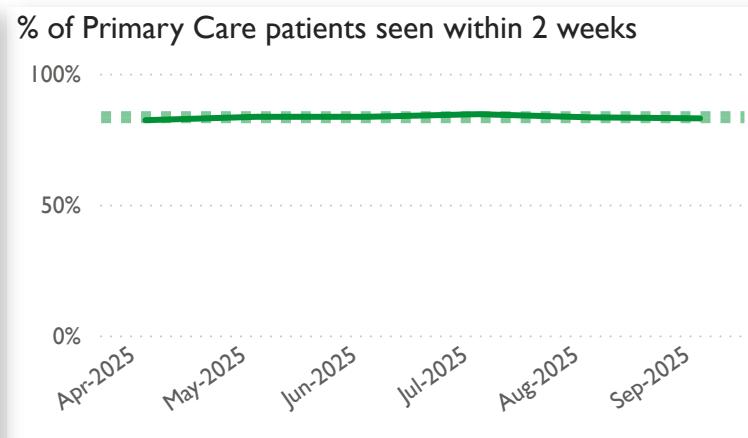
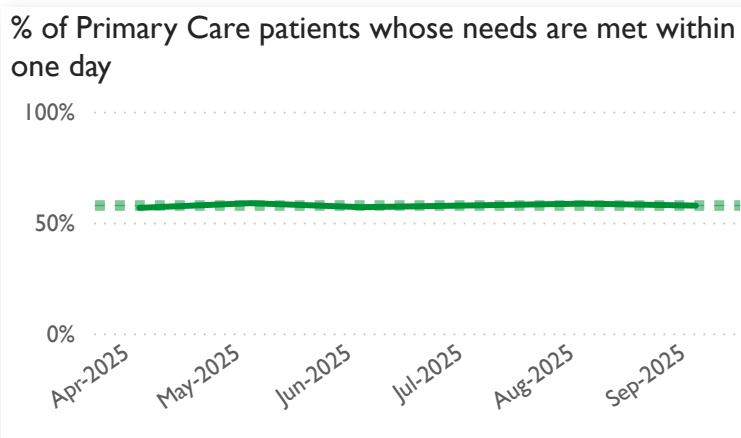
● Plymouth ● Statistical neighbours



Plymouth City Council

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

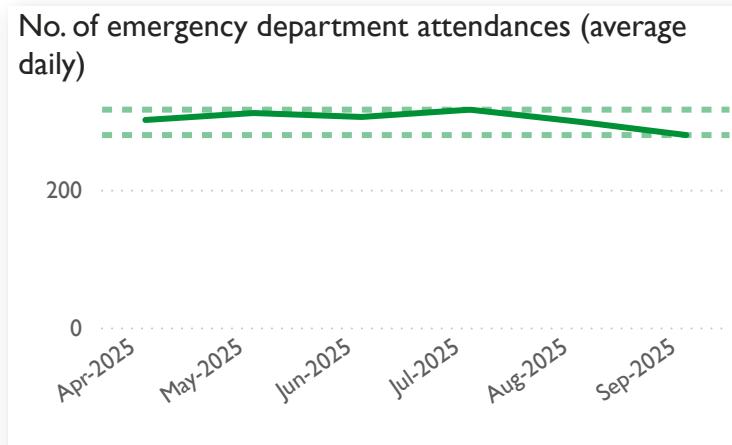
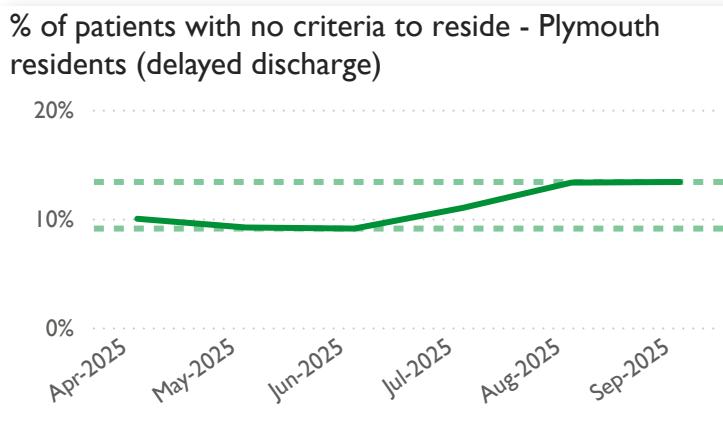
Month Year	% of Primary Care patients whose needs are met within one day	% of primary care patients seen within 2 weeks	Mental health clients supported in the community (Primary Care Mental Health Team Caseload)	Mental health contacts in the community (Community Mental Health Team Caseload)	Referrals to the Community Crisis Response Team (CCRT)
Apr-2025	56.6%	82.2%	253	1,036	201
May-2025	58.7%	83.5%	298	965	200
Jun-2025	56.9%	83.5%	263	955	197
Jul-2025	57.7%	84.5%	262	1,002	174
Aug-2025	58.5%	83.3%	234	769	179
Sep-2025	57.6%	82.9%	231	903	176



Plymouth City Council

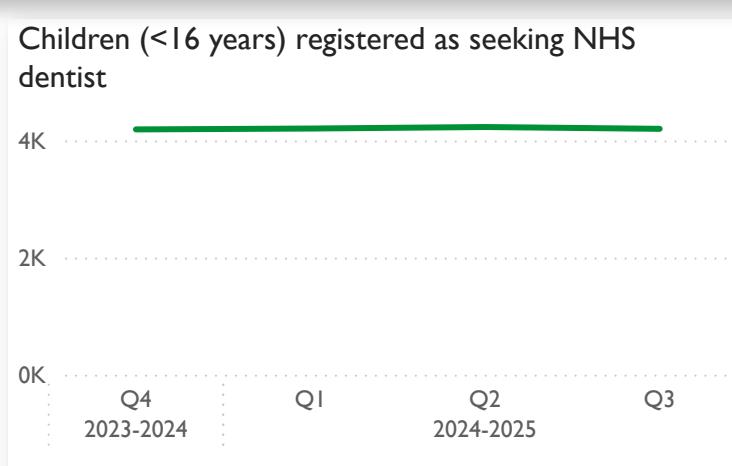
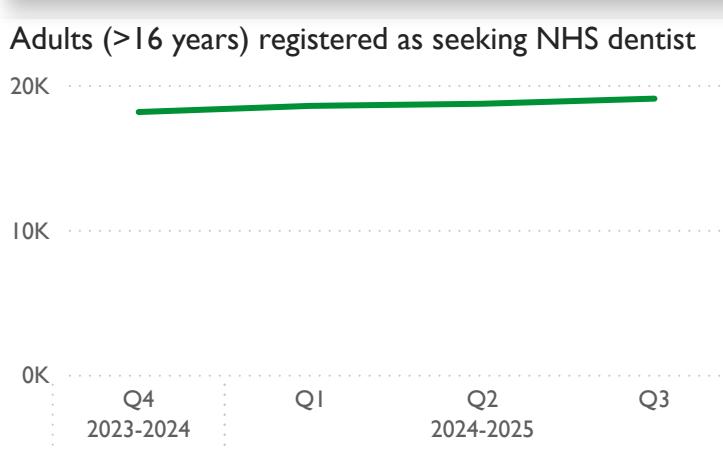
Working with the NHS to provide better access to health, care and dentistry

Month Year	% of patients with no criteria to reside - Plymouth residents only (delayed discharge)	No. of emergency department attendances (average daily)
Apr-2025	10.0%	301.2
May-2025	9.2%	311.3
Jun-2025	9.1%	305.6
Jul-2025	11.0%	316.2
Aug-2025	13.3%	298.8
Sep-2025	13.4%	279.3



Qtr Year	Adults (>16 years) registered as seeking an NHS dentist	Children (<16 years) registered as seeking an NHS dentist
Q4 2023-2024	18,131	4,189
Q1 2024-2025	18,556	4,204
Q2 2024-2025	18,702	4,230
Q3 2024-2025	19,057	4,199

Data is unavailable at this time, we are seeking to secure it prior to final publication

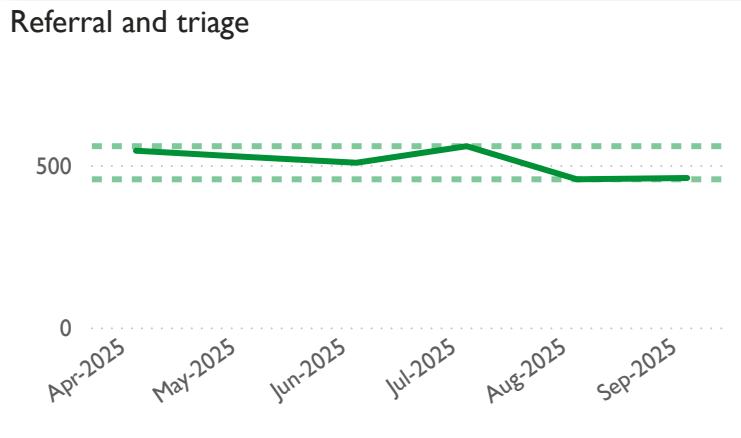


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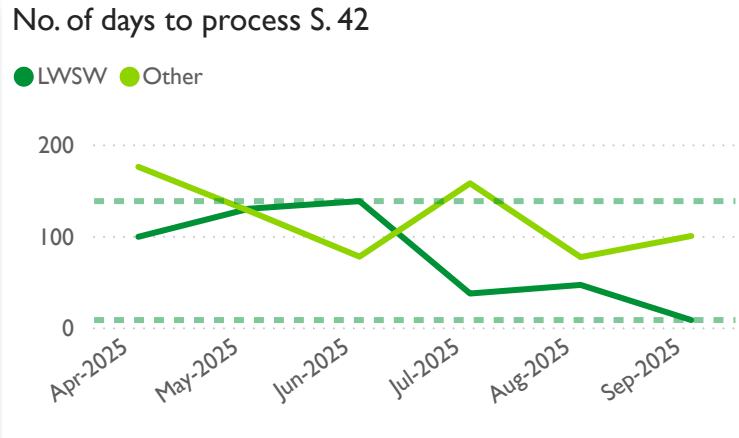
Keeping children, adults and communities safe

Month Year	Referral and triage forms sent to adult safeguarding	% Referral and triage that become a concern	Average time (working days) to complete a S42 safeguarding enquiry - LWSW	Average time (working days) to complete a S42 safeguarding enquiry – Other	Making Safeguarding Personal - outcomes fully/partially achieved	Safeguarding risks reduced or removed
Apr-2025	544	14.5%	99.0	175.5	88.9%	80.8%
May-2025	525	18.9%	129.7	127.4	91.7%	75.0%
Jun-2025	507	22.7%	138.0	77.3	91.1%	77.6%
Jul-2025	558	12.4%	37.0	157.5	91.7%	76.7%
Aug-2025	456	11.8%	46.4	76.8	90.9%	76.8%
Sep-2025	460	14.1%	8.0	99.9	91.3%	80.5%

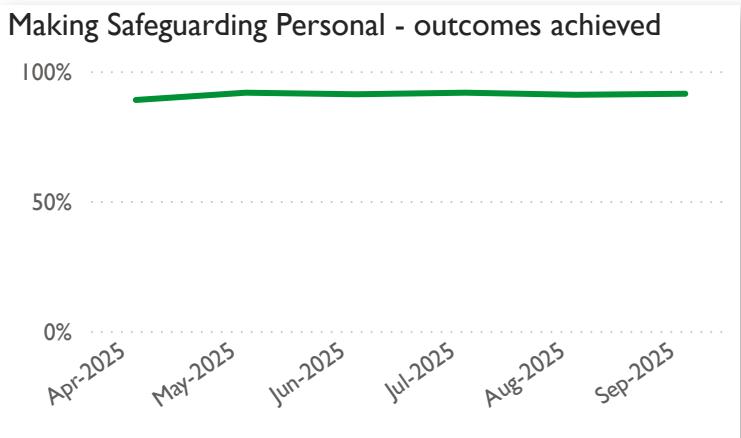
Referral and triage



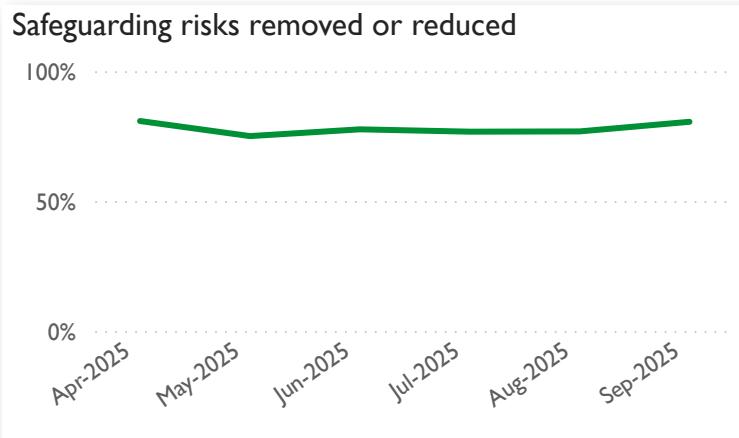
No. of days to process S. 42



Making Safeguarding Personal - outcomes achieved



Safeguarding risks removed or reduced

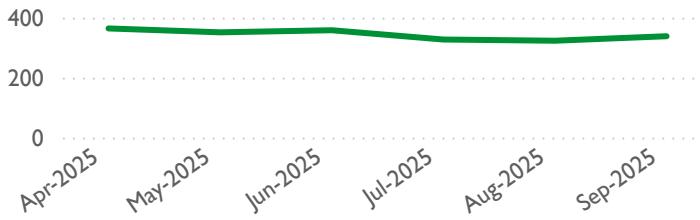


Plymouth City Council

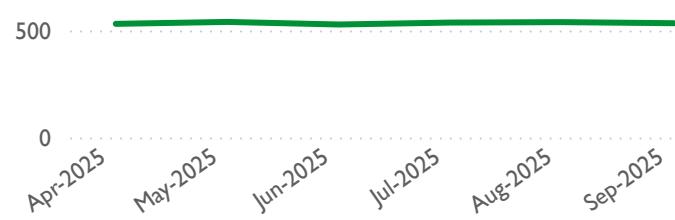
Keeping children, adults and communities safe

Month Year	Number of children with a child protection plan	Number of children with a child protection plan per 10,000	Number of looked after children	Number of looked after children per 10,000
Apr-2025	364	70.1	531	102.2
May-2025	351	67.6	540	103.9
Jun-2025	358	68.9	528	101.6
Jul-2025	327	62.9	537	103.4
Aug-2025	323	62.2	539	103.7
Sep-2025	338	65.1	534	102.8

Number of children with a child protection plan

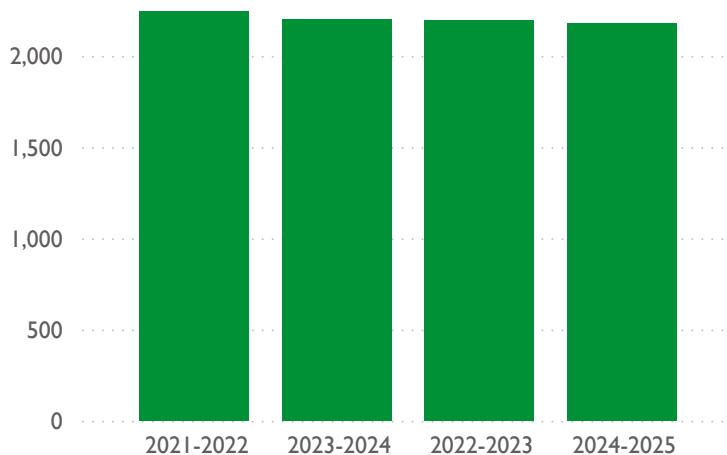


Number of looked after children

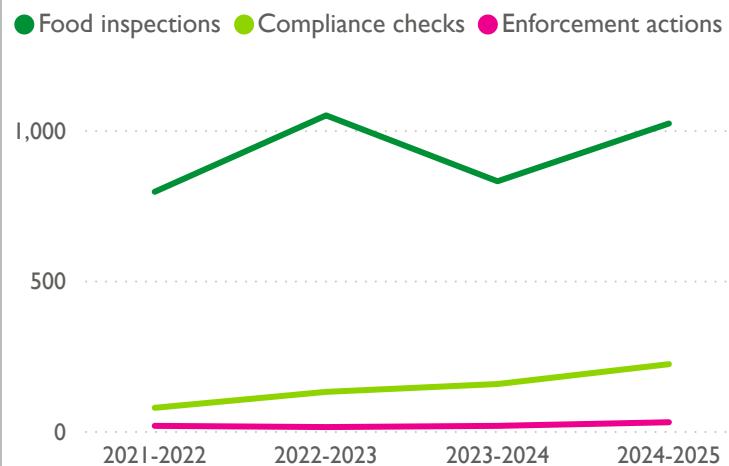


FY	Number of food businesses on the food register	Number of food inspections carried out	Number of food premises compliance checks undertaken	Number of food hygiene enforcement actions taken
2021-2022	2,243	795	77	17
2022-2023	2,193	1,049	130	13
2023-2024	2,201	830	156	17
2024-2025	2,176	1,022	222	29

Number of businesses on food register



Activity related to food hygiene



Plymouth City Council

Doing this by

This section captures how Plymouth City Council is operationalising its priorities through service delivery, community engagement, early intervention, financial stewardship, and staff empowerment.

Providing Quality Public Services

- Call handling performance (excluding Housing Benefits and Council Tax) remained high, though declined from 97.7% in Q3 2024/25 to 95.4% in Q2 2025/26. Average wait times increased from 0.35 to 0.77 minutes.
- Including Housing Benefits and Council Tax, call answer rates stayed above 87%, but wait times rose from 4.92 minutes in Q3 to 6.85 minutes in Q2.
- Stage one complaints increased, peaking at 1,321 in Q1 2025/26. Despite this, resolution within 10 days improved to 91%, before dipping to 85.6% in Q2.
- Freedom of Information (FOI) requests due for completion rose steadily, but on-time completion dropped to 78.9% in Q2, the lowest in the reporting period.

Direction of travel: Service demand is rising, particularly in complaints and FOIs. While response rates remain strong, wait times and completion rates reflect mounting pressure on service teams.

Trusting and Engaging Our Communities

Our 'Community Builders' work with identified neighbourhoods of the city and with particular communities of identity. They embed themselves in communities and take an Asset Based Community Development approach. Community Builders do this by finding out what people within a community care enough about so they can work together to change, develop and/or sustain. This involves spending time listening to people to use existing strengths, organisations and passions as a starting point for greater connection, activity and collective support

- Community participation declined significantly from 328 residents in Q3 2024/25 to 118 in Q2 2025/26. Further investigation is needed to understand the drivers of this reduction.
- New community-led activities also fell from 73 in Q1 to 47 in Q2.
- Volunteer engagement remained stable, increasing slightly to 691 active volunteers in Q2.
- Voter registration stood at 93.1%, with 198,640 adults registered out of an estimated 213,000 eligible.

Direction of travel: Volunteer numbers and voter registration remain strong, indicating sustained civic engagement.

Focus on Early Intervention and Prevention

- Anti-social behaviour (ASB) early interventions held steady, with 59 recorded in Q2 2025/26.
- Households prevented from or relieved of homelessness rose to 196 in Q2, the highest in the reporting period.
- Smoking quit rates peaked at 48.5% in Q4 2024/25, with Q2 data pending due to reporting lag.

Direction of travel: Homelessness prevention is improving, and smoking cessation efforts show strong outcomes. ASB interventions remain consistent, supporting the Council's preventative approach.

Doing this by

Plymouth City Council

Doing this by

Spending Money Wisely

- Average Band D Council Tax (paid to all local services) increased from £1,653.35 in 2021/22 to £1,840.69 in 2024/25. This reflects a necessary uplift in local taxation to support service delivery, as reported through our annual budget setting cycle, with Plymouth remaining broadly aligned with national trends.
- Core spending power per dwelling increased from £1,770.80 to £2,255.23 over the same period.
- Debt servicing as a percentage of core spending power was reported 14.2%, up by only 0.1% from prior year despite the significant and ongoing investment made in the city. Whilst impacted by a combination of factors, this reflects the extent to which the council is able to secure external investment, e.g. through the use of capital grants, to help fund our capital programme
- Reserves as a percentage of net revenue expenditure declined from 34.4% in 2021/22 to 27.0% in 2024/25. Work is ongoing to deliver the broad Transformation programme, aimed to reduce demand on high-cost services and embed early intervention across the organisation. Maturity of this plan will reduce the drawing down of reserves to manage pressures or invest in priority areas.
- **Please note:** for internal reporting purposes the metrics calculated assume our reserves position incorporates the impact of the capitalisation direction, which has now been confirmed and issued. This therefore may result in different results from those published in external reporting.

Direction of travel: Plymouth City Council is demonstrating careful financial management, with rising spending power and stable debt servicing. However, the gradual reduction in reserves highlights the importance of ongoing budget discipline and strategic transformation planning to safeguard long-term sustainability.

Empowering and Engaging Our Staff

- Labour turnover fluctuated across the reporting period, peaking at 15.5% in August 2025 before dropping to 9.7% in September.
- Staff sickness averaged between 8.64 and 9.62 days per full-time equivalent (FTE) over the six-month period. While slightly elevated, the downward trend from August to September shows improving attendance and effective health interventions.
- Core training completion data was incomplete due to transition to a new system, but April's figure of 73.2% provides a useful benchmark.
- Agency spend as a percentage of the employee budget ranged from 5.8% to 7.6%, with the highest spend recorded in June.
- Overtime spend remained low throughout, fluctuating between 0.5% and 1.1%.

Direction of travel: The Council is managing workforce pressures with reasonable stability. While turnover and sickness rates warrant continued attention, the low overtime spend and declining agency costs reflect disciplined staffing practices. Restoring consistent training data will be key to tracking staff development and engagement more robustly.

Doing this by

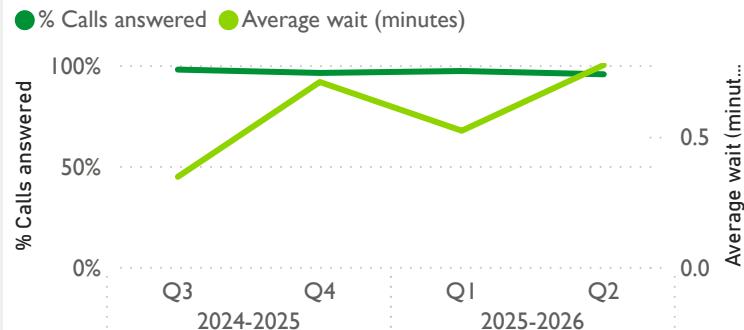
Plymouth City Council

Providing Quality Public Services

Call totals excluding Housing Benefits and Council Tax

Qtr Year	% Calls answered in quarter	Average wait mins (quarterly average)
Q3 2024-2025	97.7%	0.35
Q4 2024-2025	96.1%	0.71
Q1 2025-2026	97.0%	0.52
Q2 2025-2026	95.4%	0.77

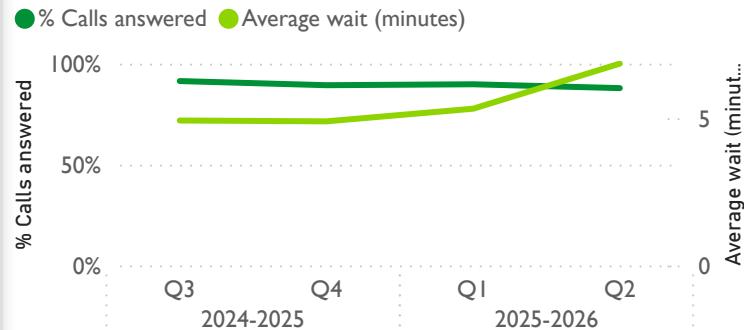
Calls answered and wait times (quarterly average)



Call totals including Housing Benefits and Council Tax

Qtr Year	% Calls answered in quarter	Average wait mins (quarterly average)
Q3 2024-2025	91.4%	4.92
Q4 2024-2025	89.3%	4.89
Q1 2025-2026	89.8%	5.32
Q2 2025-2026	87.9%	6.85

Calls answered and wait times (quarterly average)



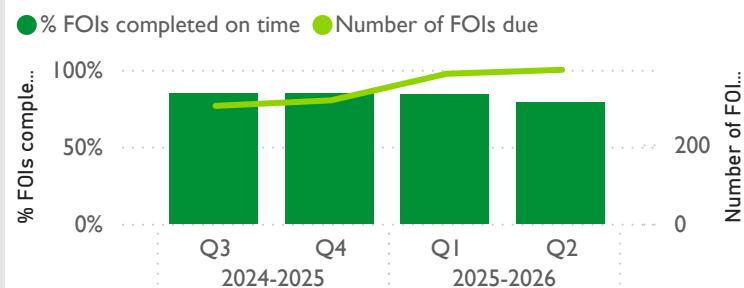
Qtr Year	Number of stage one complaints received	% Stage one complaints closed in 10 days
Q3 2024-2025	956	74.4%
Q4 2024-2025	1,034	85.4%
Q1 2025-2026	1,321	91.0%
Q2 2025-2026	1,209	85.6%

Number of complaints received and closed within 10 days



Qtr Year	Number of FOIs due for completion	% FOIs completed on time (in quarter)
Q3 2024-2025	297	84.8%
Q4 2024-2025	311	84.9%
Q1 2025-2026	378	84.4%
Q2 2025-2026	388	78.9%

Number of FOIs due and number closed within 20 days (in quarter)



Plymouth City Council

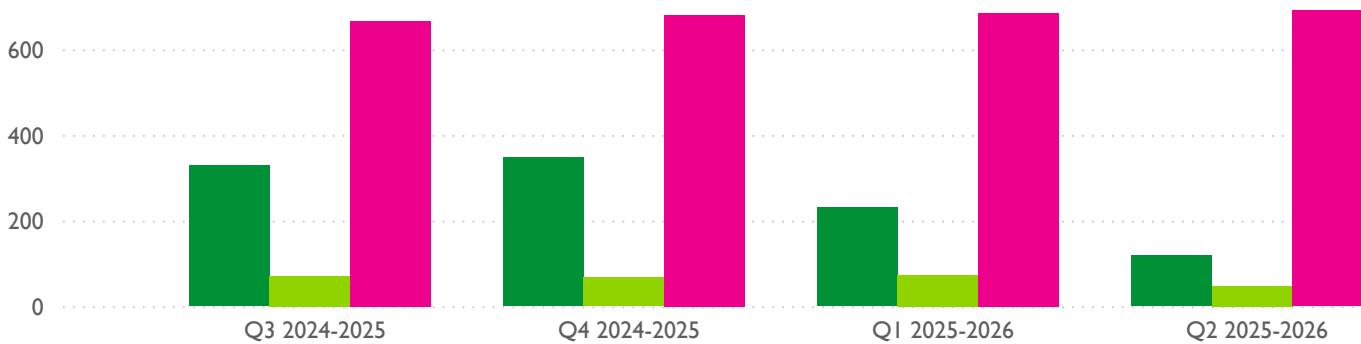
Trusting and Engaging Communities

Qtr Year	No. residents involved in developing new community-led activities	No. of new community-led activities	No. of active volunteers supporting the PCC volunteering programme
Q3 2024-2025	328	71	666
Q4 2024-2025	347	67	680
Q1 2025-2026	231	73	685
Q2 2025-2026	118	47	691

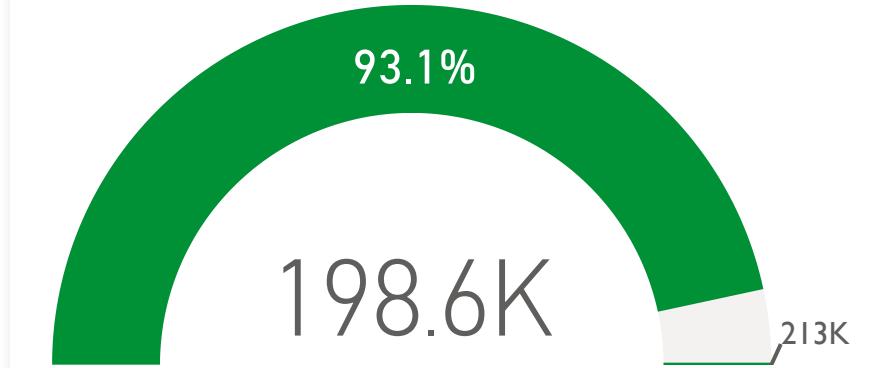


Community activity

● Residents involved ● New activities ● Volunteers



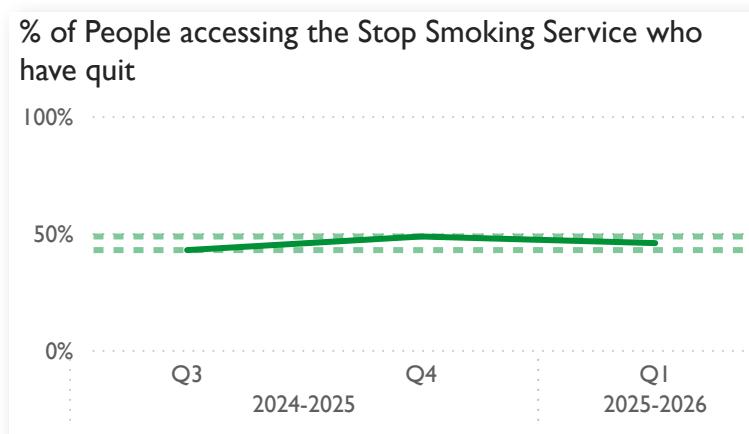
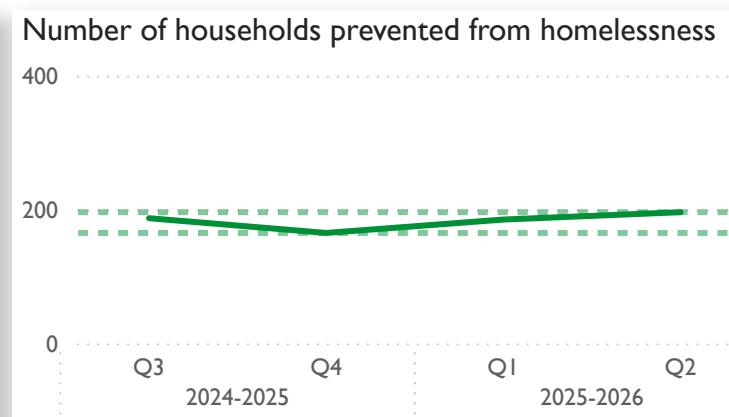
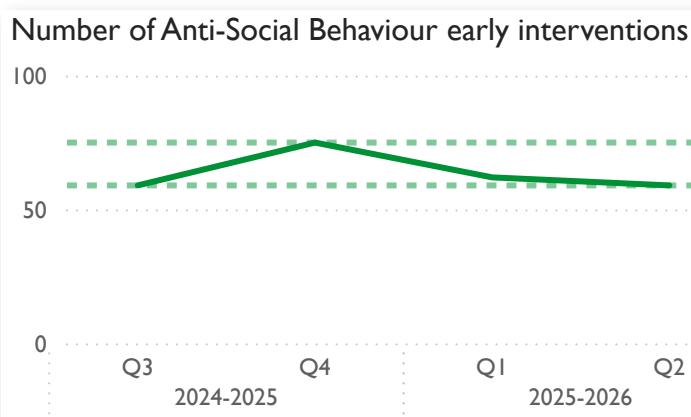
No. adults registered to vote in local elections and % of eligible adults registered (in quarter)



Plymouth City Council

Focus on Early Intervention and Prevention

Qtr Year	No. of Anti-Social Behaviour early interventions	No. h'holds prevented from becoming homeless or relieved of homelessness	Smoking Quit Rate
Q3 2024-2025	59	187	42.7%
Q4 2024-2025	75	165	48.5%
Q1 2025-2026	62	185	45.7%
Q2 2025-2026	59	196	Data a quarter in arrears



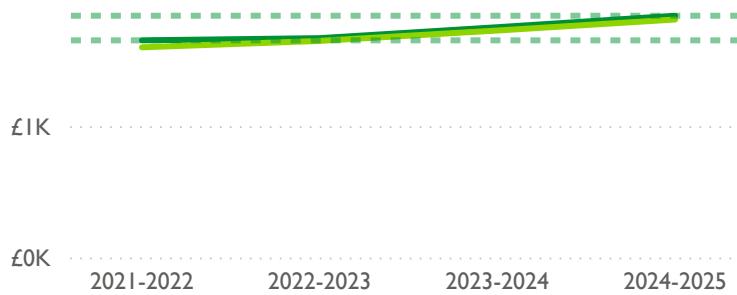
Plymouth City Council

Spending Money Wisely

FY	Average Band D (Paid to all local services)	Core spending power per dwelling	Debt servicing as a % of core spending power	Reserves as % of net revenue expenditure
2021-2022	£1,653.35	£1,770.80	11.9%	34.4%
2022-2023	£1,669.88	£1,890.31	12.7%	21.6%
2023-2024	£1,753.21	£2,090.71	14.1%	32.1%
2024-2025	£1,840.69	£2,255.23	14.2%	27.0%

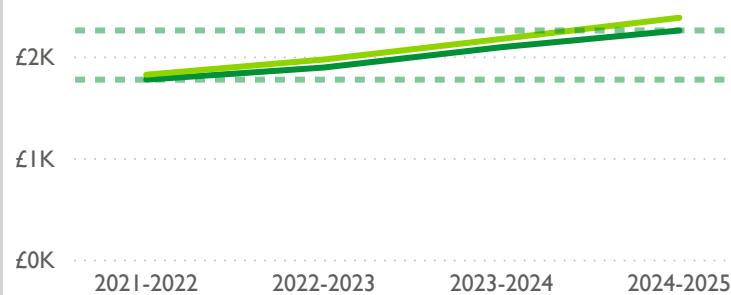
Average Band D - paid to local services

● Plymouth ● CIPFA Mean



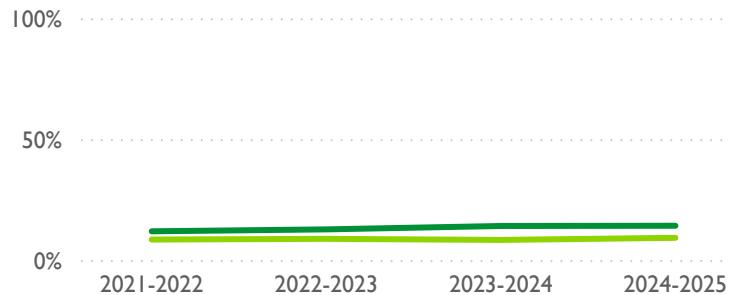
Core spending power per dwelling (actual)

● Plymouth ● CIPFA Mean



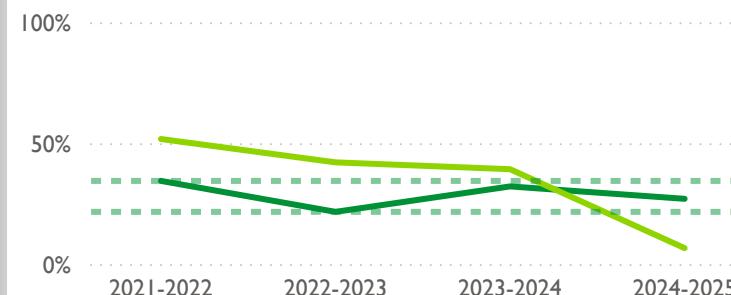
Debt servicing as % of core spending power

● Plymouth ● CIPFA Mean



Reserves as a % of net revenue expenditure (year)

● Plymouth ● CIPFA Mean

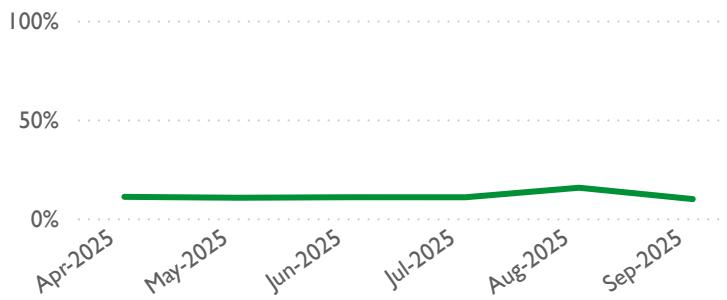


Plymouth City Council

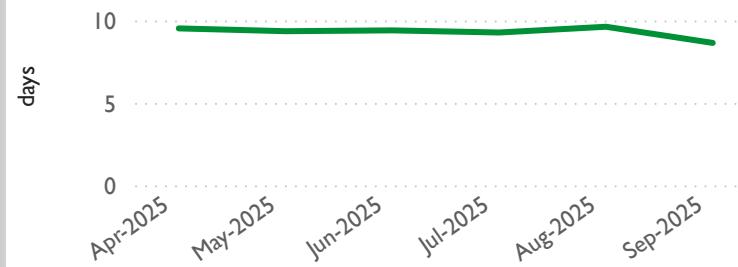
Empowering and Engaging Our Staff

Month Year	% of headcount leaving PCC in previous 12 months (labour turnover)	Staff sickness in days (average days per FTE rolling 12 months)	% Core training completed	Agency spend as % of employee budget	Overtime spend as % of employee budget
Apr-2025	10.9%	9.52	73.2%	6.2%	0.8%
May-2025	10.4%	9.35		6.1%	1.1%
Jun-2025	10.7%	9.40		7.6%	0.7%
Jul-2025	10.7%	9.27	Data not available following move to iTrent	6.4%	0.5%
Aug-2025	15.5%	9.62		6.8%	0.5%
Sep-2025	9.7%	8.64		5.8%	0.6%

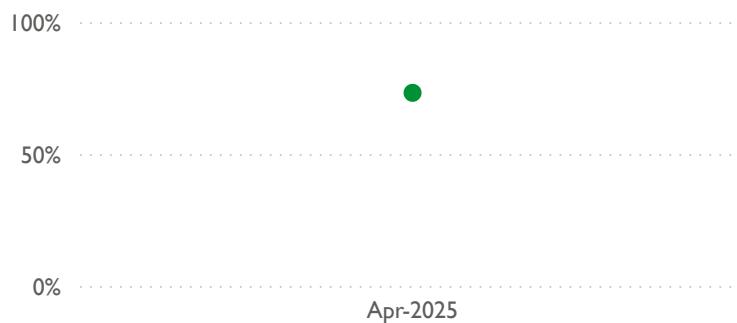
Headcount leaving PCC



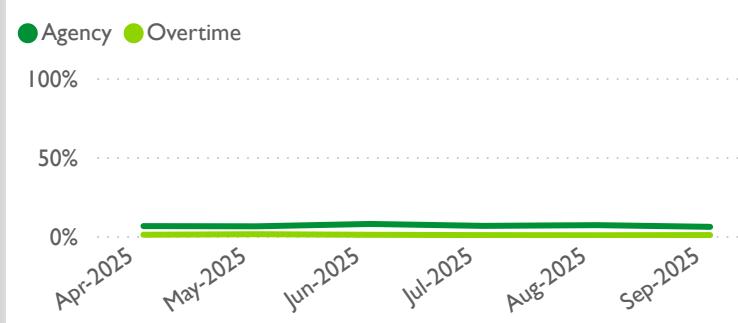
Staff sickness



Core training



Overtime / agency spend



Glossary

Term	Definition
Average No. of Cycle trips taken on DfT count day	Part of the National Travel Survey on walking and cycling patterns.
Business births per 10,000 residents	New businesses registering for VAT and PAYE.
Business survival 5 years (5 years to year end)	Proportion of newly born enterprises still active after five years.
CIPFA	A CIPFA comparator group council is part of a benchmarking model developed by the Chartered Institute of Public Finance and Accountancy (CIPFA). This model, known as the Nearest Neighbours Model, groups councils with similar socio-economic and demographic characteristics. The purpose is to enable meaningful comparisons between councils that share similar traits, helping them assess their performance and spending relative to their peers.
Condition of highways satisfaction score	Public satisfaction with highways and walkways. National Highways and Transport (NHT) Network annual survey, with benchmarking.
Corporate scope 1 and scope 2 CO2e emissions (tonnes CO2e)	Combined scope 1 and scope 2 CO2 emissions by Plymouth City Council. Local measure, no benchmarking.
Council tax revenue per dwelling	Total council tax payable divided by the number of chargeable dwellings. National measure, benchmarking available.
Crime rate per 1,000 residents	All crime recorded as a rate per 1,000 population. Nationally published crime data from Devon and Cornwall Police, accessed via LG Inform+.
Days lost due to sickness (average per rolling 12 months)	Average number of working days lost due to sickness per full-time equivalent employee. Local data, comparable national statistics available.
Debt servicing as percentage of core spending power	Measure of debt servicing costs compared with core spending power. National measure, benchmarking available.
Employment rate	Employment rate for ages 16-64. National data from NOMIS.
Key Stage 4 pupils achieving Grade 5+ in English and maths	Percentage of Key Stage 4 pupils achieving Grade 5+ in English and maths. National measure, benchmarking available.
Net additional homes in the city	Annual net additional homes in the Plymouth Local Planning Authority Area. Local measure, no benchmarking.
Number of adults (>16 years) on the NHS dental waiting list year-on-year from 2022-2025	Number of adults registered as seeking an NHS dentist. Local measure, no benchmarking. Caveat, this will only include patients who have contacted the dental helpline. As the register is not clinically validated, people no longer requiring an NHS dentist may remain on the register. Dental practices are not obligated to retain the patient once a course of treatment is complete.
Number of adults registered to vote in local elections	KPI in development. Local measure, no benchmarking.
Number of anti-social behaviour incidents reported to the Council	Reports of anti-social behaviour incidents via the Council's online form and telephone queries. Local measure, no benchmarking.
Number of children (<16 years) on the NHS dental waiting list year-on-year from 2022-2025	Number of children registered as seeking an NHS dentist. Local measure, no benchmarking. Caveat, this will only include patients who have contacted the dental helpline. As the register is not clinically validated, people no longer requiring an NHS dentist may remain on the register. Dental practices are not obligated to retain the patient once a course of treatment is complete.

Glossary

Term	Definition
Number of children with a child protection plan	Number of children with a child protection plan. Local measure, no benchmarking.
Number of completed carriageway works within the month	Monthly completed jobs reported by SWH. Local measure, no benchmarking.
Number of early interventions to anti-social behaviour	Early interventions by the Anti-Social Behaviour Team to prevent escalation, including ASB1/ASB2 letters, Acceptable Behaviour Contracts, and referrals to youth programs. Local measure, no benchmarking.
Number of households prevented from becoming homeless or relieved of homelessness	Number of households helped to stay in their accommodation or supported to relocate. Local measure, no benchmarking.
Number of incoming carriageway works within the month	Monthly work requests to Southwest Highways (SWH). Local measure, no benchmarking.
Number of looked after children	Number of looked after children. Local measure, no benchmarking.
Number of pupils with an Education, Health and Care Plan (EHCP)	Number of children and young people with an EHCP. Local measure, no benchmarking.
PCC investment in low carbon infrastructure (3 year average)	Average annual spend on low carbon infrastructure over three years. Local measure, no benchmarking.
Percentage of carriageway defects completed on time	Timeliness of completing priority carriageway defects (24 hours, 7 days, 21 days). Local measure, no benchmarking.
Percentage of customers satisfied with the cleanliness of pavements	Public satisfaction with pavement cleanliness. NHT Network annual survey, with benchmarking.
Percentage of customers satisfied with the condition of pavements and footpaths	Public satisfaction with pavements and footpaths. NHT Network annual survey, with benchmarking.
Percentage of major applications overturned at appeal	Percentage of major planning appeal decisions overturned. National measure, quality of decision collection.
Percentage of major developments determined on time	Percentage of major development planning applications determined within statutory timeframes. Local measure, no benchmarking.
Percentage of minor developments determined on time	As above for minor developments. Local measure, no benchmarking.
Percentage of patients with no criteria to reside	Percentage of patients with delayed discharge meeting the no criteria to reside definition. Local measure, no benchmarking.
Percentage of people accessing the Stop Smoking Service who have quit	Percentage of people who set a quit date and successfully quit smoking after four weeks. Local measure, no benchmarking.
Percentage of young people aged 16 to 17 going to, or remaining in, education, employment or training (EET)	Percentage of young people in education, employment, or training. Local quarterly data, annual benchmarking available.
Public satisfaction with traffic flow	Public satisfaction with traffic flow. NHT Network annual survey, with benchmarking.
Pupils attending schools judged as good or better by Ofsted	Percentage of pupils attending schools rated as 'good' or better by Ofsted. National measure, benchmarking available.
Stage one complaints resolved within timeframe	Percentage of stage one customer complaints resolved within 10 working days. Local measure, no benchmarking.
Total persistent absence in all schools	Pupils deemed persistently absent if attendance falls below 90%. National measure, benchmarking available.

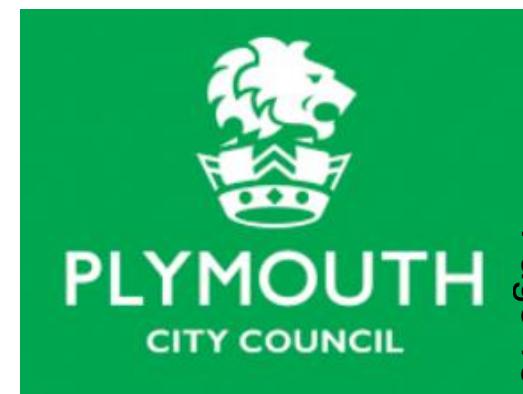
Risk Management Update

Audit & Governance Committee

Plymouth City Council

November 2025

Official



Page 191

Agenda Item 6

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.	Current risk score:
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.	Current risk score:
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.	Current risk score:
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.	Current risk score:
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.	Current risk score:
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>
<p>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.</p>	3 > 9. Low
07 Failure to safeguard vulnerable adults from neglect and harm.	<i>Current risk score:</i>
<p>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.</p>	3 > 9. Low
08 Failure to safeguard vulnerable children from neglect and harm.	<i>Current risk score:</i>
<p>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.</p>	3 > 9. Low
09 Failure to maintain effective business continuity and prevention strategies hindering response to major disruptions	<i>Current risk score:</i>
<p>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.</p>	10-19. Medium
10 Failure to respond effectively to emergencies or disasters, undermining community support.	<i>Current risk score:</i>
<p>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.</p>	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;

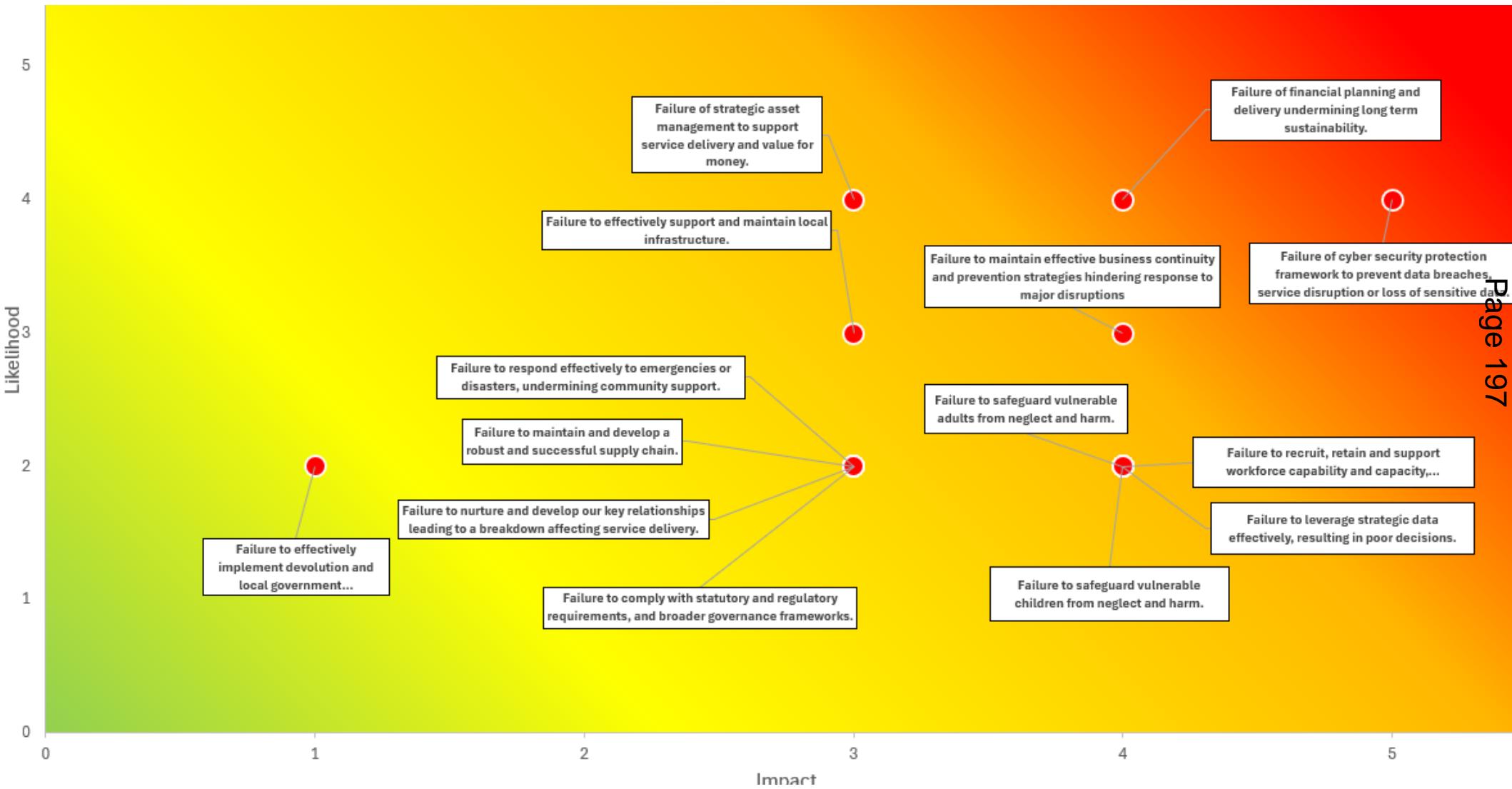
1. Working with the Senior Leadership team to further embed the current Risk Management framework, this work will focus on accurate risk language and definitions, scoring methodology and appropriate response. Additionally, work with Senior Leadership will focus on identifying the key corporate risks 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 HEAT MAP

RISK ID	RISK EVENT	RISK STATEMENT	OVERALL INHERENT SCORE	RISK OWNER	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)	<p>Preventive controls:</p> <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 <p> Detective controls:</p> <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	10-19. 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	<p>The Council continues to invest and support Delt to implement cost effective technology to protect our systems and networks, recent improvements include:</p> <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 <p>We also work to strengthen our "human firewall" with continued emphasis on:</p> <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 	<p>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.</p> <p>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.</p> <p>Delt have limited insurance cover for a cyber attack.</p>	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	<p>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.</p> <p>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).</p> <p>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 the future.</p>	<p>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.</p>	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/OD	<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 alternative 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	<p>Investment in key partner relationship development and maintenance</p> <ul style="list-style-type: none"> 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
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)	<p>Procurement Strategy explicitly identifies contract and supplier relationship management as a vital enabler to the successful delivery of public services.</p> <ul style="list-style-type: none"> 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 contracts valued over £50k to justify investment, ensure alignment with Council priorities and identify risks to be considered as part of procurement processes. A statement of requirements 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 £5M (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. Business continuity plans, including costing/risk and contract review, 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 failings 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	<p>Development and maintenance of a social work practice model setting out the standards of practice in this area.</p> <ul style="list-style-type: none"> 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 Provide 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	<p>Implement Training and Development Programme for staff delivering mandatory safeguarding and protection services and ensure attendance compliance.</p> <ul style="list-style-type: none"> 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

RISK ID	RISK EVENT	RISK STATEMENT	OVERALL INHERENT SCORE	RISK OWNER	MITIGATING CONTROLS/PROGRESS CAUSE CONTROLS	MITIGATING CONTROLS/PROGRESS IMPACT CONTROLS	CURRENT LIKELIHOOD SCORE	CURRENT IMPACT SCORE	OVERALL CURRENT SCORE
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	Introduce resource to ensure effective business continuity plans are in place across the organisation (BCP Officer); testing of plans at CMT and SLT level; ensure appropriate council response plans to mitigate against the causes in place (e.g. response to adverse weather etc).	The mitigation for impact is predominantly around implementing a multi-layered approach that addresses both preparedness and resilience. <ul style="list-style-type: none"> 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 2019, 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
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 Office	<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 preventive 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 asset recording/plan. Audits are being undertaken to identify and asset tag all serviceable assets. Risk assessments are being undertaken and updated and reporting of risks 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 helpline). 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. Prioritisation matrix 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 aligning 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: <ul style="list-style-type: none"> 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. Audit and Governance Committee provides independent oversight by reviewing compliance, governance frameworks, and risk management. Monitoring Officer ensures lawful decision-making and compliance with statutory requirements. 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

Council Workforce Flashcard November 2025**Total Headcount (Nov 2025)**
2,674

Council headcount: 2,674
Council FTE: 2,319.77

November 2024

Headcount: 2614
FTE: 2262.11

Year change since 30/11/24: H/C +60, FTE + 57.66

Vacancies

Work in progress with new system – establishment cleanse currently taking place to remove all unbudgeted, vacant posts from the establishment.

National Avg: 14% median vacancy rate (council-wide) (LGA 2021/22)

Cost of agency workers: £597,205.76 per month (November)

% of pay bill: 5.88%

Full year forecast: £7,758,307.31

Month daily spend: £29,860.29

November 2024: £595k 5.17%

Change since November 2024: + £2k monthly spend, +0.71% of paybill

Agency Placements over 37 months: 40

Placements 13 - 24 months: 70
Placements 25 - 36 months: 52

Total number of placements: 240

% of Headcount: 8.2%

As at November 2024: 12

Change since November 2024: +28

Sickness absence 9.83 days lost per FTE (RYTD)

Month days lost per FTE: 1.03

Top 3 Reasons for sickness RYTD

Short term: Cold/Flu, Stomach/ Gastric/ Liver, stress - personal

Long term: Anxiety/ Depression/ Psych – Personal, Stress – Personal, Surgery/ Operation

November 2024: 9.67 days/FTE

Year change since November 2024: +0.16 days/FTE
National Avg: 9.8 days lost per FTE (Infinistats survey of 17 Unitary Councils, 2024)

Annual Turnover (RYTD)

9.94%

% Turnover in month: 0.97%

Top 3 reasons for leaving RYTD:
Resignation, Retirement, End of Contract

November 2024: 11.36

Change since November 2024: -1.42%

National Avg: 13.4% (LGA 2021)

25/26 Apprentices 113**Total Apprentices 209**

Internal development starting 25/26: 90.
External appointments starting 25/26: 23.

As at November 2024:
24/25 Apprentices 42
Total Apprentices 124

Year change: +85

National and PCC annual target: 60 (2.3%)

Formal HR Casework snapshot

41

Attendance: 14

Disciplinary: 17

Performance: 2

Grievance: 4

Employment Tribunal: 2

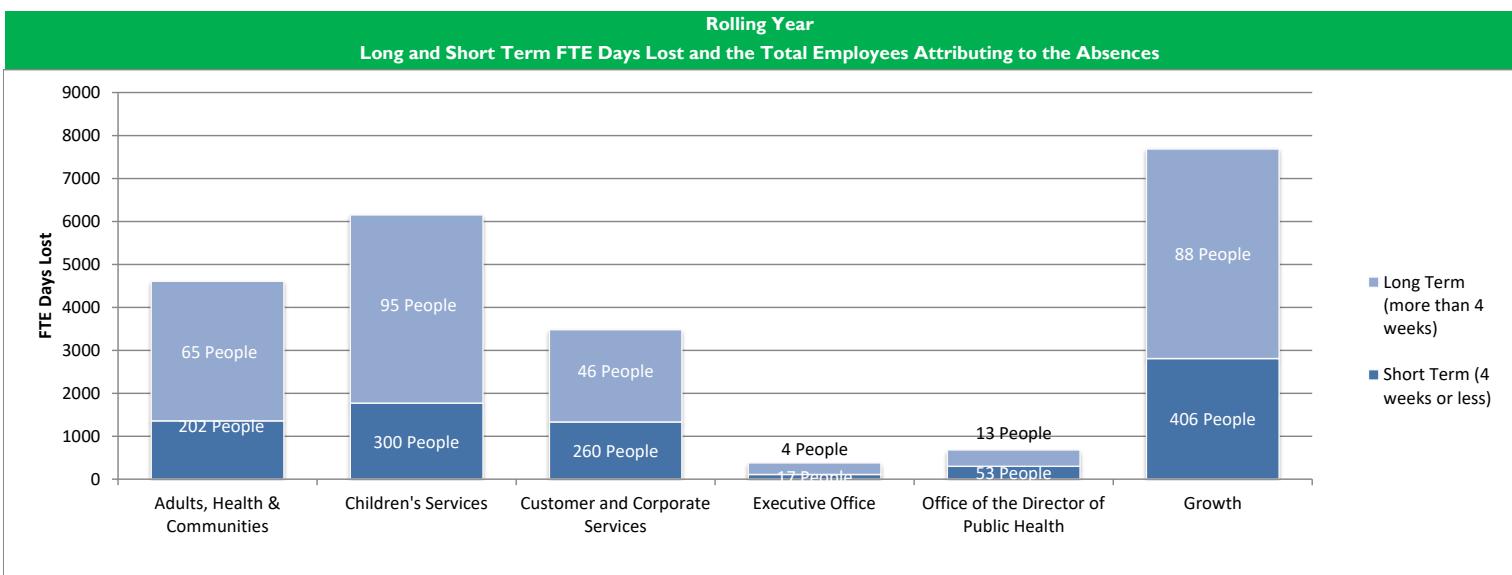
Probation: 2

November 2024: 28

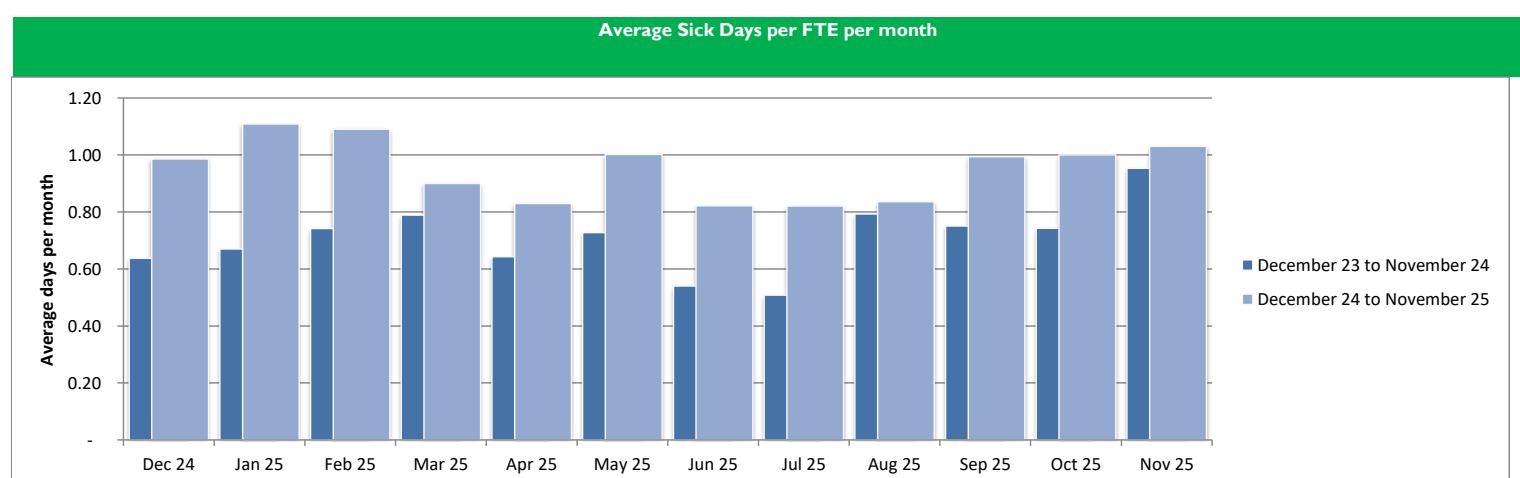
Change since November 2024: +13

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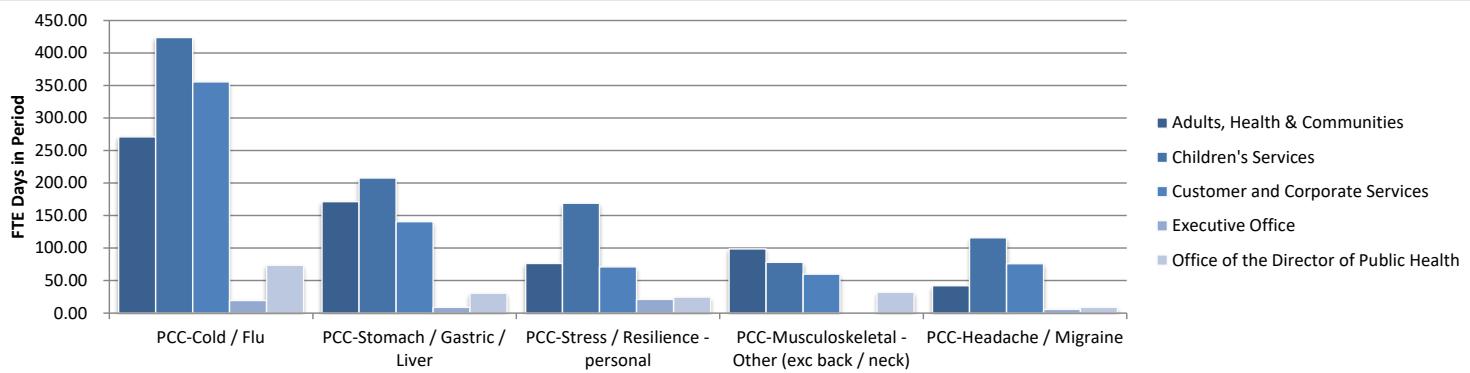
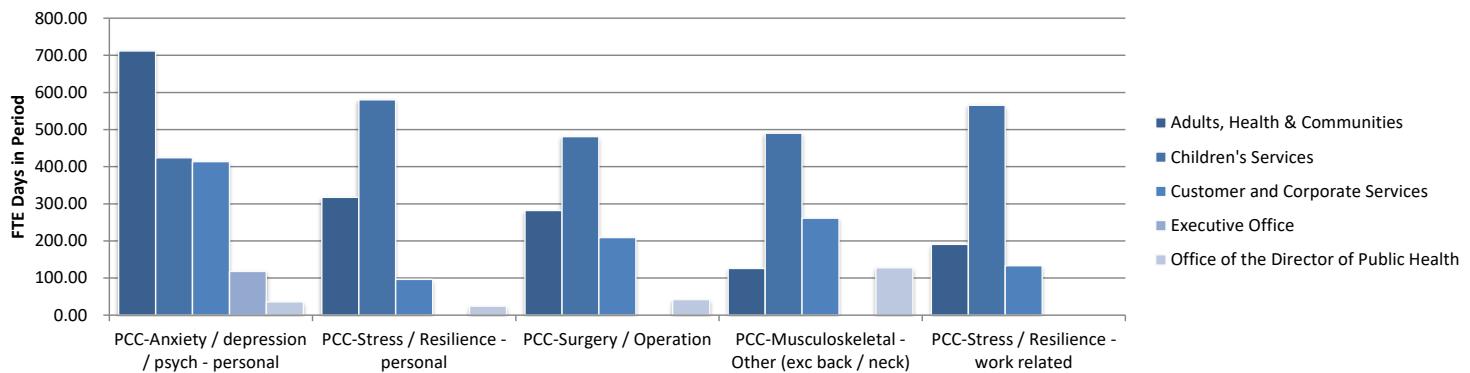
Directorate	Total Number of Days Lost (Rolling Year)				Comparison of Average Days Lost to Directorate Target (Rolling Year)			
	Number of FTE Employees	Total Work Days Available (FTE) (Based on calculation, not an exact figure)	Total FTE Days Lost to Sickness	Percentage of Days Lost	Average Days Lost per FTE (Rolling Year)	Average Days Lost per FTE (Month)	Directorate Target (24/25)	Comparison of Average to Directorate Target (Rolling Year)
Adults, Health & Communities	286.82	65,107.47	4,607.17	7.08%	16.06	1.65	7.00	9.06 ●
Children's Services	638.20	144,872.53	6,149.35	4.24%	9.64	1.26	7.00	2.64 ●
Customer and Corporate Services	500.63	113,643.51	3,476.65	3.06%	6.94	0.50	7.00	-0.06 ●
Executive Office	55.41	12,577.64	378.30	3.01%	6.83	0.75	7.00	-0.17 ●
Office of the Director of Public Health	98.93	22,457.54	678.22	3.02%	6.86	1.28	7.00	-0.14 ●
Growth	755.91	171,591.71	7,683.12	4.48%	10.16	0.94	7.00	3.16 ●
Council Wide	2,335.90	530,250.39	22,972.81	4.33%	9.83	1.03	7.00	2.83 ●



Average Number of Sick Days per FTE for the rolling year ended:												
Directorate	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25
Adults, Health & Communities	13.43	14.26	15.14	16.08	15.84	15.74	15.41	15.47	16.40	14.62	16.82	16.06
Children's Services	9.45	9.46	8.99	9.10	8.85	8.90	9.09	8.85	9.24	8.40	9.05	9.64
Customer and Corporate Services	7.03	7.21	7.23	7.24	6.92	6.44	6.49	6.34	6.37	5.64	6.99	6.94
Executive Office	9.06	8.68	6.12	6.23	5.85	6.13	6.12	6.29	6.29	6.62	6.05	6.83
Office of the Director of Public Health	3.87	4.56	4.77	4.46	4.65	4.59	3.04	4.98	5.78	4.64	6.32	6.86
Growth	11.04	10.73	10.65	10.23	10.26	10.07	10.40	10.09	10.36	9.31	10.13	10.16
Council Wide	9.71	9.74	9.61	9.61	9.52	9.35	9.40	9.27	9.62	8.64	9.73	9.83



Top 5 Known Reasons for Short Term Absences

Rolling Year
Top 5 Known Reasons for Long Term Absences

MATRIX (AGENCY) MONTHLY DIRECTORATE SPEND

Directorate	Total Monthly Spend by Directorate									Projected Spend 25-26
	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	YTD 25-26	
Adults, Health & Communities	£19,474.09	£21,354.34	£21,345.75	£15,572.92	£12,430.83	£12,639.88	£42,668.20	£28,767.00	£164,854.12	£247,281.18
Children's Services	£254,661.03	£246,138.23	£339,907.83	£279,945.27	£324,141.91	£238,327.58	£287,117.18	£235,356.06	£2,205,595.09	£3,308,392.64
Customer and Corporate Services	£117,142.50	£105,260.52	£115,460.03	£99,319.95	£136,624.97	£100,715.21	£138,220.90	£102,096.59	£924,284.56	£1,386,426.84
Executive Office	£23,044.64	£31,093.12	£33,016.82	£28,797.17	£13,309.12	£10,007.48	£14,296.40	£10,722.30	£147,846.19	£221,769.19
Growth	£177,084.26	£186,387.61	£229,673.02	£193,038.33	£270,391.74	£212,937.34	£164,282.75	£207,340.25	£1,641,135.30	£2,461,701.95
Office of the Director of Public Health	£7,382.49	£7,685.12	£9,638.67	£11,352.58	£12,865.04	£10,832.74	£15,809.41	£12,923.56	£88,489.61	£132,734.42
Total	£598,789.01	£597,918.94	£749,042.12	£628,026.22	£769,763.61	£585,460.23	£662,394.84	£597,205.76	£5,172,204.87	£7,758,307.31

Directorate	Department	Total Monthly Spend								YTD 25-26
		April 2025	May 2025	June 2025	July 2025	August 2025	September 2025	October 2025	November 2025	
Adults, Health & Communities	Community Connections	£3,819.51	£5,876.01	£6,690.77	£4,589.10	£6,639.24	£9,427.41	£15,041.80	£14,686.60	£66,770.44
	Adult Social Care Retained Functions	£0.00	£0.00	£0.00	£0.00	£0.00	£3,212.47	£27,626.40	£14,080.40	£44,919.27
	Strategic Co-operative Commissioning	£10,922.91	£10,811.11	£14,654.98	£10,983.82	£5,791.59	£0.00	£0.00	£0.00	£53,164.41
	Total	£19,474.09	£21,354.34	£21,345.75	£15,572.92	£12,430.83	£12,639.88	£42,668.20	£28,767.00	£164,854.12
Children's Services	Children, Young People and Families	£221,815.06	£212,532.42	£299,782.50	£243,415.90	£295,864.92	£191,810.98	£218,685.69	£117,855.41	£1,801,762.88
	Education, Participation and Skills	£32,845.97	£33,605.81	£40,125.33	£36,529.37	£28,276.99	£46,516.60	£68,431.49	£117,500.65	£403,832.21
	Total	£254,661.03	£246,138.23	£339,907.83	£279,945.27	£324,141.91	£238,327.58	£287,117.18	£235,356.06	£2,205,595.09
Customer and Corporate Services	Digital and Customer Experience	£52,210.65	£46,249.39	£59,607.14	£57,133.57	£70,413.59	£50,155.66	£65,066.29	£48,883.26	£459,163.44
	Finance	£9,966.20	£9,060.00	£0.00	£0.00	£2,993.62	£5,022.00	£4,600.60	£12,022.76	£43,665.18
	HROD	£54,965.65	£49,951.13	£55,852.89	£42,186.38	£63,217.76	£45,537.55	£68,554.01	£41,190.57	£421,455.91
	Total	£117,142.50	£105,260.52	£115,460.03	£99,319.95	£136,624.97	£100,715.21	£138,220.90	£102,096.59	£924,284.56
Executive Office	Legal Services	£12,341.94	£14,652.26	£17,572.98	£14,296.40	£442.36	£0.00	£0.00	£0.00	£59,305.82
	Public & Partner Relations	£10,702.70	£16,440.86	£15,443.84	£14,500.77	£12,866.76	£10,007.48	£14,296.40	£10,722.30	£88,540.15
	Total	£23,044.64	£31,093.12	£33,016.82	£28,797.17	£13,309.12	£10,007.48	£14,296.40	£10,722.30	£147,846.15
Growth	Business Team (Place)	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	Economic Development	£42,455.46	£46,127.30	£60,195.73	£55,596.97	£95,177.85	£72,073.32	£56,685.48	£62,820.66	£491,132.77
	Strategic Planning and Infrastructure	£3,020.31	£2,247.90	£3,803.60	£2,857.84	£5,102.41	£7,390.98	£10,240.16	£11,308.64	£45,971.84
	Street Services	£131,608.49	£138,012.41	£165,673.69	£134,583.52	£170,111.48	£133,473.04	£97,357.11	£133,210.95	£1,104,030.69
	Total	£177,084.26	£186,387.61	£229,673.02	£193,038.33	£270,391.74	£212,937.34	£164,282.75	£207,340.25	£1,641,135.30
Office of the Director of Public Health	Children, YP & Environmental Protection	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
	Operations and Development	£0.00	£0.00	£0.00	£3,975.28	£5,011.32	£4,214.62	£5,602.54	£4,629.79	£23,433.55
	Trading Standards and Health Improvement	£7,382.49	£7,685.12	£9,638.67	£7,377.30	£7,853.72	£6,618.12	£10,206.87	£8,293.77	£65,056.06
	Total	£7,382.49	£7,685.12	£9,638.67	£11,352.58	£12,865.04	£10,832.74	£15,809.41	£12,923.56	£88,489.61
Council Wide Total		£598,789.01	£597,918.94	£749,042.12	£628,026.22	£769,763.61	£585,460.23	£662,394.84	£597,205.76	£5,172,204.87

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