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Select Committee Review – Budget Scrutiny 2022 - 2023

Thursday 20 January 2022 9.00 am and Friday 21 January 2022 12.30 pm
Warspite Room, Council House

Members:

Councillors Mrs Aspinall, Bingley, James, Jordan, Laing, Lowry, Penberthy and Salmon.

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

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Tracey Lee

Chief Executive

Select Committee Review – Budget Scrutiny 2022 - 23

Agenda

1. Appointment of the Chair and Vice Chair

The Committee will appoint a Chair and Vice Chair for this meeting.

2. Apologies

To receive apologies for non-attendance submitted by Members.

3. Declarations of Interest

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

4. Chair's Urgent Business

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

5. Budget Scrutiny Schedule (Pages 1 - 4)

6. Session 1 - Opening of Budget Scrutiny and Plymouth City Council Financial Position

7. Session 2 - Community Services

8. Session 3 - Council Facilities and Customer Services

Break - 11.15am - 11.30am

9. Session 4 - Health and Social Care

Lunch 13.30pm - 14.15pm

10. Session 5 - Place

Background Papers

Draft Budget Report 2022 - 23 (Pages 5 - 16)

Budget Equalities Impact Assessment (To Follow)

Budget Engagement 2022 - 23 (Pages 17 - 52)

Council Tax Base and Council Tax Support Scheme 2022 - 23	(Pages 53 - 60)
Finance Monitoring Report Month 8	(Pages 61 - 70)
Treasury Management Strategy 2022 - 23	(Pages 71 - 108)
Capital Financing Strategy 2022 - 23	(Pages 109 - 118)
Capital Monitoring Report Quarter 2	(Pages 119 - 124)
Corporate Plan Monitoring Report Quarter 2	(Pages 125 - 160)
Risk Management Monitoring Report	(Pages 161 - 176)

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BUDGET SCRUTINY PLAN

Overview and Scrutiny



Timing	Session and key lines of enquiry
9am – 10.00am	<p>Session One – Opening of Budget Scrutiny and Plymouth City Council Financial Position</p> <p>Leader/Chief Executive and S151.</p> <p><u>Key lines of enquiry –</u></p> <ul style="list-style-type: none"> • Introduction of draft budget; • Budget engagement; • Local Government Finance settlement; • Risks and opportunities 2022/23; • Covid-19 support expectations in 2022/23; • Cost of the implementation of the manifesto commitments and the impact on the budget; • Treasury Management; • Level of precept; • Savings/income generation.
10.00am – 10.30am	<p>Session Two - Community Services</p> <p>Councillors Mrs Pengelly / Craig McArdle / Matt Garrett. (Additional officers as deemed appropriate by directors)</p> <p><u>Key lines of enquiry -</u></p> <ul style="list-style-type: none"> • Homelessness and Housing
10.30am - 11.15am	<p>Session Three - Council Facilities and Customer Services</p> <p>Councillor Deacon/ Leader and Andy Ralphs. (Additional officers as deemed appropriate by directors)</p> <p><u>Key lines of enquiry –</u></p> <ul style="list-style-type: none"> • Facilities Management and Buildings; • Customer Service; • Transformation.

11.15am – 11.30am	Break
11.30am – 12:30pm 12.30pm – 13.30pm	<p>Session Four - Health and Social Care</p> <p>Adults Councillor Nicholson /Craig McArdle/Anna Cole/Ruth Harrell. (Additional officers as deemed appropriate by directors)</p> <p><u>Key lines of enquiry –</u></p> <ul style="list-style-type: none"> • Staffing (agency and cost); • Health and Social Care Levy – System point of view? • Fair shares; • Care Packages/care market management. • Grant maximisation • Impact of Covid on mental health issues/ costs <p>Children Councillor Downie and Alison Botham and Jean Kelly. (Additional officers as deemed appropriate by directors)</p> <p><u>Key lines of enquiry –</u></p> <ul style="list-style-type: none"> • Staffing (agency and cost); • Out of area placements; • Fostering risk register and Recruitment of staff;
13.30pm – 14:15pm	LUNCH
14.15pm – 15.00pm 15.00pm – 15.30pm	<p>Session Five - Place</p> <p>Councillors Mrs Bridgeman/Drean and Leader – Anthony Payne, Philip Robinson, David Draffan/Paul Barnard and Brendan Arnold. (Additional officers as deemed appropriate by directors)</p> <p><u>Key lines of enquiry -</u></p> <p>Streets and Waste</p> <ul style="list-style-type: none"> • Waste; • Parking; • Public Transport; • Areas of savings/parks/street cleaning if applicable. <p>Economy and Infrastructure</p> <ul style="list-style-type: none"> • Council investments;

15.30pm – 16:00pm	<ul style="list-style-type: none">• Impact of Covid-19 on Tourism / Cultural Spend. <p>Capital Programme</p> <ul style="list-style-type: none">• Impact of increased costs on development;• Capital Programme and affordability;• Impact of climate emergency.
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Cabinet



Date of meeting:	21 December 2021
Title of Report:	Budget 2022/23 – Draft Budget
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	David Northey, Stephen Coker and Paul Looby
Contact Email:	David.northey@plymouth.gov.uk Stephen.coker@plymouth.gov.uk Paul.looby@plymouth.gov.uk
Your Reference:	Fin/Bud/2022/23
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To provide an update on progress on the development of the 2022/23 budget.

Under the Council's Constitution, Cabinet is required to recommend the 2022/23 Budget to Council. This report sets out the latest information available to enable Cabinet to consider the first tranche of recommendations to Council in respect of the 2022/23 budget.

Cabinet received a report at their meeting on 9 November which provided an update on progress at the date on the development of the 2022/23 budget. The report identified the initial budget shortfall of £20.240m. Over the last month further work has been undertaken to enable this shortfall to be significantly reduced.

A summary of the proposed budget savings has been included for Members' consideration.

A summary of the outcome from the Provisional Local Government Settlement has not been included within this report and will be covered in a supplementary report. This is because the Settlement is expected in mid-December.

Recommendations and Reasons

That Cabinet:

- I. Note this report is subject to change in line with any Settlement adjustments;

2. Approve the savings options as set out in Appendix 2. Once approved these will be presented to Budget Scrutiny for review and after consideration of Scrutiny recommendations, to Full Council.

This report is put before Cabinet as they are required to approve the savings in order to step towards a legal and balanced budget in February 2022.

Alternative options considered and rejected

None - The approval of Council's budget is a statutory requirement so there are no alternative options.

Relevance to the Corporate Plan and/or the Plymouth Plan

The development and approval of the annual budget and the Medium Term Financial Plan (MTFP) is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

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

Financial Risks

The Council is a complex service organisation with a gross revenue expenditure budget exceeding £500m. It is essential that careful consideration is given to all factors that could impact upon the budget to ensure they are – when eventually approved - robust and deliverable within the overall budget allocations that are available

Carbon Footprint (Environmental) Implications:

No impacts directly arising from this report.

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

The reducing revenue resources across the public sector has been identified as a key risk within our Strategic Risk register. The ability to deliver spending plans is paramount to ensuring the Council can achieve its objectives.

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	Net additional cost pressures and adjustments							
2	Proposed Savings by Directorate							

Background papers:

*Add rows as required to box below

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

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

Sign off:

Fin	ba.21. 22.21 1	Leg	LS/37 833/A C/16/ 12/21	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 15/12/2021											
Cabinet Member approval: Councillor Nick Kelly (Leader)											
Date approved: 14/12/2021											

I Introduction

- I.1 This report provides an updated position for the Council's budget.
- I.2 The Council continues to manage a challenging financial environment where service demands continue to increase, the ongoing impact of COVID-19 continues and where uncertain and unpredictable funding levels remain.
- I.3 The Comprehensive Spending Review (CSR) provided some positive news for Local Government with a real terms increase in resources. The details from the CSR will be understood in greater detail when the Provisional Local Government Finance Settlement is received in mid-December 2021.
- I.4 This report will form part of the key budget papers that will be made available to the Budget Scrutiny meeting when it considers the draft budget proposals. These will include:
- The draft 2022/23 Budget by service;
 - A list of savings proposals;
 - Treasury Management Strategy as approved by Audit and Governance Committee on 29 November 2021;
 - Capital Strategy as approved by Audit and Governance Committee November 2021.

2 Background

- 2.1 The Council is scheduled to set a budget for the next financial year on 28 February 2022. Once again, this is very challenging as, like all local authorities, the Council is facing growing pressures on resources as demand for services rises and costs increase whilst funding reduces.
- 2.2 This report highlights that due to estimated reductions in funding and rising demand for services the forecast budget shortfall is £20m for 2022/23. This is in addition to the ongoing savings targets we have already agreed in previous years in order to protect services for Plymouth residents. The Council has worked hard over the last few years to reduce costs and has achieved this without significantly reducing services. Savings of over £25 million – largely related to improved efficiency - have been achieved over the last three years. For reasons already mentioned the shortfall in funding is likely to increase in future years, which means that, where possible, savings need to be both recurring and sustainable in the longer term.
- 2.3 The existing challenges have been exacerbated over the last 18 months by the coronavirus pandemic, which has required the Council to introduce significant changes in how it operates in order to manage the impact on Plymouth and its residents.
- 2.4 Every part of the Council has been involved in the response and many employees and services have worked in new ways, whether launching new services to provide additional support for vulnerable residents, continuing to provide services using Covid-safe measures, or dealing with a rise in the number of vulnerable children needing support. The additional costs arising from these endeavours are now expected to decline but persist in 2022/23 and contribute to the forecast shortfall in that year.
- 2.5 A significant amount of work has been carried out to support the city's economy, which has been severely affected by the pandemic. The Council distributed more than £92 million of

Government grants to help more than 7,440 Plymouth business affected by the impact of COVID-19.

- 2.6 In 2019/20 the Council received £23 million in grants to help cover the additional costs of responding the pandemic. In 2020/21 we received a further £9m; it is unlikely – arising from the national position of the public finances - that the Council will receive the same levels of grant funding to help offset the costs of the pandemic moving forward. This means that challenging decisions lie ahead to ensure that the services delivered by the Council are the best possible for Plymouth and its people given the resources available.
- 2.7 It should be noted that options are limited by the fact that the Council needs to deliver a large number of services as a statutory requirement and has limited scope to influence how these services are delivered. Examples of this include supporting vulnerable children and adults in the city.
- 2.8 Despite these challenges, the City Council is ambitious for Plymouth and its residents and is keen to pursue its vision of making Plymouth a great place to live, work and visit. In doing so listening to the views of city residents is a key part of the budget setting process and decision making.

3. Provisional Local Government Finance Settlement

- 3.1 At the time of writing this report the Provisional Settlement has not been announced. Receipt is expected in mid-December 2021. As in previous years the late timing of the announcement has not been helpful with regard to preparing the Council's budget. However any differences between the assumptions made within this report and the Provisional Settlement will be updated in a subsequent report which is scheduled for Cabinet in early February 2022 before onward presentation to Council for decision.

4 Budget Consultation

- 4.1 A public engagement to support the 2022/23 budget setting process took place between 05 November and 28 November 2021. A questionnaire was developed which asked respondents to prioritise key public services the Council provides.
- 4.2 The engagement was promoted in the local media and through the Council's own channels, which included a website banner, newsroom feature and press release. Social media posts were viewed by more than 17,000 people on Twitter and 77,500 people on Facebook and the message arrived in almost 73,000 inboxes via e-newsletters. Library staff were given access to a print version of the questionnaire and social media posts and the email newsletters asked residents to inform their friends and family without internet access on how to take part. The questionnaire was also shared internally in Staff News bulletin.
- 4.3 This year's budget engagement exercise yielded a response rate that compares well with previous exercises and 1,196 online questionnaires were completed and entered for analysis. The engagement also provided the opportunity for respondents to give comments on a number of potential areas for savings. These were themed under the following headings;
 - Continuously improving what we do to provide better value for money
 - Caring for the elderly and vulnerable adults in our community
 - Protecting vulnerable children and young people
 - Investing in a clean and safe city and reducing our carbon footprint
 - Raising income and reviewing fees and charges

- 4.4 The themes arising from the engagement will be provided as part of the final budget proposals in the New Year.

5. Budget Planning Assumptions – Core Funding

Council Tax

- 5.1 The Council Tax base for 2022/23 has been set at 73,830 properties, an increase of 715 on 2021/22. The Council Tax Base report for 2022/23 appears elsewhere on this Cabinet agenda and will be presented to Council in January 2022 for approval.

The average band D council tax base is set out in the table below.

	Council Tax Base (Band D Properties)
2021/22	73,115
New Homes Growth	478
Council Tax Support Claimants	(165)
Higher 2021/22 forecast	433
2022/23	73,830

- 5.2 The rise in the council tax base for 2022/23 primarily reflects the increase in the number of properties within the City offset by an increase in the number of residents claiming Council Tax Support which has increased by 2.54% in the last year. The collection rate has been maintained at 97.5% which is realistic and prudent due to the current economic climate.
- 5.3 Following CSR21 it is understood from Government that the Council Tax Referendum Limit is to remain at 1.99% (i.e. this is the highest level of increase permissible without a referendum) and an adult social care precept of 1%. These will be confirmed as part of the Provisional Finance Settlement. These increases, if adopted, would provide an additional £2.429m in Council Tax and £1.221m of ASC Precept to an overall total of £3.650m. The Government has assumed that councils will maximise these items when referencing increases to councils' core spending power across the three years of the CSR.

Business Rates

- 5.4 The full impact of COVID-19 upon the business rates income that Plymouth will receive in 2022/23 is still uncertain due to the unprecedented level of rate relief and support from central government for local businesses. This is a national issue and reflects the ongoing impact of COVID-19 but also the challenges across the retail and hospitality sector. Therefore, no growth in the business rates base has been included. However, business rates income will increase by £2.1m in 2022/23 from the current £63.010m to a revised £65.130m. This is as a result of the CSR21 which stated the multiplier would be set at 0% but with a Section 31 Grant received to compensate Councils for the equivalent of inflation.

Revenue Support Grant (RSG)

- 5.5 After a series of one year funding Settlements the Chancellor announced as part of the CSR that local government would receive a three year funding package. Local government was expecting confirmation of a timetable for the Funding review and move to 75% Business Rates Retention. However the Government has indicated that there may not be a fundamental review and they will use the Levelling-Up Agenda to address issues relating to the distribution of local government funding. For planning purposes at this stage the figure for 2021/22 (£9.742m) has also been estimated for 2022/23. It is expected that the actual

figure for RSG or an alternative resource will be advised in the Provisional Finance Settlement.

New Homes Bonus

- 5.6 CSR21 provided no details of any replacement for new homes bonus and the allocation will be confirmed as part of the subsequent Settlement. For planning purposes new homes bonus is assumed to be £0.811m, 50% of the amount received in 2021/22.

Public Health Grant

- 5.7 The Public Health grant is another key source of income and is used to improve the health of the population, and in particular to tackle large differences in health outcomes that we see between local areas. At the time of writing this report the 2022/23 grant has yet to be advised but the CSR confirmed that the overall value would not change from 2021/22.

6. Resources Summary

- 6.1 In addition to the resources referred to above the Council receives a range of other one off specific grants. These include Better Care Fund grant, social care grant and others which form part of the awaited Settlement. The maximum amount of core resources that could be available to the Council are summarised below. The table below includes figures for a Council Tax increase of 1.99% and a 1% increase in the Adult Social Care precept and the resultant budget shortfall with and without the maximum increases.

	Budget	Without CT increases	With maximum CT & Precept increases
Unringfenced Resources	2021/22 £m	2022/23 £m	2022/23 £m
Council Tax	(121.449)	(121.354)	(125.004)
Business Rates	(63.010)	(65.130)	(65.130)
RSG	(9.742)	(9.742)	(9.742)
Use of Reserves	(1.367)	(0.000)	(0.000)
Total Resources	(195.568)	(196.226)	(199.876)
2021/22 Budget Base	195.568	195.568	195.568
Add Net additional costs pressures and adjustments (Appendix 1)		20.942	20.942
Less Savings proposals (Appendix 2)		(6.751)	(6.751)
Budget Shortfall	0.000	13.533	9.883

- 6.2 For Plymouth, every quarter percent (0.25%) increase in the Council Tax would yield an additional £0.305m; likewise each quarter percent rise in the precept would also yield an additional £0.305m.
- 6.3 The final recommendations on these matters will be presented for decision to Full Council on 28 February.

7. Budget Pressures

- 7.1 As is usual practice in the Council it is assumed that with a small number of exceptions set out in this report, inflationary pressures are absorbed within service budgets.
- 7.2 The estimated budget pressures for 2022/23 are detailed in Appendix I. These include significant cost and volume increases for Adults' and Children's Services together with additional corporate costs covering salary and pensions plus the cost of financing the capital investment programme.
- 7.3 The Council is committed to the National Living Wage and ensuring our care providers receive the necessary funding. The increase in the National Living Wage from the current £8.91 per hour to the announced £9.50 per hour from April 2022 gives an additional cost pressure of £4.476m to the Council although this is expected to be offset from Government grant in 2022/23.
- 7.4 The City has a capital investment programme which supports the local economy and the revenue implications of this investment are included within the budget plans, with an additional £2.442 made in 2022/23.
- 7.5 A significant proportion of our revenue budget is spent on two main areas; Adults' and Children's social care provision. These costs are rising as demand and complexity increases and are part of a national trend.
- 7.6 A summary of the net additional budget pressures totalling £20.942m after the offsetting of assumed government grants is shown in Appendix I.

8. COVID-19

- 8.1 COVID-19 has had a significant impact on the cost base for the Council. All relevant COVID-19 cost pressures have been included within the base budget for 2022/23. The current Budget model assumes these additional costs can be offset by one-off residual Covid funding in 2022/23.

9. Savings Plans

- 9.1 Cabinet Members and Officers have worked to identify £6.751m of savings. Full detail of the proposals is shown in Appendix 2.

10. Current Budget Shortfall

- 10.1 The forecast budget shortfall set out in the November Cabinet report was estimated in the sum of £20.240m. A number of adjustments have been possible to the starting assumptions to give a net reduction of £3.6m. For this reason, taking account of the proposed savings shown in Appendix 2, the budget shortfall is adjusted to £13.533. Following additional work this will be subject of a further report to Cabinet on 8 February 2022 following

- (a) Receipt of the Settlement in December and
- (b) The recommendations of the Budget Scrutiny meeting on 20 January 2022.

This report will include final options to balance the budget for 2022/23.

11. Equality & Diversity

- 11.1 The Equality Act (2010) harmonised and replaced pre-existing equality legislation and extended statutory protection across nine 'protected characteristics'. It recognised forms of discrimination that were previously beyond the scope of legislation and introduced the concept of the Public Sector Equality Duty (PSED).
- 11.2 The protected characteristics include; age, disability, gender reassignment marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The PSED placed specific responsibilities on public sector organisations to consider equality in their decision making. It consists of a general equality duty, supported by specific duties. In summary, those subject to the equality duty must have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct.
 - Advance equality of opportunity between people who share a protected characteristic, and those who do not.
 - Promote good relations between people who share a protected characteristic and those who do not.
- 11.3 Plymouth City Council is committed to equality and diversity and to ensuring that the decisions we take promote equality. To help inform the development of the Council's budget and to ensure that we give 'due regard' to equality during this process, we are considering the equality implications of our budget decisions. A completed equality impact assessment will be presented with the final budget paper.

12. Recommendations

Cabinet are asked to:

1. Note this report is subject to change in line with any Settlement adjustments.
2. Approve the savings options as set out in Appendix 2 for submission to Budget Scrutiny for review and after consideration of Scrutiny recommendations, to Cabinet on 8 February and thence to Full Council on 28 February 2022.

Appendix I

Net additional cost pressures and adjustments

Cost Pressures	2022/23 £m
People Directorate	
Adult Social Care – Care Packages	2.194
National Living Wage, ASC providers	4.476
People Directorate inflation	0.449
Impact of 1.25% NI increase on ASC providers	0.700
Renegotiate Leisure	0.250
ODPH Capital Financing cost for Crematorium additional investment	0.141
Children's Directorate	
CYP&F – Additional volume	7.599
COVID Ongoing costs - Social Workers	0.385
Place Directorate	
Legacy Asset Investment Fund Income Target	0.500
New Homes Bonus	0.810
Parking - 50% of legacy shortfall of £1.695m	0.848
Waste tonnage and additional costs	0.490
Customer & Corporate Services	
Financing the Approved Capital Programme	1.888
ICT Inflation	0.400
Capital Financing cost - Estate Maintenance	0.300
Housing Benefit	0.300
Corporate Items	
Staff pay and pensions	6.975
Social Care Grant	(5.876)
One Off COVID Grant	(2.000)
Capital Financing cost - Health and Safety	0.113
Total Cost Pressures	20.942

Savings Proposals by Directorate

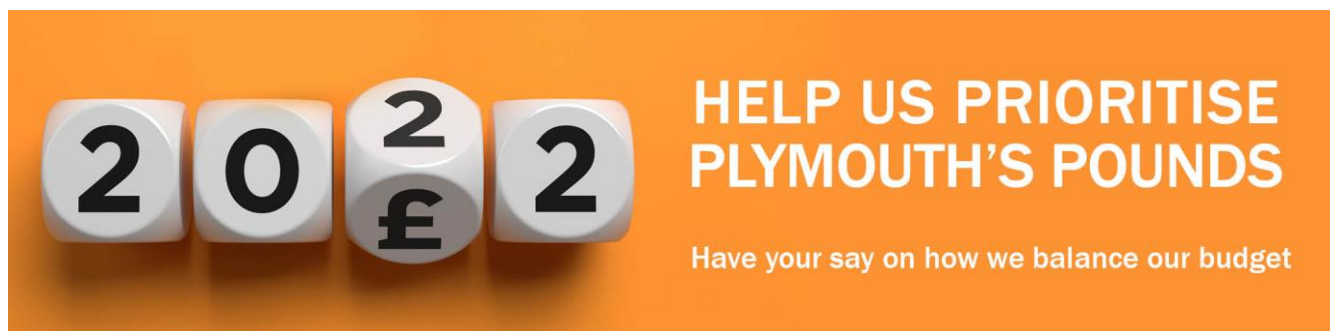
Proposal	Savings £m
Place Directorate	(0.734)
People Directorate	(3.507)
Children's Directorate	(1.111)
Office of the Director of Public Health	(0.117)
Customer & Corporate Services Directorate and Chief Executive's Office	(1.282)
Total	(6.751)

Savings Proposals	2022/23 Budget Saving
Customer & Corporate Services & Chief Executive	
Discretionary spending and management actions	(0.309)
Maximise benefits from Plymouth family of companies	(0.160)
Corporate Services Review	(0.813)
	(1.282)
People	
Care Package Reviews	(2.342)
Leisure Management Review	(0.065)
Maximise Grant Income and Management actions	(1.100)
	(3.507)
Children	
Contracts review and Management actions	(0.161)
In House Fostering	(0.450)
Step Up Adolescent Support	(0.500)
	(1.111)
Place	
Bus shelter advertising & concessionary fares	(0.258)
Highways	(0.105)
Review of Service Level Agreements (SLAs)	(0.233)
Fees & charges and management actions	(0.138)
	(0.734)
Office of the Director of Public Health	
Fees & Charges	(0.117)
	(0.117)
Total Savings Proposals	(6.751)

BUDGET ENGAGEMENT 2022-23

Results Report – December 2021





INTRODUCTION

A public engagement to support the 2022-23 budget setting process took place between Friday 05 November and Sunday 28 November 2021. A questionnaire was developed which asked respondents to prioritise key public services the Council provides – these were themed into the following service areas:

- Leisure
- Transport
- Children and young people
- Environment
- Waste and recycling
- Growing Plymouth's economy
- Health and adult social care

The questionnaire also asked respondents to give their views on the savings proposals being put forward by the Administration to balance the Council's budget for the 2022-23 fiscal year.

1196 online questionnaires were completed and entered for analysis.

Four emails were received with ideas and suggestions (these are summarised in Appendix 1).

In addition, an online engagement with business representatives took place on 06 January 2022.

The results of all engagement activity will be considered by the Council's Cabinet and will also be submitted as part of the budget scrutiny process undertaken by Plymouth City Council Members in January 2022.

METHODOLOGY AND COMMUNICATION

A questionnaire was developed which themed and listed the key public services the Council provides. In order to fully understand customers' priorities, respondents were asked to rank the services within each theme, with 'one' being the service most important to them. We also asked respondents to tell us their overall top three priorities. The second part of the questionnaire asked respondents to give their views on the savings proposals being put forward by the Administration to balance the Council's budget for the 2022-23 fiscal year.

The questionnaire was available online through Plymouth City Council's consultation portal and hard copies were made available at Libraries and upon request.

A communications plan was developed which set out the required materials, branding and opportunities for advertising and promoting the engagement.

The engagement exercise was promoted in the local media and through the Council's own channels. Posts were viewed by more than 17,000 people on Twitter and 77,500 people on Facebook and arrived in almost 73,000 inboxes via our e-newsletters.

The engagement featured on a banner on the home page of the Council's website and a budget web page provided more information and a link to the questionnaire. Plymouth Newsroom featured a news item and release.

The story was run on Plymouth Live and in the print version of The Herald and a partner pack was created to encourage large organisations to share in their internal newsletters and through their networks.

Social media posts were shared by community leaders and councillors, and engagement was amplified by shares with community Facebook groups.

There were also social media posts inviting residents to complete the questionnaire while waiting for their booster vaccination at Devonport library.

Libraries staff were given access to a print version of the questionnaire and social media posts and pieces in email newsletters asked residents to inform their friends and family without internet access on how to take part.

The questionnaire was shared with Plymouth City Council employees in the Staff News publication and on the internal Staff website.

Representatives from the business community were invited to join an online meeting with a presentation from the Council setting out the budget position and providing the opportunity for the business community to feedback and ask questions – this took place on 06 January 2022.

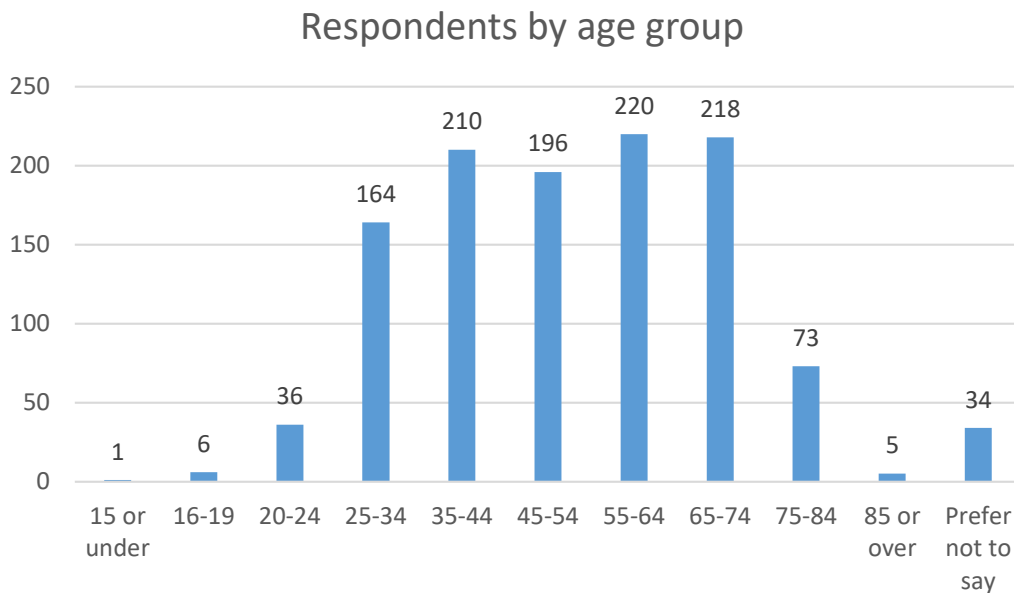
SECTION I - WHO RESPONDED?

This section provides an overview of how many people responded and the demographics of those respondents.

Table I – Number of respondents

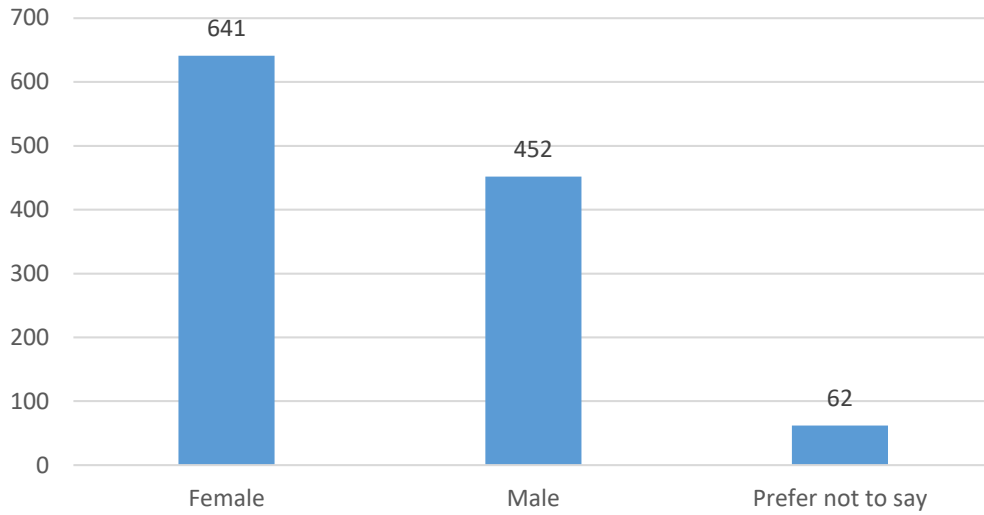
Online questionnaires submitted	1256
Minus inadmissible/duplicated responses	(60)
Total	1196
Additional comments via email	4

The following demographic information has been compiled from the total number of questionnaires analysed (1196). This information has been used to identify the views of different groups of people where possible throughout this report.



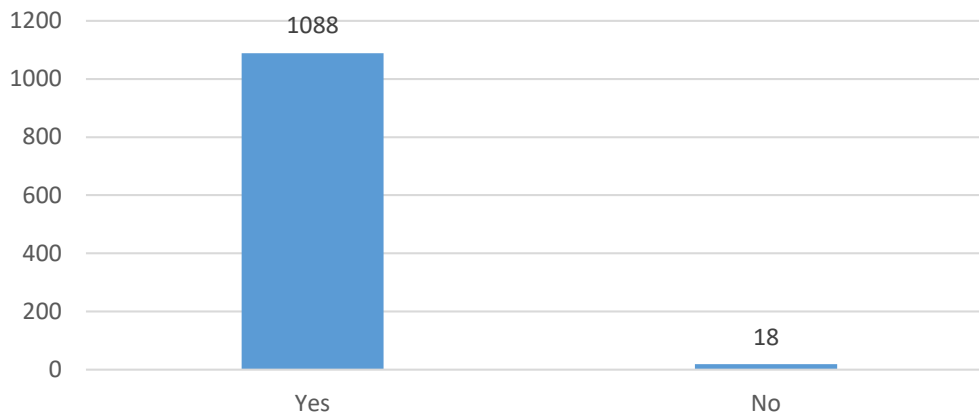
The age group with the highest number of respondents is the 55 - 64 age group (220). This was closely followed by respondents in the 65 – 74 age group (218) and those aged between 35 and 44 (210). There was a lower level of response from respondents aged 75 and over and those aged 24 or under.

Respondents by Sex



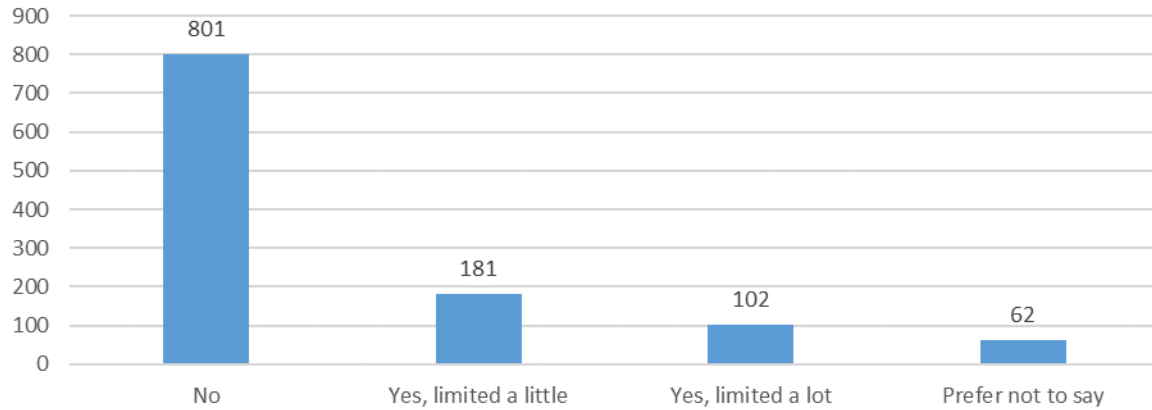
There was a high number of female respondents (641) compared to male respondents (452) who took part in this engagement.

Please can you tell us if your gender identity is the same as the sex that you were registered with at birth?



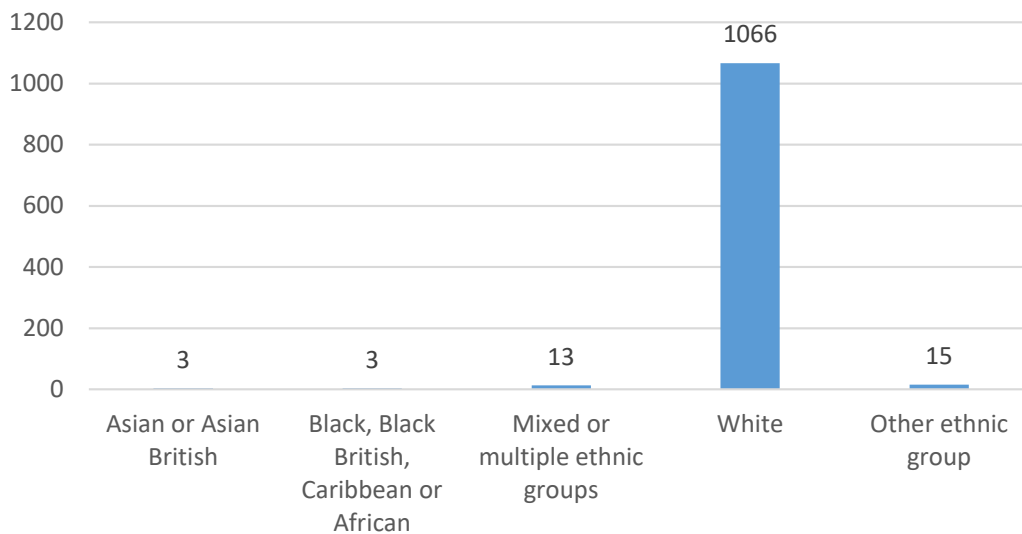
The majority of respondents indicated that their gender identity was the same as the sex that they registered with at birth.

Are your day-to day activities limited because of a health problem or disability, which has lasted, or is expected to last, at least 12 months?



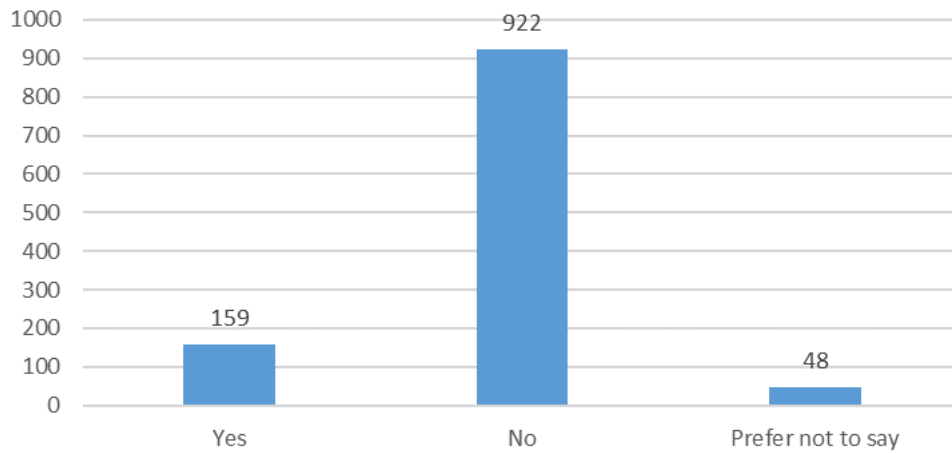
Most respondents indicated that they did not have any limitations due to a disability (801), 283 respondents did indicate that they were ‘limited a little’ (181) or ‘limited a lot’ (102). A further 62 respondents chose not to respond to the question.

Respondents by ethnicity



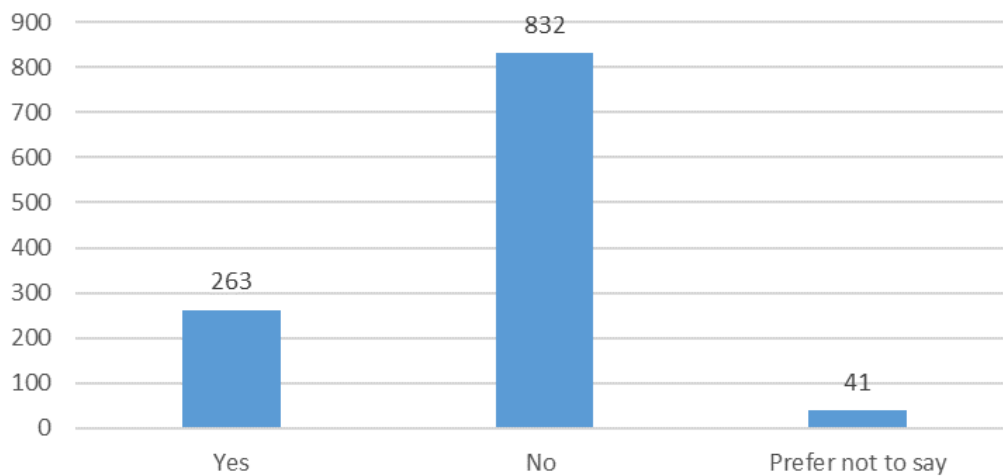
The majority of respondents identified their ethnicity as ‘White.’ The engagement received very few responses from any other ethnic group.

Please can you tell us if you have previously served in the UK Armed Forces?

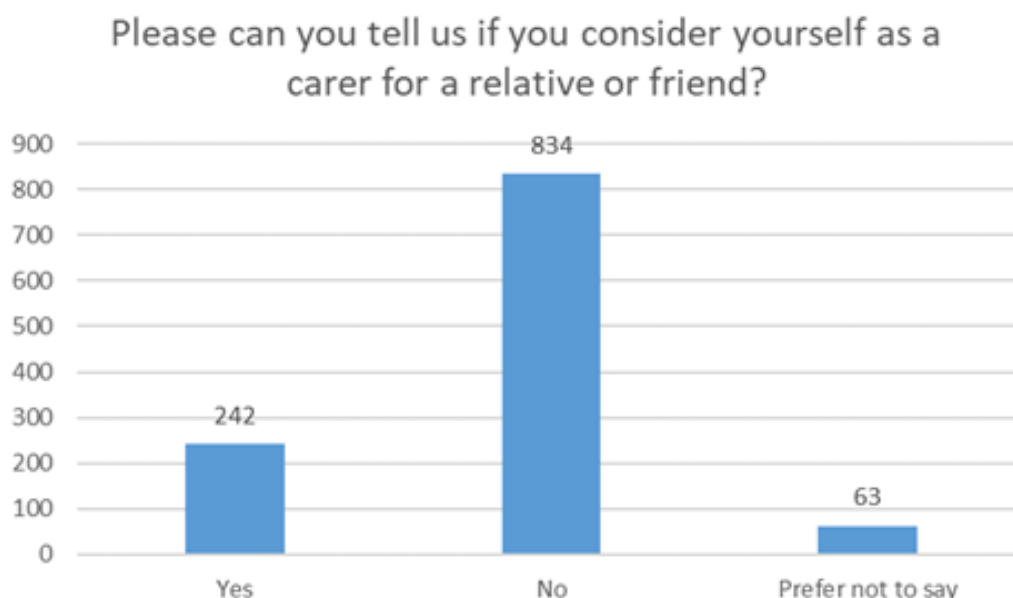


The majority of respondents stated that they were not previously in the armed services (922), however 159 respondents stated that they were.

Please can you tell us if you have children under the age of 16 yrs?



832 respondents indicated that they do not have any children under the age of 16, compared to 263 of respondents who do.



834 respondents indicated that they consider themselves a carer for a relative or friend.

Locality / Area of Plymouth

Respondents were asked to provide either their postcode, ward or area in which they live. This information was collected to identify if there were any differences in views between respondents in different areas of the city. 1091 respondents provided this information, but we were not able to match the information provided to a specific locality in every case. 979 respondents have been matched to a locality, and these have been analysed. Table 2 shows the number of respondents from the different areas by locality.

Table 2 – Number of respondents by locality

Locality	Number
South West	195
South East	104
Central & North East	237
North West	175
Plympton	122
Plymstock	146
Total	979

The highest number of respondents reside in the Central and North East locality, and the lowest number from the South East locality.

SECTION 2 – YOUR PRIORITIES

Service Priorities

Respondents were asked to indicate within each of the seven service themes, the services that were a priority to them by ranking them in order of importance. Table 3 shows the number one (highest) priority selected for each of the service area within each theme. The table also compares results to a similar exercise carried out in 2011 to support the 2012-13 budget setting process. This shows that what was important 10 years ago is still important today for those who responded to these engagement activities.

It is important to note that these results do not necessarily correlate to levels of satisfaction with services provided by the Council. In a recent survey of the Plymouth population satisfaction with the Council's refuse collection service was at its highest at 79 per cent, 15 per cent higher than recorded in 2019. Similarly, satisfaction with parks and open spaces in Plymouth has increase by three per cent since 2019 and is now at 60 per cent.

Table 3

Service Theme	Highest Ranked Priority 2021	Highest Ranked Priority 2011
Leisure	Park and open spaces	Park and open spaces
Transport	Road maintenance	Road maintenance
Children and Young People	Support for vulnerable children, children in care or in need of protection	Support for vulnerable children, children in care or in need of protection
Environment	Environmental regulation, e.g. food safety, trading standards, noise control	Refuse collection
Waste and Recycling	Refuse collection	
Growing Plymouth's Economy	Creating and protecting jobs across the city	Creating and protecting jobs across the city
Health and Adult Social Care	Support for mental health services	Support for older people to live independently

The priority rankings were derived through analysis which applied weighting to the data. The following table provides an example of how the weightings were applied.

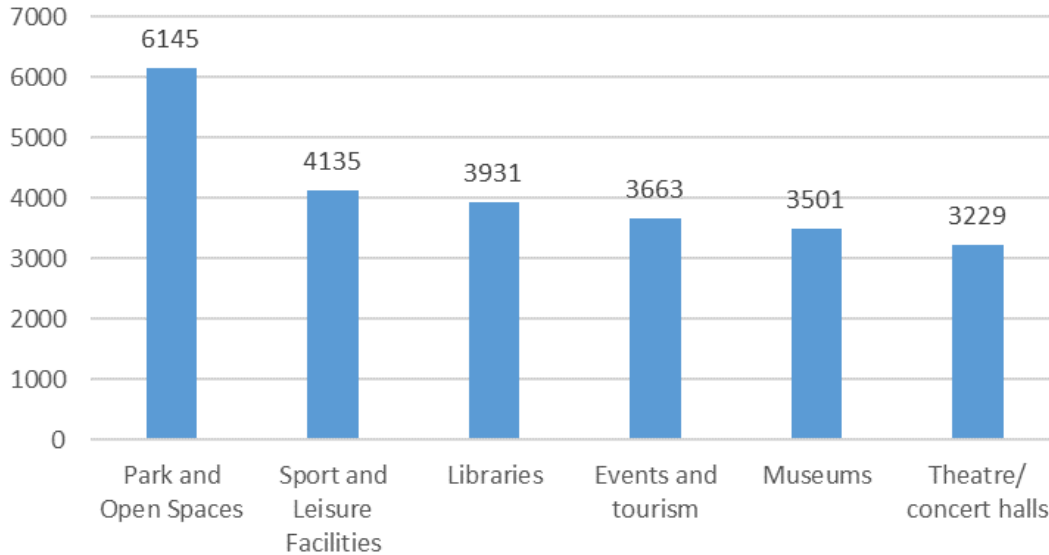
Variable	Preference 1	Preference 2	Preference 3	Preference 4	Preference 5	Preference 6		
	Count x 6	Count x 5	Count x 4	Count x 3	Count x 2	Count x 1	Total Score	Rank
1a. Sports and leisure facilities	498	370	244	180	98	74	1464	3
1b. Libraries	510	315	204	219	118	70	1436	4
1c. Museums/galleries	120	230	260	189	270	72	1141	5
1d. Theatres/concert halls	144	255	220	249	158	109	1135	6
1e. Events and tourism	624	395	312	156	94	41	1622	2
1f. Parks and open spaces	510	440	364	210	64	35	1623	1

Count = number of responses

Preference 1 = respondents first preference

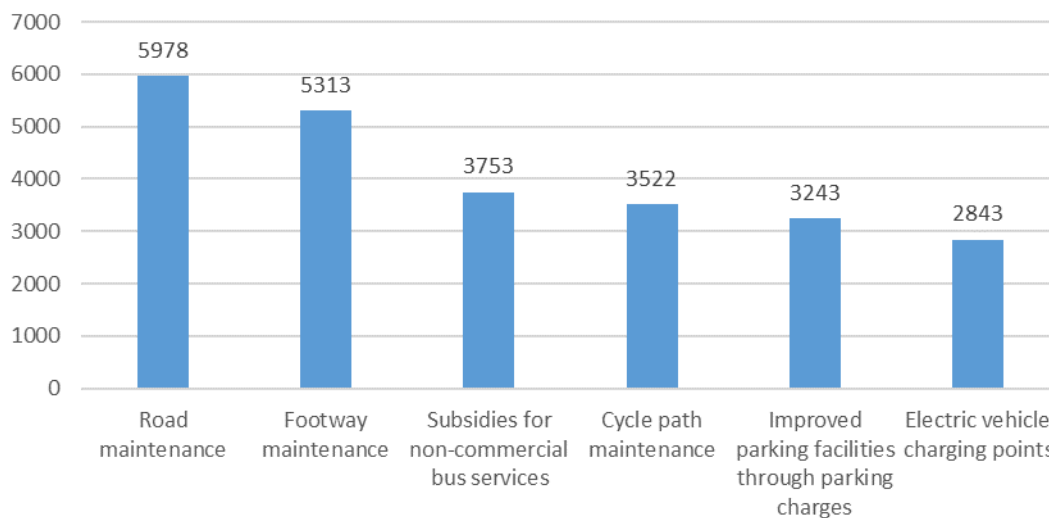
The following charts present the overall rankings for each of the service areas within each of the service themes. They are accompanied by a brief analysis including an analysis of where each service area is positioned when all 35 service areas are ranked together in one table (see appendix 2).

Leisure - Total weighted score



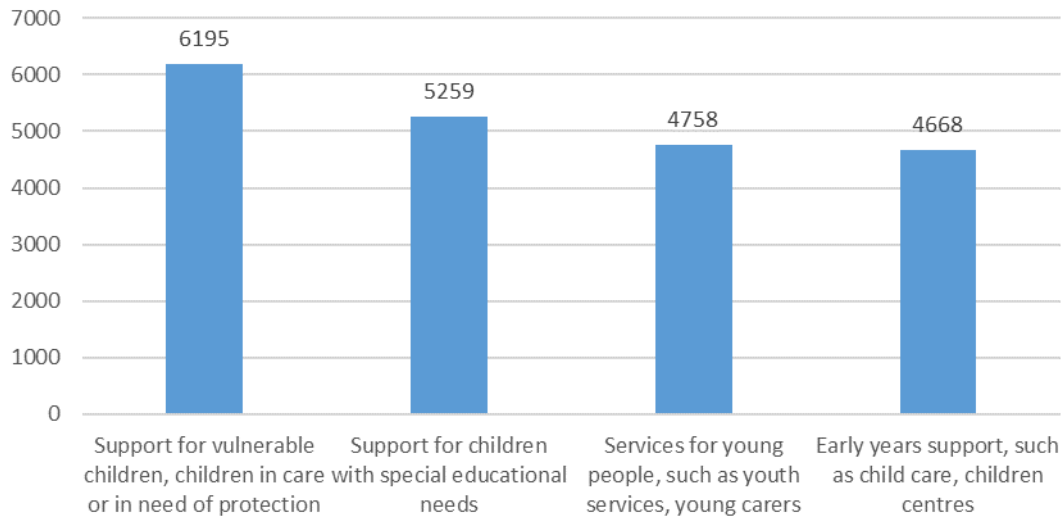
Within the ‘Leisure’ theme, parks and open spaces was selected by respondents as the highest priority. Theatre and Concert halls was selected as the lowest with a weighted score of 3229. When looking at the overall position of these in appendix 2, parks and open spaces ranked third out of 35 service areas. Theatre and concert halls were ranked third from the bottom of the overall service area list.

Transport - Total weighted score



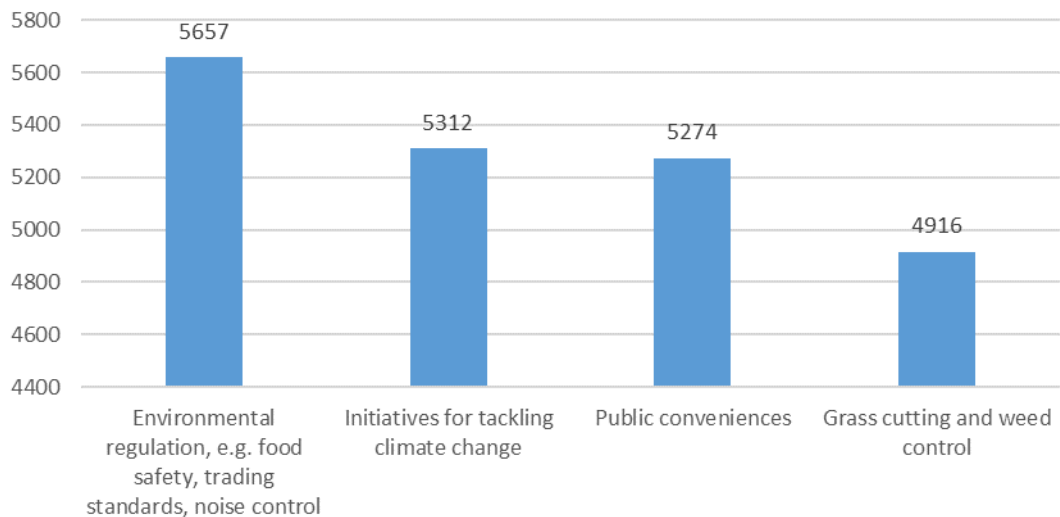
Within the ‘Transport’ theme, road maintenance was identified as the top priority for respondents. Electric vehicle charging points was chosen as the lowest priority. When looking at the overall position of these in appendix 2, road maintenance ranked fourth in the list of service areas. Electric vehicle charging points were ranked last in the overall service priority list.

Children and Young people - Total weighted score



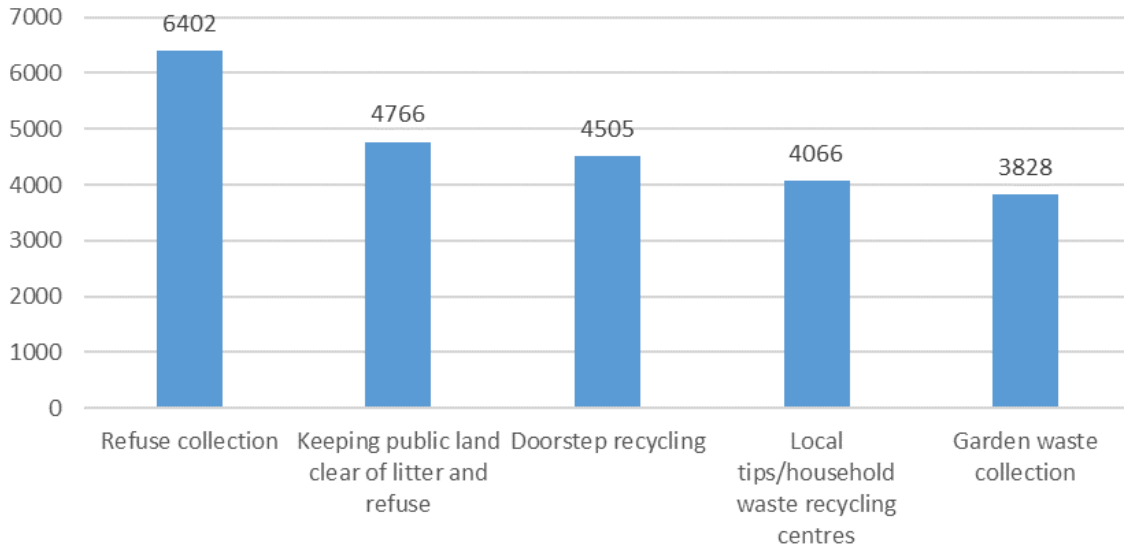
Support for vulnerable children, children in care or in need of protection is the highest priority for respondents with a weighted score of 6195. Early years support, such as childcare and children centres was the lowest priority. When looking at the overall position of these in appendix 2, support for vulnerable children, children in care or in need of protection ranked second in the list of service areas. Early years support, such as childcare and children centres was ranked mid-table (19th) in the overall service priority list.

Environment - Total weighted score



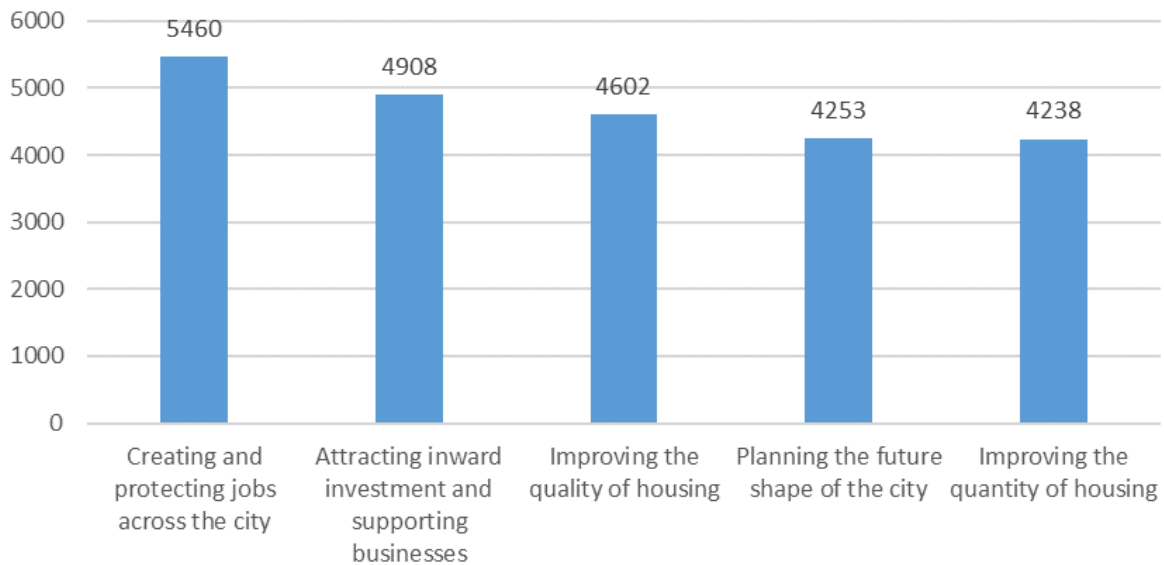
Environmental regulation, e.g. food safety, trading standards, noise control was selected as the highest priority within the ‘environment’ theme, with grass cutting and weed control being the lowest. When looking at the overall position of these in appendix 2, environmental regulation ranked fifth in the list of service areas. Grass cutting and weed control ranked 14th out of 35 in the overall service priority list.

Waste and Recycling - Total weighted score

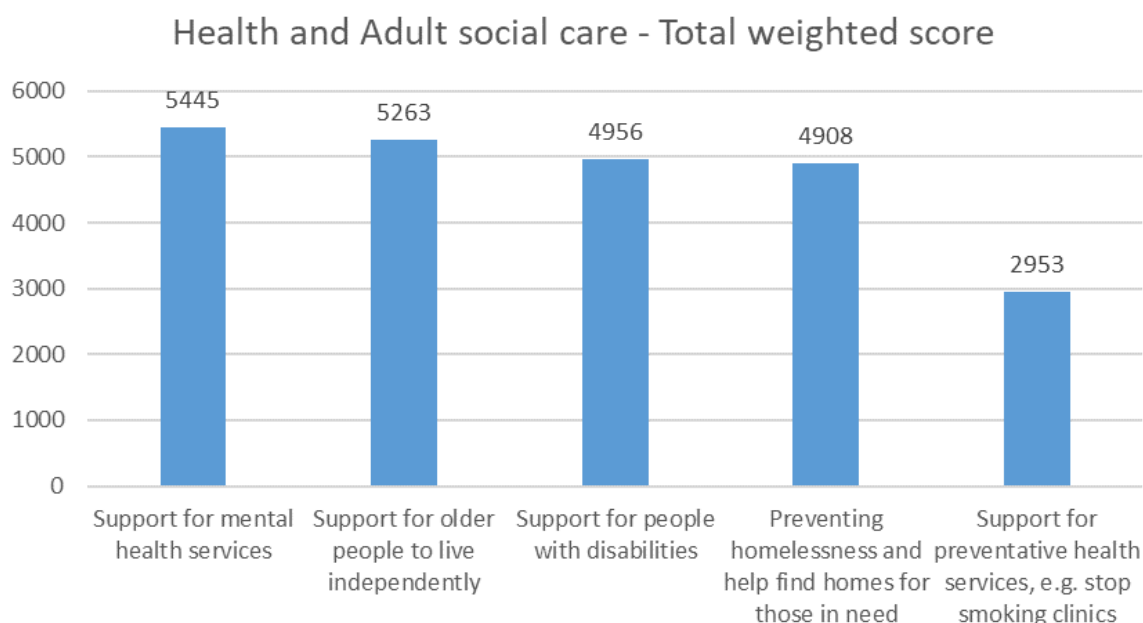


Refuse collection was selected as the highest priority within the waste and recycling theme with garden waste collection being the lowest. Refuse collection ranked top out of the 35 service areas with garden waste collection ranking 27th overall.

Growing Plymouth's economy - Total weighted score



Creating and protecting jobs across the city is the highest priority within the 'Growing Plymouth's Economy' theme with a weighted score of 5460. Improving the quantity of housing was the lowest priority. Creating and protecting jobs ranked sixth out of the 35 service areas listed, with improving the quantity of housing ranking 23rd.



The 'health and adult social care' theme contained five service areas. Support for mental health services was the highest priority within this theme with a weighted score of 5445. Support for preventative health services, e.g., stop smoking clinics was selected as the lowest priority.

When looking at the overall position of these in appendix 2, support for mental health services ranked seventh in the list of service areas. Support for preventative health services was ranked second to last (34th) in the overall service priority list.

(Appendix 3 presents the weighted scores for all individual services within each identified theme).

Further analysis of priorities

Locality - In nearly all localities, the priorities align with those indicated by all respondents. The one exception is in Health and Social Care - preventing homelessness came out as a higher priority than support for older people to live independently, for people in the South West locality and support for mental health services came out as a higher priority in the South East locality.

Age - There are three main differences when responses were analysed by age group:

- Environment - younger respondents indicated that climate change is high priority, in contrast to those aged 55 and over, who view environmental regulation (which includes noise reduction) as their highest priority with climate change being the second.
- Growing Plymouth's Economy - respondents up to the age of 65 view creating and protecting of jobs in the city as the highest priority, whereas those aged 65 and over viewed the quantity of housing as the highest priority.
- Health and Adult Social Care - respondents up to the age of 54 indicated support for mental health services as the highest priority, whereas those aged 55 and over indicated that support for older people to live independently as the higher priority.

Sex - There was only one area where a difference in priority for males and females was identified in the analysis. In the area of Health and Adult Social Care females were more likely to view support for mental health services as the highest priority, whereas males view the support to help older live independently as the highest priority. It is worth noting that support for mental health services was the second highest priority for male respondents.

Veterans - The highest priority for veterans within the 'Environment' theme was Public Conveniences. This is the only area where there is a difference between responses from veterans and all respondents.

No discernible differences were found in the analysis of the other demographic groups and in some demographic groups the number of respondents were too low to carry out any meaningful analysis.

Top Three priorities

Within the section of the engagement, respondents were asked to think about and write in their top three things they thought the Council needs to focus on for the city and residents in the year ahead.

Out of the total 1,196 survey respondents, 1104 entered an answer for all three of the priorities that they would like the Council to focus on, giving a total of 3,354 comments. These free text responses were analysed thematically, with 29 distinct themes being identified. These themes can be seen in Appendix 4.

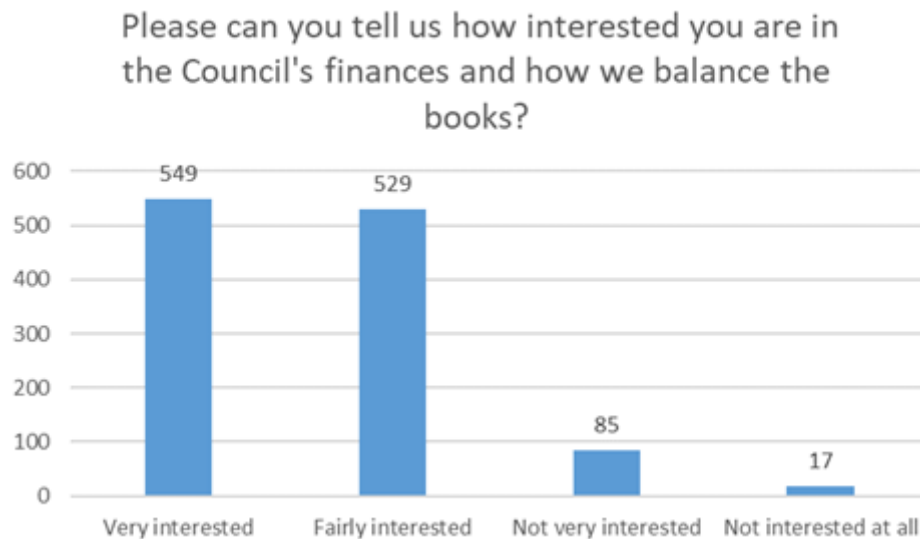
The top three service priorities identified from the thematic analysis are:

- 1. Economy:** This includes a range of aspects related to economic improvement, for example generating inward investment, creating and protecting local jobs, and supporting businesses, as well as other factors related to investment in tourism, culture and events. Responses frequently cited a combination of economy boosting ideas, such as increasing tourism to generate employment opportunities, so it was difficult to separate out business-specific comments from those that were more angled towards cultural aspects. In total, 303 responses related to the economy.
- 2. Maintenance/repair of roads and pavements:** Included in this theme were references to the condition of highways, roads and pavements and the need for their maintenance or repair, for example filling in potholes and resurfacing roads and footpaths to make them safer for pedestrians and road users. In total, 293 responses related to the maintenance or repair of roads and pavements.
- 3. Waste:** All aspects of household, recycling and garden waste collection and disposal were included in this theme, for example comments on the frequency of collections and discouraging fly-tipping. In total, 261 responses related to waste.

Social care was divided into three separate themes to cover adults, children and young people, and more general comments regarding social care. When taken together, these themes accounted for 433 of the total responses, meaning that social care, would as a whole come out as the top priority, emphasising the importance placed on providing care for the most vulnerable residents.

SECTION 3 – INTEREST IN COUNCIL FINANCES

To inform future communication and engagement activity around this topic, the questionnaire asked respondents to indicate their level of interest in the council's finances and the budget setting process. There is a positive response to this question, with 1,078 of respondents either very or fairly interested. The breakdown of responses is shown below.



SECTION 4 - PROPOSALS FOR SETTING A BALANCED BUDGET

In this section of the questionnaire respondents were asked to consider a range of proposals that could achieve budget savings for the coming financial year. The aim was to be able to determine the general level of agreement for the proposals and provide the opportunity for respondents to comment and suggest further ideas. The proposals were themed and accompanied by supporting information to ensure respondents were fully informed before providing their response.

4.1 Continuously improving what we do to provide better value for money

The questionnaire set out several proposals for increasing efficiency and reducing costs for the next financial year, these included cutting out paperwork; reducing the number of meetings; doing more transactions online; using new technology; improving efficiency i.e. business and administrative cost and providing services in new ways.

Respondents were asked if they had any comments on the plans set out - 616 comments were received for this question covering a range of views on each of the proposals. There were 79 responses that were supportive across all proposals, only six respondents were against all proposals put forward in this section of the engagement.

The engagement received 140 positive views about the Council cutting out paperwork and a further 114 in respect of reducing the number of meetings. Together, 50 negative or more neutral comments were received where respondents didn't express a view either way. A sample of positive comments include:

“Fully support anything that saves money as well as protecting the environment...”

“I think using technology to be more efficient is great and also having less meetings face to face and using less resources has a better carbon footprint.”

“Looks promising, less meetings, less paperwork, more efficient IT systems etc...”

"[The proposals] all sound like sensible ideas. The fewer 'panels' and 'committees' the better. The focus should be on 'getting things done' and not 'process'."

However, for some, the comments came with a note of caution, particularly around openness and transparency and ensuring digital inclusion, for instance:

"Reducing cost by cutting back paperwork is important, but please remember there are lots of people who don't have access to modern technology and also those who actually prefer to correspond by letter."

"Agree with cutting out paper for Council meetings - need to focus instead on how to increase residents' engagement in democratic processes so that decisions taken are more representative of local people's views."

"Good ideas but awareness that not all people have access to/can use digital services and they shouldn't be/ feel excluded is important."

"I agree with all the suggestions, but with a note of caution that there are adequate records to ensure transparency of any online or telephone transactions. Also, that "reviews" carried out are equally transparent, and that the review itself does not cost more in time and money than the service itself, and that those affected have an opportunity to be fully involved and to engage with proposed changes."

The negative or more neutral comments specifically relating to cutting out paperwork and reducing the number of meetings again cited concern around digital exclusion and transparency of council decisions, a sample of these include:

"Cutting out all paperwork to go completely digital will not suit everyone immediately - ambitious and possibly counter-productive."

"Reducing paperwork does not always equate to improved efficiency as computer systems and staff need to be well integrated to work effectively (training, correct resourcing etc) so all departments should be re-assessed and audited following transition period."

"The budget deficit should not be an excuse for fewer meetings. We need more democracy and more transparency, not less. That goes for putting all admin online too - sorry, but you need printed copies of things so that they cannot be suddenly changed online without any way of seeing what the changes were. That is all part of the democratic process."

The analysis showed that 117 positive comments were received about the Council doing more transactions online with a further 51 negative comments. 125 neutral comments were received where respondents didn't express a view either way. Within the negative and neutral views (176 in total) respondents were again very concerned about those unable to access services or information digitally (127). Other negative or more neutral comments included:

"There is only so much cost saving you can keep doing, if you're going so electronic, you're surely putting jobs at risk. You need to look at job creation and forcing those that can work into jobs..."

"Sort out the appalling website which is difficult to use. Talking to a person to sort out a problem is so much easier; you can explain what is needed and you get on the spot answers and not days later via the online service."

"Going online is expensive, makes staff lazy and inaccessible and does not offer anything more for the taxpayer. It usually means services are frustratingly impossible to obtain. It involves too many expensive Information Technology staff, outrageously expensive IT equipment and focuses on statistics rather than service."

130 positive comments were received about using new technology and 39 either negative or more neutral comments where respondents didn't express a view either way. There was some concern about the proposal for dimming street lighting (23 respondents mentioned this in their comments),

however, there was support for the use of new technology especially if it released carbon benefits. A sample of comments is provided:

“You could even cut out some of the street lights after midnight as that will help the carbon footprint and save money.”

“Can we not reduce maintenance costs for some buildings and facilities by using more renewable technologies to reduce running costs e.g. more solar and ground source heat pumps at the life centre, solar thermal to heat the lido, solar PV on Ballard house. Anaerobic digestion of food and garden waste? Grant funding for innovative solutions would help meet capital costs and revenue costs would be reduced. Install as much solar PV as possible on public car parks with a view to capturing and storing the energy via batteries and selling via EV (Electric Vehicle) chargers.”

“Please ensure cuts don’t result in deaths by allowing criminal activity to flourish and increase unchecked. I live in an area where I feel unsafe in the daytime and feel unable to go out after dark unless there is good lighting and the knowledge that there are enough police available to deter criminal behaviour.

“Becoming cost effective is a necessity, however how much does it cost to introduce new technology, systems etc? That could be used in other areas. What are the overall benefits and cost savings?”

177 positive responses were received about improving efficiency in the Council, only 20 responses were identified as being negative with a further 12 being categorised as neutral. Analysis showed that there was support for proposals that would reduce management, administration or building costs and for any changes that would make interactions with customers more efficient. However, in reviewing how the Council can be more efficient there was some concern about services being reduced as a result. A sample of comments is provided:

“Scale back on management roles and invest in people working on the front line. Entire service needs to be massively rescaled from management and office personnel heavy to more front-line worker heavy.”

“These plans only go so far; they actually just streamline doing the same things in the same ways, they do not change the way the council interacts with customers. Large quantities of work is generated by failure demand; while obviously it is preferable for e.g. bins not to be missed, requests not to be closed in error without being actioned, etc., by far the greater issue is that as an organisation the council doesn't proactively contact customers unless it has to. It expects customers to contact the council to chase-up or complain about something. An example: If Waste not been able to collect someone's Bulky Waste as promised, that customer should be contacted that day with a revised date. Instead, they wait, get angry and call [us] (involving 1 staff member - contact centre) who has to raise a complaint for them, which then needs to be allocated (involving 2 staff members - complaint triage) to an officer to investigate and respond (involving 3 staff members - investigating officer) in order for the customer to be informed when the next collection will be. That's four members of staff's time wasted when if the collection crew at end of shift sent Text Messages to any customers they've not managed to get to. This would be easily achieved, practical, and entirely free to the council. This is just one example of how massive amounts of staff time is wasted by an organisational policy that is reactive not proactive and expecting customers to chase every time something goes wrong...”

“It sounds like you plan to spend a lot of money changing your IT system... you need to cut costs by employing less people in the office... everyone should be paid no more than the living wage including the council lead, by having less people you'll be forced to prioritise what actually needs to be done... don't pay consultants...same as any good house hold budget if you can't afford it, you don't have it.”

The engagement received 124 positive views in relation to proposals about providing services in new ways. 48 comments were either negative or more neutral where respondents didn't express a view either way. The analysis showed that there was support for more joined up services and for encouraging local communities or the voluntary sector to get involved with supporting services to

deliver. However, there were 30 specific comments which raised concern about private-sector involvement. Comments include:

“Outsourcing does not always save money – it's often more expensive - invest in clean energy for public buildings - solar panels on roofs etc - it will save both money and the planet in the long term.”

“Increase shared services with neighbouring authorities e.g.: licensing, legal, waste, libraries, food safety. The council appears to spend a lot of money on external barrister for legal cases- it would be more cost efficient to employ a barrister”

“It seems when a service is contracted out or shared then the quality of the service drops and the cost goes up.”

“You must value the willingness and expertise of volunteers prepared to share their wisdom and skills by listening to them, giving them support such as free training, public liability insurance and respect so that they can function effectively to support your work and their communities.”

“Providing services in news ways - whilst better joined up thinking between services is good, I hope that this will not lead to further services being outsourced to private companies. This is so often a false economy with services suffering, less joined up thinking, hidden costs, asset stripping etc leaving us all (except the shareholders) a lot worse off. There should be no place for private for-profit firms in providing council services or being paid with taxpayer's money.”

172 comments were categorised as being about something other than the proposals listed.

4.2 Caring for the elderly and vulnerable adults in our community

The supporting information for this section set out how the Council is working hard to provide more joined up care services with the NHS, prevent more people from needing care by focusing on services that help people stay healthy and remain independent for longer and how the Council is proposing to reduce costs by reviewing all externally commissioned contracts and by reviewing the cost of care packages for adults.

Respondents were asked whether they had any comment on the Council's plans to protect Adult Social care services whilst reducing costs. 557 respondents provided a comment out of the 1,196 total responses. 146 of those comments were found to be positive about the plans set out and 50 were clearly identified as being unsupportive.

Of those who can be identified as being supportive of the plans, there were three themes that were regularly cited in their responses. 77 respondents supported an increase in Council Tax to support these services; 13 people commented that they support work around prevention and early intervention while 10 people welcomed more joining up of care services.

Of those who supported an increase in Council Tax there were some caveats in the responses emphasising that this would be acceptable if they could be reassured that this would be spent on social care e.g. *“I would be happy to pay the increase as long as it definitely went for social care”* and *“I think the 1% council tax rise would be beneficial as long as it was only used for adult social care.”* Another respondent commented *“I think 1% sounds reasonable BUT not to be levied in a period of people suffering such as now with increase in energy bills and the impact of Brexit/Covid having on the country as a whole.”*

Of those respondents who supported the Councils plans to prevent more people from needing care comments included: *“A focus on health and preventative measures will enable more people of all ages to remain independent and not need far more expensive support”* and *“I think there needs to be a lot more focus on stopping people from getting really sick or going into crisis.”*

Respondents were also keen to see work toward more joined up care services including comments such as: *“I am proud of how health and social services have integrated to tackle it together”* and *“Joined up care is important to improve the care for the elderly.”*

Other comments that were supportive of the plans referenced the need to help people live independently and improve efficiency and value for money while ensuring quality of services:

“Support for independent living is critical” and *“Support for elderly residents to remain living in their own homes is very important.”*

“Best value for money but must also ensure quality of services provided. Earlier review of care packages at appropriate costs. These services are vital but overpriced” and *“If it’s needed, do it. Cost shouldn’t be the main driver though, value for money and quality should.”*

Of those respondents who were identified as being generally unsupportive of the plans the main themes cited in their responses included:

35 respondents objecting to any further increase in Council Tax with comments such as:

“No one will want Council Tax rises in the current economic climate.”

“People cannot afford an extra 1 per cent precept added to their council tax to pay for social care. With the rising cost of utilities and pay freezes we cannot afford to pay extra council tax.”

“Council tax is already high and to increase it now while other bills are also increasing is a risk to low income families. I do understand the hard decisions the council will have to make.”

25 respondents commented that more funding should be available from central government while 3 respondents felt that people should pay for their own care.

“As a Conservative council, I’d expect you to go back to the Conservative government and firmly insist that they should be paying for this by raising taxes on the wealthy rather than asking your voters to pay even more than they can personally afford...”

“Tory Councils should be pushing Tory government for more funding, with the increase in national insurance and council tax, electric, gas and fuel the Plymouth population is being forced into poverty which will put more pressures on services...”

“You should ask these costs to come from the Government. Cut your cost according to your cloth and stop spending money when you don’t have it...”

Some respondents commented on the question but did not express a view either way specifically in relation to the proposals set out. General analysis of these comments found the top three common themes emerging were that respondents felt that externally contracted / commissioned services should be brought back in house, family should be supported to play a bigger role in the care for elderly relatives and that wages and conditions for care workers should be improved.

“Don’t like this sort of thing being out sourced. These services should be in house so that they are tightly controlled by council professionals.”

“Take all services back to inhouse. This will improve performance and accountability and retain staff by providing work progression and stop our tax money going into private hands.”

“Encourage families to look after each other and their elderly relatives. A lot could be saved through doing this.”

“Vital that this category of population is cared for properly. Care staff need to be paid a proper wage for the work they do.”

“Care and support workers, despite the budget mentioned, are some of the most under paid and undervalued people in the work force...”

Other themes coming out of the analysis included building more care homes and considering establishing council owned care homes; and providing short term care homes or convalescent homes to care for those coming out of hospital.

“You have closed most of the council care homes, build and open more ASAP.”

“Commission a study into whether a return to Council owned Care Homes would actually improve efficiency and save money whilst at the same time increasing the stock of care home places.”

“Many people could be cared for at a fraction of the price by providing convalescent accommodation for those who are discharged from hospital but are not yet well enough to look after themselves at home. Surely a bespoke unit that could cater for the short-term recovery period (maybe up to a month) using pensions to subsidise costs would be far cheaper (and probably safer) than paying agencies to send carers all over the city.”

“Work with NHS to provide purpose built and operated basic recovery facility as a half-way house between hospital and home to reduce bed blocking.”

4.3 Protecting vulnerable children and young people

The supporting information for this section set out the level of support that is provided to children and young people across the city by the Council. It also touched on the cost of this support, particularly in relation to providing placements for children in care through foster carers, residential care and secure placements.

It set out proposals to reduce costs in this area by increasing the number of in-house foster carers, reducing the need for more expensive placements with external providers and to deliver savings through further prevention work with families to avoid children needing to be placed in care.

Respondents were asked whether they had any comment on the Council's plans to protect services for children and young people whilst reducing costs. 432 respondents provided a comment out of the 1,196 total responses. 105 of those comments were found to be positive about the plans set out and 18 were clearly identified as being generally unsupportive. The remaining comments provided additional viewpoints but were not demonstrably in support of or against the plans outlined in the narrative.

Of those who can be identified as being supportive of the plans set out, respondents were in favour of a focus on prevention and early intervention. There were also several comments supporting bringing services in-house to reduce the cost of external provision:

“Early intervention is key.”

“I think that sadly whilst there will always be children in need, the last point made about working alongside and supporting families by delivering prevention work could make a difference both in terms of finance and outcomes for children.”

“Supporting families early is vital to prevent further problems. All the above proposals seem good.”

Of those who can be identified as not in support of the plans as set out, several respondents expressed the view that this area needed more investment rather than less. Others were concerned that reducing costs could lead to vulnerable children not being adequately supported:

“Reducing costs not the answer, resources must be protected.”

“I can't see this working, services are expensive, you get what you pay for, I can see many children slipping through the net. Hearing there are only 2,000 how many are not getting a service.”

“Children must not be placed at risk as a cost cutting measure.”

The three most common themes that emerged from the neutral comments not directly related to the plans outlined in the narrative were:

- Cost of care packages – 17 respondents queried the average cost of £48,900 per child and why the cost was so high.

“How on earth does it cost £48,900 per child? You are being ripped off somewhere clearly.”

- Further provision of or maintaining provision of children’s centres – 13 respondents believed this to be important.

“Childrens Centres and nurseries are essential. PLEASE make them one of your priorities for funding.”

- Provision of youth services and youth clubs – 15 respondents commented that more youth clubs or services were important.

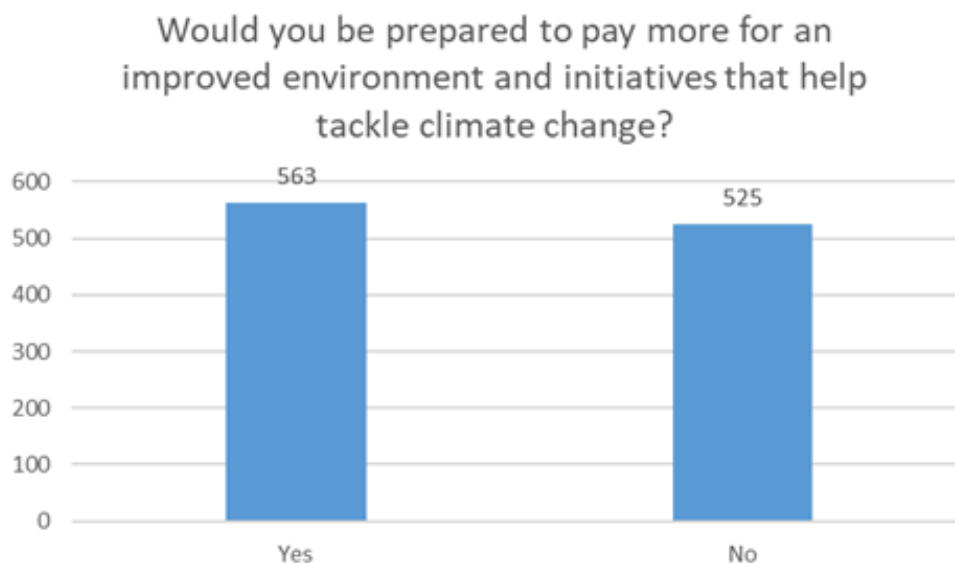
“Many young people have no hope and no role models. We need more trained youth workers to work with them in the community, set up youth clubs, etc, to help set young people on a better path.”

4.4 Investing in a clean and safe city and reducing our carbon footprint

This section of the questionnaire asked respondents whether they agreed with plans to protect services that keep Plymouth clean and safe. It set out how the Council has a focus on Plymouth being a clean, green and safe city and how it is looking at ways to raise income and encourage residents to help in the effort to keep the city clean.

In general, there was a positive response to the question ‘Do you agree with our plans to protect services that keep Plymouth clean and safe?’. In total there were 764 responses to the question, and of those 506 provided a response that clearly supported the plans set out. In addition, a further 60 recognised the importance of a focus on keeping the city clean and safe but were not specific in their support of the plans. There were only 30 responses that clearly stated that they did not agree with the plans set out. All remaining responses were not clearly in agreement or disagreement.

This sections also asked some specific questions about whether respondents would be prepared to pay more for an improved environment and initiatives that help tackle climate change and how much would they be prepared to pay.



There is a relatively even split between those prepared and not prepared to pay more. 563 respondents agreed they would be prepared to pay more. 570 respondents then went on to state

how much they would be prepared to pay (seven more than stated they would be prepared to pay more). The majority of the 570 respondents (359) chose the option of 'up to £50 a year'. 137 respondents indicated that they would pay between £50 and £100 with a further 74 indicating that they would pay over £100 for an improved environment and initiatives to tackle climate change.

The engagement offered respondents the opportunity to suggest ways in which any additional funding could be spent in this area. In total 486 comments were received, 344 of which referred to a specific activity. The 10 most prevalent suggestions are listed below:

- Accessibility and quality of Public Transport
- Planting of Trees
- Increased and improved recycling opportunities, including food only recycling
- Increase in Electric Vehicle Charging points
- Improvement to cycle lanes
- Increased education to members of the public on how they can tackle climate change
- Encouraging of volunteers, residents, and community groups
- Increased use of solar power
- Charge for high emission areas such as the City Centre
- Improved transport infrastructure.

This section also asked whether respondents would be prepared to get involved in local activities that would improve the environment and which would help keep Plymouth tidy.



502 respondents selected 'maybe', however 396 indicated that they would be prepared to get involved in local activities. 210 who stated 'no' in answering this question.

4.5 Raising income and reviewing fees and charges

The question in this section asked respondents to comment on plans to protect services by increasing some fees and charges for some services. It set out how fees and charges for specific services that are not used by everyone are an increasingly important source of funding for the Council but emphasised that the Council will continue to maximise external funding opportunities and attract more grant funding over the next year. Of the 1,196 responses, 568 respondents provided a response to this question. The comments received in this section were mixed; out of the 568 comments received, 143

respondents indicated, either explicitly or more generally, that they were supportive of fee increases for services only used by some. However, the negative effect of increasing fees on the local economy and on household bills were cited several times as a potential impact.

Although there were only a few mentions, respondents provided a clear indication that an increase in fees would be supported for boat mooring as this was perceived as a 'luxury' and for trade waste disposal (28 and 11 respectively), however some raised concern about the potential increase in fly tipping if trade waste disposal charges were increased and therefore could be a counter-productive measure. A selection of representative comments include:

"Boat moorings are a fair place to drive profit, a boat is a luxury, going to the toilet is not."

"I think that boat mooring fees, particularly for leisure craft would be a good one."

"Trade waste disposal needs careful consideration to avoid fly tipping."

"The greater increases should always be on services where there is an element of choice. For example, boat mooring fees (having a boat is not essential unless you are using it to make a living). Similarly, trade waste disposal - traders can pass on costs to their customers."

"Fees should reflect those charged by private companies, especially boat moorings and waste disposal."

"Seems fair... I'd like to see trade waste charges used to offset household waste charges at HWRC. Domestic customers should be encouraged to recycle as much as possible centrally and the charges in place definitely put people off."

There was less consensus amongst respondents on proposals to increase parking charges. Those supportive of an increase in parking charges tended to cite the positive impact that fewer cars in the city would have on the environment. These comments also stressed the importance of affordable public transport if parking charges were to increase. However, those more critical of an increase in parking charges (76) raised concerns about the potential negative impact that this may have on the city's economy and in particular footfall in the city centre:

"...Stop increasing parking charges - the city centre is dying as it is now."

"...Parking charges are expensive in Plymouth and having a detrimental effect on the town centre."

"Parking is a massive issue and charging more will not solve the issue. Interestingly in Mutley since the car park has free parking you can rarely find a space! This must be helping local businesses. I am more likely to shop there than I town because I can park for free."

Responses about increasing resident permit charges also varied. Numerous responses cited the inconsistencies of resident permit parking charges across the city and the perceived unfairness of the system. Several responses provided insight into the challenges and frustration that some people encounter when trying to park near to their home:

"Parking permit areas are in serious need of revision; most seem to be revenue sources rather than a help to residents."

"Parking permits in particular are unfair, those residents pay council tax the same as everyone else, why should they have to pay to park near their homes, when other residents in other areas don't? They have not chosen to have permits, it was a council decided to put it in place and charge for it, they are penalised for their postcode."

There were a few supportive comments about charging for some elements of library services and museums, however those responses that favoured lower fees in these areas cited the vital role that free museums and libraries play for those people on low incomes:

"I think museums and libraries should be kept fee free where possible (except fines) to encourage participation."

"I would be happy to pay a small fee to museums or even libraries, but also would expect that people on low incomes should still be able to access them for free."

"Library / Museum - these feel like essential services that need to be open to all without additional costs. This is especially important in addressing digital access for those without connection at home (Inc. vulnerable people / low income / older people)."

"Museums should be self-funded like the national trust, as should theatres."

"Libraries should be free. I would like to see all library fines abolished - customers who incur fines are more likely to keep the books and avoid using the library. This can be seen from customer library accounts. If a book is late being returned, it costs the library nothing. If it is never returned, we have to replace the book, costing money."

It was clear from the responses that closure of public conveniences would not be supported. Responses towards increasing charges for public conveniences were mixed with 67 respondents citing how important public conveniences were and/or that they would be happy to pay a small charge and 72 respondents expressing a strong view on the impact to residents and visitors if there were additional charges for this service. Respondents noted that if public conveniences are made available, they need to be high quality and kept clean especially for people with disabilities and underlying health conditions, young children and those who are pregnant. Respondents who were supportive stressed the importance of ensuring that payment is kept to a minimum and that there should be cash and online payment systems to ensure accessibility for all. A selection of representative comments include:

"Public toilets that are free to use should be a priority."

"I am happy to pay for public toilets if they are kept in clean, those in Armada Way are always spotless when I have used them."

"Public toilet availability should be free. Huge issue for disabled and those with other health issues, parents, small children etc if they can't access easily. May even result in people becoming effectively housebound and less healthy. Using public spaces creates other health issues. Surely a false economy."

"Do not charge for toilets - especially when the current charged toilets are not fit for purpose as cash is slowly leaving our wallets and replaced by card/mobile transactions."

"I say yes, charge 20p for spending a penny, however, what I would say is, invest in new technology. Allow for payment via contactless or have a pre-payment card people can top up... and if people pay to use the loo, it will require improvements on your part, they need to be clean, looked after and actually open!"

"I would pay a reasonable fee to use a public toilet if the toilet was properly maintained and managed."

A general theme which ran through the responses was that any fee increases should be minimal and where possible efficiencies should be made. Numerous responses cited that any increases need to be balanced against the cost of living and relative low wages in the city. Responses also stressed the importance of ensuring high quality service delivery.

"Fees prevent the less off taking advantage of a service."

"Cost of living is high enough and the south west is a low paid area."

"Increase fees for toilets, car parks and boat mooring but ensure value for money for these services (safety, security, user friendly etc)."

SECTION 5 - COUNCIL TAX

This section specifically set out the case in relation to the impact of rising costs and the increase in demand for services on the Council's budget. The question asked respondents whether they would agree that the Council should consider an increase in Council Tax to help cover the rising costs and avoid having to make substantial cuts to local services.

Of the 1,196 responses 986 respondents provided a comment to this question. Of the 986 respondents, just under half (472) indicated that they would support the council considering an increase in Council Tax. 344 respondents were clearly unsupportive of any rise in council Tax, while 88 stated it depended on certain circumstances or weren't sure as they felt they didn't have enough information on the proposals.

Of those respondents who indicated that they would be supportive, 52 also made comments which suggested that they would like this to be a small, affordable increase, while 11 respondents agreed 'reluctantly'.

"Provided the increase wasn't too large yes. I appreciate costs have risen for the council, and that council tax may need to increase in line with inflation as the bare minimum."

"I can see how it would help to cover costs and continue to pay for services. But I would hope the increase would be reasonable for people to afford."

"Only a modest increase. Many of those that have to pay council tax are struggling on fixed incomes with costs rising all around them..."

Of the respondents who were supportive 26 also added comments to the effect that any increase would need to be justified and spent wisely with residents clearly being able to see where that money was being spent and that it was on areas of need.

"Yes, but as long as these are broken down and we can see the changes."

"Yes, as long as the extra money is spent wisely, with thought and care and not wasted unnecessarily. With full disclosure of how every penny is spent!"

"Yes, but you need to explain exactly how money is spent and why things are so expensive."

Similarly, 11 of the respondents who were generally supportive also made comments that indicated that they would like to see improved efficiency, a reduction in waste and better value for money.

"Yes, but really reduce wastage on unnecessary schemes."

"Yes, if all efforts have already been made to save waste and provide value for money..."

"Yes, I agree that Council Tax would need to rise to cover any rising costs in tandem with continuing drives to improve efficiency."

Of those respondents who clearly indicated that they would not be supportive of an increase in Council Tax, the top three reasons related to comments on cost of living rises (73), the Council needing to improve efficiencies in the first instance (25) and a view that council staff structures and wages needed to be reviewed and/or reduced alongside the cost associated with councillors (19).

Some of the key issues raised by those respondents who were concerned about the impact on cost of living were that an increase in Council Tax would be unaffordable due to the stagnation of wages and/or low wages in the city coupled with rising inflation and increases in other household bills such as utilities. Concerns were raised as to the impact on families (in particular low income families already struggling to pay bills) as well as those on a fixed income.

"The current economic climate is very difficult for the large proportion of Plymouth residents on below average incomes, particularly households with only 1 person struggling to pay all household bills."

“You do not mention that those on fixed incomes are experiencing a big gap between income and expenditure. Council tax has increased massively in latter years.”

“Council tax is already unaffordable for some families. Increasing it even more will push more people into poverty.”

“Increasing the Council Tax would put a great strain on the elderly who are already struggling on their pensions and families on low income, especially with the rising costs of heating and cooking fuels which is quite serious.”

Other respondents felt strongly that the Council should focus on driving efficiencies rather than increasing Council Tax.

“No, the council needs a fundamental change. To work more like a business mentality where the profit is measured in services delivered well.”

“Rather than raise council tax, look at streamlining work practices and improving efficiency to better utilise the council tax you already get.”

“No increases. Less waste, more efficiencies before automatic increases.”

Similarly, a number of respondents wanted to see a review and/or reduction in council staff, structures and wages and the costs associated with councillors.

“Only when Councillor expenses are reduced...”

“Cut services and Councillors wages / staff wages. I do not agree with paying more for a council that fails to deliver.”

“I think that the top tier of management needs to be culled rather than take even more from people who already don't have a lot. Wages are not rising as fast as you are taking.”

“I would only support yet another increase in council tax if it could be demonstrated that effective reviews of salaries, posts and efficiency had been conducted in respect of each dept.”

Other respondents expressed a view that it depended (70). The main themes coming out of this were that the money should be spent on services that were needed and not wasted, efficiencies should be made and services are improved and/or delivered as expected, such as getting the basics right e.g. waste collection, filling potholes and grass cutting.

“It's dependent on the use. If it's used for essential services I would. If it's to raise income for non-essential services then the answer would be no.”

“Only if you can demonstrate that efficiencies have already been made and there are no vanity projects underway. Then I would support an increase for baseline services.”

“Any increase needs to be quantified. You increased council tax last year and I'm yet to see any measurable effect of the increase. Yet you told us that it would be used to improve things like roads and street cleaning.”

“As long as all services are provided when they should be. I.e. bins are collected on time, potholes are filled in properly and in a timely fashion. The issue most people have with council tax rises is that we seem to get less whilst paying more. Council services seem to reduce each year (I.e the grass in Plympton over the summer was nearly the same height as I am!) and yet every year our bill seems to go up.”

SECTION 6 – FURTHER IDEAS/SUGGESTIONS

This final section asked respondents if they had any further suggestions about ways in which the Council could deliver all or some services more effectively to achieve savings.

Overall, 700 respondents chose to respond with ‘no comment’ or provided comments which did not offer further ideas or suggestions. Of the 484 remaining, there were four ‘themes’ respondents focused on. These were: changes to existing council services; reduce number of staff/review their efficiency; greater use of volunteers and ‘disinvest in events, statues and land’. Of the remainder, comments about the number of councillors and highly paid PCC staff were another common theme which together totalled 59 comments.

Change/Increase/Reduce Services and charges - With the largest actual response to the question, the suggestions were very mixed. Many suggested increasing current charging regimes, where others suggested reducing them. Similar was found in relation to current services being delivered, with some saying they were unnecessary and should be stopped whilst others suggesting increasing provision. There was also conflict between delivering ‘in house’ services and ‘outsourcing’, using less contractors versus getting contractors to deliver all services. Generally, the comments were suggesting existing services could be done better and more efficiently.

Reduce number of staff/Review their efficiency - The response within this theme focused on the senior management structure of the council and pay with many suggesting either a reduction in salary and/or the reduction of posts. A large proportion also asked if all staff were efficient in what they do as there was a perception that staff are not necessarily always actively working to their capacity and in some cases their capability.

Greater use of volunteers - The suggestions here mainly related to utilising volunteers who might not always be working or in current employment, although others suggested council staff could also volunteer to do more. Notwithstanding, there was a real sense that access to volunteering was not always easy and more in this area could be done. There was a real link to community engagement and ownership suggesting taking responsibility for your local area would assist the council and promote community spirit.

Disinvest in events, statues and land - Most of the responses under this theme centred on statues and the resources allocated to these and general ‘cultural’ events, where this money could be saved. There were a few comments about disinvestment of land and property. Table 4 provides a breakdown of the themes and number of responses.

Table 4

Themes	Number
No Comment/ Comments of PCC not specifically related to further ideas	700
Purchase Assets/Investments to lease	13
Reduce number of Councillors and their expenses	26
Change/Increase/Reduce Services and charges	213
Stop paying high salaries	33
Reduce number of staff/review staff efficiency	54
Better enforcement and management of contracts	28
Greater use of volunteers	51
Disinvest in events, statues and land	41
Develop new services and charge for them	16
Lobby government for funding	9
	1184

SECTION 7 – BUSINESS ENGAGEMENT

The business engagement meeting had representation from the following;

- Devon and Plymouth Chamber
- Destination Plymouth
- City Centre Company
- Plymouth Waterfront Partnership
- Plymouth Federation of Small Businesses

A summary of the questions asked and the Council's response are set out below;

Table 5

Question	Response
<p>Reserves</p> <p>Danger of cutting costs – is there a case for using more reserves?</p>	<p>Plymouth City Council (PCC) is seeking to make more efficient use of the resources it has. Using reserves will only have a modest impact, so we are striving towards applying a efficient and sustainable approach to the budget. The level of PCC reserves is also very modest in relation to the budget.</p>
<p>Deficit</p> <p>Is the deficit a common situation across the country?</p> <p>How are you going to fill the gap and is it an ongoing position?</p>	<p>Yes – PCC are 'par for the course' compared to most other Local Authorities.</p> <p>A Council Tax increase of some sort would go some way to filling the gap, also 'one off' funding streams will contribute toward closing the gap.</p> <p>Longer term - PCC will likely have some sort of budget gap, but there are also lots of uncertainties as there may be significant changes both to legislation and new burdens, which will impact on our finances. Also the whole Local Government finance funding systems looks like it could change going forward.</p>
<p>Borrowings</p> <p>With lending rates so cheap – what will the council do in relation to borrowing money?</p>	<p>The strategy for borrowing more money is linked to how successful PCC is in securing match funding. PCC is very good at leveraging government money and will continue to do all that we can to ensure the city continues to grow and that levels of investment are maintained.</p>
<p>Adult Social Care opportunities</p> <p>Suggestion that there are local businesses who can help look at the arena of ASC and its future reform which may assist PCC.</p>	<p>Noted and thank you. PCC will liaise directly to explore these opportunities.</p>
<p>Policy</p> <p>Given the Social Care cost pressures – is the Council intending to continue the inclusive growth initiative – now that Resurgam seems to be dropping off?</p> <p>An ask of PCC – please do not to pass on costs to businesses.</p>	<p>Yes – inclusive growth will continue. This will also include looking at our fees and charges policy and key projects which will look to reduce costs and be more efficient.</p> <p>Noted</p>
<p>Housing</p> <p>Are we able to accommodate everyone we need to?</p>	<p>Yes, believe that there is no issues in this area. Housing pipeline is in a good position. Good sites and developments.</p>

<p>Visitor/Tourism</p> <p>Please do not to pass on costs to businesses.</p> <p>The role of the partnerships is crucial to successful prosperity.</p>	<p>Noted</p>
<p>Skills</p> <p>Please recognise that there are still shortages in the Visitor/Tourism and hospitality sector. Destination Plymouth and all partners, including PCC are working together successfully</p> <p>Need to recognise that there is a Skills crisis and a labour crisis in the city.</p> <p>Skills – some great work going on but don't work in silo</p>	<p>We recognise that there is a gap and are looking to support the business sector as much as we can.</p> <p>Completely agree and PCC would like to think that the business community have noticed that the City's Skills agenda has seen increased capacity, resources and investment in addressing this issue.</p> <p>Noted and thank you. Working with businesses and large employers in the city is key to the success of the Plan for Skills – we will continue to extend our reach and engage businesses in this agenda.</p>

In addition to the business community posing questions, PCC asked the following:

Q. Ensuring PCC retains its capacity so that it is agile in securing government funding and has the ability to continue to secure this facility will be a big challenge for 2022. What importance do the business community place on Plymouth City Council being able to have the ability to secure government funding?

“Yes, this is very important - keep doing what you're doing. The council has changed significantly over the last 10 years and you should be congratulated for what you are doing.”

The meeting concluded with the agreement to organise another session with the business community over the summer to revisit the budget position.

Appendix I – Email responses

Respondent 1

Thoughts and ideas on Council spending and savings: - Asking the communities of Plymouth for volunteer support for those who need help on their estates, such as mentoring.

1) Social care for the elderly is important and a much needed service which needs to be reviewed and revised so the elderly are not left to fend for themselves especially those who are house bound and rely on carers with no local family support.

Maybe a community support group of vetted volunteer visitors to help with the mundane chores of house cleaning, gardening, shopping and general companionship conversation which would cut back on some of the daily costs of carers.

Maybe a support group from each area of Plymouth supporting their own areas and people?

2) Also maybe in regards to parks maintenance flower beds tree planting:-

Ask each area of Plymouth to donate time and plants creating and designing areas in their communities - a competition between the estates taking pride locally, include the unemployed for work experience and maybe certificates of achievements for them for taking part building up a current portfolio of work.

3) Maybe similar to a food banks a warehouse of donated furniture, TVs and electrical items, bedding, curtains and off cut carpets. Clothes for those who have nothing moving into accommodation for the first time.

Or those who have very little but need nearly new instead of giving to the charity shop for resale. Again for the unemployed learning repair skills from retired builders or with donated left over paints etc. Again, with community support to help with fixing, lifting and general repairs to homes. With supervision this would help the unemployed to gain work experience and a portfolio of achievements to add to their CVs.

Respondent 2

First of all, thank you for including us, the Council tax payers, in suggestions to help save money. It is very much appreciated.

1. My suggestion would be to stop funding the production of statues such as 'Bianca' and 'Rusty Reg' and to stop paying for visiting artists whose hotel bills & expenses are funded by us, the Council tax payers. The artists don't always turn up and there is no refund on these occasions. If an artist pulls out of their visit, once expenses are paid, could they be asked to reimburse the hotel and costs incurred by the Council? Whilst we are in the crisis we are, I would hope that no visiting artists would be taking up valuable, much needed resources.

2. I would also like to suggest that the Council charge each department for the hiring of rooms for meetings that take more than 1hr. Meetings rooms could then be offered to the public 'for hire' generating income.

3. Would it be possible to ask the Government to pay from a central pot of money, for the clean-up and legal expenses of moving travellers on when they have a dedicated site available to them? Do they really need to foul with human waste and litter our children's school playing fields? This is a danger to children, and those expected to clean up after the travellers and they know it. I have no problem with the travelling community, but, when they have dedicated sites and they use school properties instead, that is disgraceful & disrespectful to our community.

4. Could the Council charge for garden waste collections to home owners, not the elderly, infirm or vulnerable?

5. Could the property given by Nancy Astor to the people of Plymouth, on the Hoe, be let out to generate income when it's not being used by Circuit Judges?

Thank you for the opportunity of voicing suggestions. Good luck with your cost cutting programme. You are doing a fantastic job! Thank you!

Respondent 3

I would be happy to make a contribution to the free green waste collections. In Worcester they pay £50 a year. I would be happy to pay this if it helps.

Respondent 4

I am Plymouth resident and council tax payer.

The principle is good, but would it not be helpful to all residents if PCC set out the Main heading under which possible saving might be made. I suspect that PCC has a duty to comply with many statutory notices that members of the public would not be aware of, making the public involvement far more difficult if suggesting a saving on a "statutory" issue.

As a start, families should be encouraged to support their respective families, but so often one hears "they can do that that's why they get paid". Far too many residents expect everything on a plate. I will fill in the PCC questionnaire, but would like to know where savings are a no no!

Appendix 2 – Service Priority – overall ranking

Priority Area	Overall rank	Group Rank	Weighted score	Weighted score gap
Refuse collection	1	1	6402	207
Support for vulnerable children, children in care or in need of protection	2	1	6195	50
Park and Open Spaces	3	1	6145	167
Road maintenance	4	1	5978	321
Environmental regulation, e.g. food safety, trading standards, noise control	5	1	5657	197
Creating and protecting jobs across the city	6	1	5460	15
Support for mental health services	7	1	5445	132
Footway maintenance	8	2	5313	1
Initiatives for tackling climate change	9	2	5312	38
Public conveniences	10	3	5274	11
Support for older people to live independently	11	2	5263	4

Support for children with special educational needs	12	2	5259	303
Support for people with disabilities	13	3	4956	40
Grass cutting and weed control	14	4	4916	8
Attracting inward investment and supporting businesses	15	2	4908	0
Preventing homelessness and help find homes for those in need	16	4	4908	142
Keeping public land clear of litter and refuse	17	2	4766	8
Services for young people, such as youth services, young carers	18	3	4758	90
Early years support, such as child care, children centres	19	4	4668	66
Improving the quality of housing	20	3	4602	97
Doorstep recycling	21	3	4505	252
Planning the future shape of the city	22	4	4253	15
Improving the quantity of housing	23	5	4238	103
Sport and Leisure Facilities	24	2	4135	69
Local tips/household waste recycling centres	25	4	4066	135
Libraries	26	3	3931	103
Garden waste collection	27	5	3828	75
Subsidies for non-commercial bus services	28	3	3753	90
Events and tourism	29	4	3663	141
Cycle path maintenance	30	4	3522	21
Museums	31	5	3501	258
Improved parking facilities through parking charges	32	5	3243	14
Theatre/ concert halls	33	6	3229	276
Support for preventative health services, e.g. stop smoking clinics	34	5	2953	110
Electric vehicle charging points	35	6	2843	

Appendix 3 – Service priority tables

Leisure	Rank	Weighted score	Weighted score gap
Park and Open Spaces	1	6145	+2010
Sport and Leisure Facilities	2	4135	+204
Libraries	3	3931	+268
Events and tourism	4	3663	+162
Museums	5	3501	+272
Theatre/ concert halls	6	3229	
Transport	Rank	Weighted score	Weighted score gap
Road maintenance	1	5978	+665
Footway maintenance	2	5313	+1560
Subsidies for non-commercial bus services	3	3753	+231
Cycle path maintenance	4	3522	+279
Improved parking facilities through parking charges	5	3243	+400
Electric vehicle charging points	6	2843	
Children and young people	Rank	Weighted score	Weighted score gap
Support for vulnerable children, children in care or in need of protection	1	6195	+936
Support for children with special educational needs	2	5259	+501
Services for young people, such as youth services, young carers	3	4758	+90
Early years support, such as child care, children centres	4	4668	
Environment	Rank	Weighted score	Weighted score gap
Environmental regulation, e.g. food safety, trading standards, noise control	1	5657	+345
Initiatives for tackling climate change	2	5312	+38
Public conveniences	3	5274	+358
Grass cutting and weed control	4	4916	
Waste and Recycling	Rank	Weighted score	Weighted score gap
Refuse collection	1	6402	+1636
Keeping public land clear of litter and refuse	2	4766	+261
Doorstep recycling	3	4505	+439
Local tips/household waste recycling centres	4	4066	+238
Garden waste collection	5	3828	
Growing Plymouth's Economy	Rank	Weighted score	Weighted score gap
Creating and protecting jobs across the city	1	5460	+552
Attracting inward investment and supporting businesses	2	4908	+306
Improving the quality of housing	3	4602	+349
Planning the future shape of the city	4	4253	+15
Improving the quantity of housing	5	4238	
Health and adult social care	Rank	Weighted score	Weighted score gap

Support for mental health services	1	5445	+182
Support for older people to live independently	2	5263	+307
Support for people with disabilities	3	4956	+48
Preventing homelessness and help find homes for those in need	4	4908	+1955
Support for preventative health services, e.g. stop smoking clinics	5	2953	

Appendix 4 – Top priority themes

Theme	Description	Example response	Total no. of responses
Addressing inequalities	A focus on addressing inequalities for residents in the city in terms of financial, diversity, economy, etc.	<i>Support for people on low income or no income. Food, heating etc.</i>	27
Car parking	Includes better car parking facilities, more free parking, and residential parking restrictions.	<i>Free or very cheap car parking</i>	12
City aesthetics	Mostly Street Scene and Waste related, e.g. cleaning streets, weeds, grass cutting, litter, generally making the whole city look better and more attractive for residents and visitors.	<i>Clean up all the city, not just the centre. In many areas it is dirty and scruffy</i>	204
City centre	Linked to economy but more specifically focused on the city centre, e.g. filling empty shops, bringing life back to the city centre.	<i>Continued investment in the city centre to encourage interest from big name business not already present in the city centre, fill empty shops with quality vendors not temporary/pop up phone repair shops/ Calendar shops.</i>	46
City pride	Enabling or encouraging residents to take pride in their city.	<i>Addressing civic pride</i>	5
Climate/ environment	Linked with sustainable transport and green spaces but specifically focused on motivations for improving the climate and environment.	<i>Climate emergency - improving the city's resilience</i>	242
Council tax	Anything to do with council tax, mostly referring to not increasing it.	<i>No council tax increase</i>	8
Crime and safety	Any aspect of crime, policing, or safety measures, e.g. CCTV, street lighting, ASB, visibility of police, etc.	<i>Making sure Plymouth is a safe place to live more police</i>	92
Development and infrastructure	Road layout and infrastructure to cope with the amount of traffic and in line with developments of the city, reducing congestion, road safety (e.g. speed limits). Also development of the city in general, e.g. distribution of funding, how to move Plymouth forward as a thriving city, etc.	<i>Improve infrastructure of the city and surrounding areas</i>	122
Economy	Inward investment, creating and securing local jobs, supporting businesses, boosting the economy, tourism/culture, and anything that generally promotes Plymouth. It is difficult to separate out tourism and culture from other things, e.g. investment, as it is all tangled up - e.g.	<i>Creating and protecting jobs across the city</i>	303

	people want investment to create jobs, which in turn will boost the economy and make Plymouth a place that people want to visit. Investing in the arts, events or tourism specifically will also create jobs and boost the economy. Respondents have frequently cited economic benefits when referring to tourism, culture, etc.		
Education, early years and YP	Anything to do with schools (including SEND), early years provision or support, or services for young people. More generalised about children and young people than social care.	<i>Support for parents with young children, like SureStart used to do. It saves money in the long term</i>	155
Flood prevention	Management and protection of the city from flooding.	<i>Avoid all flooding from rain and sea water protect our land</i>	15
Health	Anything related to public health, healthcare, NHS services, primary healthcare, etc. Includes COVID-19.	<i>Funding medical services publicly and ending private contracts (e.g. GP surgeries, buying back the hospital from the University etc.)</i>	85
Homelessness	Linked with housing, mental health services and social care but specifically focused on support for people who are homeless or at risk of becoming homeless.	<i>Make every effort to reduce homelessness</i>	92
Housing	Includes social housing, housing developments, cost of buying and renting (affordable housing), quantity and quality of homes in Plymouth.	<i>Affordable housing and more council homes built</i>	202
Maintenance/ repair of roads and pavements	Reference to the maintenance or repair of highways, roads and pavements, including pot holes and condition of surfaces.	<i>Roads!!! Pot holes and uneven surface. 3 wrecked tyres in 2 months!!</i>	293
Mental health services	Access to services and the quality and suitability of support available for mental health.	<i>Access to mental health support is atrocious - something needs to be done about this</i>	172
Noise control	Measures to address noise in certain areas of the city or from vehicles.	<i>Better noise control around heavily populated student areas</i>	6
Parks and green spaces	Protection, maintenance or development of parks and green or open spaces for a range of benefits, e.g. environment, wildlife, physical and mental health and wellbeing, dog walking, etc. Includes green parks and play parks for children.	<i>To provide and maintain our open spaces. These places can be visited & used by all improving mental health & physical health</i>	155
Political	Political aspects including elections, councillors, councillor and council staff pay, etc.	<i>Stop having election every year, will save money</i>	16
Public services	Any reference to public services, including leisure/sports facilities, toilets, libraries, public conveniences, and delivery of basic/core services.	<i>Focus on provision that helps enrich the community with access to health facilities, i.e. swimming pools and gyms, educational provision, i.e. libraries.</i>	102
Resident voice	Ensuring that decisions are made based on residents needs or preferences, e.g. supporting communities to deliver services, resident consultation.	<i>Providing the services that score the highest as this will be people's priority</i>	13
Social care - adults	Reference to care of adults who are vulnerable, disabled, or require additional support from social care services. Includes	<i>Support for older people to live independently</i>	142

	general adult social care as well as support or services for the elderly, including care homes, and the social care workforce.		
Social care - CYP	Reference to care of children and young people who are vulnerable, disabled, or require additional support or safeguarding from social care services. Includes reference to the children's social care workforce.	<i>Protection of children from abuse, neglect, indifferent parenting, exploitation</i>	108
Social care - general	Reference to care of people who are vulnerable, disabled, or require additional support from social care services, e.g. to live independently. Reference given either to general social care, whole population, or a range of age groups (e.g. children and adults), or the social care workforce.	<i>Supporting vulnerable people</i>	183
Sustainable transport	Availability and affordability of public transport (e.g. buses), as well as safe options for walking and cycling and electric car charging points.	<i>Encourage and provide increased public transport, particularly easy access buses</i>	212
Value for money	Residents would like to ensure that money spent by PCC is worthwhile and provides value/ROI.	<i>Value for money and independent auditing</i>	28
Waste	Anything to do with waste collections, recycling, garden waste, including frequency of collections, measures to encourage recycling and reduce fly-tipping.	<i>Refuse collections, recycling and garden waste collection</i>	261
Adhoc	Anything that does not easily fit into one of the defined categories.		23
Blank	No response given.		234
TOTAL excl. blanks			3,354

Cabinet



Date of meeting:	21 December 2021
Title of Report:	Council Tax Base Setting 2022/23 and Council Tax Support Scheme 2022/23
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	Wendy Eldridge (Principal Technical Accountant) Debbie Perry (Technical Manager)
Contact Email:	Wendy.eldridge@plymouth.gov.uk Debra.perry@plymouth.gov.uk
Your Reference:	
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

To recommend the 2022/23 Council Tax base to Council in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012.

Agree actions from annual review of the Council Tax Support (CTS) scheme.

Recommendations and Reasons

Cabinet agree to recommend to Council -

1. the Council Tax Base for 2022/23 of 73,830 equivalent Band D dwellings as set out in the report.
2. the continuation of the current Council Tax Support scheme and Exceptional Hardship Scheme for 2022/23 with no updates.

Reason for recommendations: to meet the legal requirements to set the Council tax base for budget setting purposes.

To help ensure that the Council Tax Support scheme treats claimants consistently, is clear to understand and is easy to administer.

Alternative options considered and rejected

Not applicable. It is a statutory requirement for Council to approve the Council Tax Base for the forthcoming financial year and annually review their CTS scheme.

Relevance to the Corporate Plan and/or the Plymouth Plan

The Council Tax Base and associated 2022/23 budget papers will set out the resources available to deliver the Corporate Plan priorities.

Implications for the Medium Term Financial Plan and Resource Implications:

A collection rate of 97.5% has been used in calculating the Council Tax Base. Appendix A details the Tax Base calculations. The tax base is 73,830 band D equivalent properties.

Financial Risks:

Council tax base assumptions include growth and demand on CTS scheme during 2022/23. A mid-year estimate will be prepared during autumn 2022 to identify any surplus or deficit between forecast council tax collection and the council tax income target when 2022/23 budget set. Any surplus or deficit will be included in calculating resources for future medium term financial plans.

Carbon Footprint (Environmental) Implications:

No impact will directly arise from this report.

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

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

No impact will directly arise from this report.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Council Tax Base Calculation							
B	Council Tax Base Calculation Table 2022/23							
B	Council Tax Base Previous years							

Background papers:

**Add rows as required to box below*

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

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7
None							

Sign off:

Fin	pl.21. 22.21 2	Leg	LS/37 834/A C/16/ 12/21	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 03/12/2021											
Cabinet Member approval: <i>Councillor Nick Kelly (Leader)</i>											
Date approved: 08/12/2021											

A. Council Tax Base Calculation**I. INTRODUCTION**

- 1.1 The Local Authorities (Calculation of Tax Base) (England) Regulations 2012 make arrangements for the setting of the Council Tax. The arrangements include the determination of the Council Tax Base. A Council resolution is necessary. The decision must be notified to the major precepting authorities.
- 1.2 For the year commencing 1 April 2022, the major precepting authorities will be Devon and Cornwall Police and Crime Commissioner and Devon and Somerset Fire and Rescue Authority.
- 1.3 The Council must determine its Council Tax Base for 2022/23 during the period 1 December 2021 to 31 January 2022. The Council Tax Base is the measure of the taxable capacity of an area, for the purpose of calculating an authority's Council Tax. It represents the estimated number of Band D equivalent chargeable dwellings for the year. It also takes into account the authority's estimated Council Tax collection rate. The level of Council Tax subsequently set must be determined using the Council Tax Base figure. The Council Tax Base calculation is attached in Appendix B.
- 1.4 The calculation of the Council Tax Base allows for discounts under the Council Tax Support Scheme.

2. PURPOSE OF THE REPORT

- 2.1 The purpose of this report is to propose to Council the Council Tax Base of 73,830. The Council Tax Base for 2021/22 was 73,115.
- 2.2 The Tax Base calculation includes the impact of the Council Tax Support Scheme. Tax base calculations include assumptions for financial impact from COVID-19 and the continuing requirements of citizens for support to pay their Council Tax through the Council Tax Support scheme.

3. TAX BASE CALCULATIONS

- 3.1 Council Tax base figures are calculated by the billing authority as the aggregate of the "relevant amounts" calculated for each property valuation band multiplied by the estimated "collection rate" for the year.
- 3.2 Relevant amounts are:
- (a) The number of chargeable dwellings in that band shown in the valuation list as at 13 September 2021 (Ministry of Levelling Up, Housing & Communities (DLUHC) return – Council Tax Base (CTB));
 - (b) The number of discounts, disabled reductions and exemptions which apply to those dwellings;
 - (c) Estimated changes in the number of chargeable properties between 13 September 2021 and 31 March 2023;
 - (d) Impact of the Council Tax Support scheme;
 - (e) The number of Band D equivalents within each different band.
- 3.3 The collection rate is the billing authority's estimate of the total amounts of 2021/22 Council Tax which will ultimately be paid or transferred into the Collection Fund.

3.4 This report assumes a collection rate for Council Tax of 97.5%. This rate reflects recent arrears collection performance, the pattern of write offs and the impact of Universal Credit. Analysis of collection rates across the age profile of debts suggests that an eventual collection rate of 97.5% is realistic and prudent in the current economic climate.

3.5 Appendix C shows the tax base used for the previous three years for comparison.

4. EMPTY HOMES PREMIUM

4.1 Change was legislated under the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018 which amends Section 11B of Local Government Finance Act 1992 (higher amount for long-term empty dwellings: England), as follows:

From 1 April 2021 an additional premium can be charged of up to:

- 100% for any dwelling empty between 2 and 5 years.
- 200% for any dwelling empty between 5 and 10 years.
- 300% for any dwelling empty for 10 years or more.

Plymouth City Council introduced charging a maximum premium from 1 April 2019 as part of a strategy to encourage empty properties back into use. Approval was given to charge the additional premium as part of 2020/21 Council Tax Base setting approved at Council on 27 January 2020.

4.2 The Housing Delivery Team recommends an increase to the council tax premium attached to empty homes to the fullest extent possible as the legislation allows. This will provide a further disincentive for keeping properties empty. We envisage that returning empty homes to use will:

- Help to alleviate pressures on the housing waiting list through increased availability of rental properties
- Improve the visual appearance of empty properties that may blight neighbourhoods;
- Address problems that may be associated with living next door to an empty home for example damp ingress, vermin, anti-social behaviour and loss of property value;
- Generate New Homes Bonus funding for the city (subject to changes to the NHB scheme).

4.3 The legislation relating to the new premium can be found at the following link;

<http://www.legislation.gov.uk/ukpga/2018/25/contents/enacted>

COUNCIL TAX SUPPORT

5.1 In April 2013 the national Council Tax Benefit scheme was abolished and replaced by local assistance schemes, developed and administered by local councils. Plymouth City Council introduced two schemes from 1 April 2013; Council Tax Support and a discretionary Exceptional Hardship Scheme. The main Council Tax Support (CTS) scheme requires all working age claimants to make a minimum 20% contribution towards their Council Tax bill.

5.2 The qualifying criterion for the CTS scheme follows the basic calculation for Housing Benefit. This is based on a 'means test' with those in receipt of an income based welfare benefit passported to a

maximum 80% payment towards their Council Tax with a sliding qualification scale applied to all other claimants in order to determine entitlement.

5.3 All councils are required to annually review their local CTS schemes. Significant changes were agreed to the CTS scheme to implement an income banded scheme in 2020/21 to support Universal Credit (UC) customers from the frequent changes to their awards. In 2021/22 further changes to the scheme were made to address a small number of administrative issues that had arisen as a result of the implementation of the banded scheme in the previous year. A change was also made in 2021-22 to introduce flexibility into the scheme to allow the suspension of the use of the minimum income floor for the self-employed in exceptional circumstances, such as the COVID-19 pandemic.

A review of the 2021/22 CTS scheme has not identified any issues that require changes to be made to the scheme for 2022/23.

5.4 Current caseload figures confirm that the number of Plymouth residents claiming Council Tax Support increased by 2.54% in the last 12 months (October 2020 vs October 2021). Whilst the change in caseload is much lower than last year (12.7%) and appears to be levelling off, the associated expenditure in 2021/22 has still increased by 7.08% compared to 15% in the previous year. This indicates that the financial impact of COVID-19 on families continues to be felt as the nation starts to recover and CTS continues to provide vital support for many households in the city who have continued to lose income. It is expected that the caseload and scheme cost within 2022/23 can be funded within the available financial envelope.

5.5 Taking the factors in the above paragraphs into account, it is recommended that no updates are made to the CTS scheme for implementation in 2022/23.

5.6 These factors have been taken into account in establishing the proposed Council Tax Base and the impact will be closely monitored throughout the year.

C. Council Tax Base - Previous Years

Band	2019/20			2020/21			2021/22		
	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent	Number of properties	Estimated Collection Rate	Adjusted Band D Equivalent
A	47,750	98.0%	19,359	47,747	98.0%	19,785	47,670	97.5%	18,868
B	32,674	98.0%	19,307	32,932	98.0%	19,729	33,048	97.5%	19,297
C	22,947	98.0%	17,006	23,207	98.0%	17,270	23,318	97.5%	17,103
D	9,752	98.0%	8,155	9,939	98.0%	8,312	10,066	97.5%	8,308
E	4,950	98.0%	5,332	5,057	98.0%	5,470	5,136	97.5%	5,506
F	1,755	98.0%	2,308	1,786	98.0%	2,352	1,805	97.5%	2,361
G	601	98.0%	834	603	98.0%	846	606	97.5%	850
H	58	98.0%	36	56	98.0%	36	57	97.5%	37
Total	120,487		72,336	121,327		73,800	121,706		72,330
MOD			836			803			785
Tax Base			73,172			74,603			73,115

Cabinet



Date of meeting:	11 January 2022
Title of Report:	Finance Monitoring Report November 2021
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	David Northey - Head of Integrated Finance Hannah West – Finance Business Partner
Contact Email:	David.northey@plymouth.gov.uk
Your Reference:	Fin/djn/2021(08)
Key Decision:	No
Confidentiality:	Part 1 - Official

Purpose of Report

This report sets out the revenue finance monitoring position of the Council to the end of the financial year 2021/22, as at the end of November 2021.

The overall savings plans for the year continue to be set out in detail in Appendix 2. Of the total target savings of £13.845m, Directorates are reporting that £7.142m (over 50%) are already achieved, with a further £2.629m (19%) on course to be delivered by the end of the year.

Recommendations and Reasons

That Cabinet:

1. Notes the current revenue monitoring position;

This is part of the monthly monitoring cycle to ensure good financial reporting in line best accounting practices.

Alternative options considered and rejected

None – our Financial Regulations require us to produce regular monitoring of our finance resources.

Relevance to the Corporate Plan and/or the Plymouth Plan

The financial outturn report is fundamentally linked to delivering the priorities within the Council's Corporate Plan. Allocating limited resources to key priorities will maximise the benefits to the residents of Plymouth.

Implications for the Medium Term Financial Plan and Resource Implications:

Robust and accurate financial monitoring underpins the Council's Medium Term Financial Plan (MTFP). The Council's MTFP is updated regularly based on on-going monitoring information, both on a local

Sign off:

Fin	ba.21. 22.22 4	Leg	LS/37 890/A C/7/1 /22	Mon Off		HR		Assets		Strat Proc	
Originating Senior Leadership Team member: Brendan Arnold (Service Director for Finance)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 04/01/2022											
Cabinet Member approval: Leader after discussion with Cabinet colleagues											
Date approved: 04/01/2022											

SECTION A: EXECUTIVE SUMMARY

Table 1: End of year revenue forecast

	Budget £m	Net Forecast Outturn £m	Variance £m
Total General Fund Budget	195.568	196.312	0.744

The forecast revenue outturn after the application of Covid grants and council mitigating actions is currently estimated at £0.744m over budget, which is a variance of +0.38% against the net budget (+0.14% against the gross budget). This is a positive movement in the month of £0.139m from the last report (period 7).

This is the November monitoring report for 2021/22 and it should be noted that the financial position will fluctuate as we move through the year. Officers and Members will work closely to manage the finances towards a balanced position by the end of the year.

Within this position the following headline financial issues are reported:

1. The pandemic continues to have a major impact on our financial resources, with a potential drawdown of £17.302m against the currently available grants. The impact of COVID-19 will continue in this financial year but in this forecast the additional costs identified are offset by grant and so there is a nil impact on the forecast variance.
2. Key budget pressures:
 - a) £0.618m reported within Customer & Corporate Services Directorate. This has improved by £0.037m in the last month owing to continued management of staff vacancies.
 - b) £0.414m reported within Children's Directorate. This is the same as reported last month.
3. Key favourable variances:
 - a) The Public Protection Service, within The Office of the Director of Public Health (ODPH), is reporting an underspend of £0.305m, a small adverse variance from last month's £0.327m.

SECTION B: Directorate Review**Table 2: End of year revenue forecast by Directorate**

Directorate	Budget £m	Forecast £m	COVID offset £m	Forecast Net Variance £m	Status
Executive Office	5.429	5.691	(0.245)	0.017	over
Customer and Corporate Services	44.031	45.813	(1.164)	0.618	over
Children's Directorate	53.074	61.865	(8.404)	0.414	over
People Directorate	89.441	93.018	(3.577)	0.000	on budget
ODPH	(0.537)	(0.715)	(0.127)	(0.305)	under
Place Directorate	24.976	28.761	(3.785)	0.000	on budget
Corporate Items	(20.819)	(38.121)	17.302	0.000	on budget
Total	195.568	196.312	0.000	0.744	over

1. Executive Office

1.1 The Executive Office is reporting a small overspend due to printing costs. COVID-19 related pressures reflect additional costs associated with court activity and resourcing.

2. Customer and Corporate Services Directorate

2.1 The Customer and Corporate Services Directorate is forecasting an over spend of £0.618m. This is a further improvement from last month of £0.037m. Work will continue to adopt mitigating actions and the position will continue to be closely monitored moving forward. COVID-19 costs have remained unchanged.

3. Children's Directorate

3.1 The Children's Directorate is forecasting an over spend of £0.414m; this represents no change from the October forecast.

4. People Directorate

4.1 The People Directorate is continuing to forecast a breakeven position for the year.

5. Office of the Director of Public Health (ODPH)

5.1 Public Protection Service, within Public Health, is reporting an under spend of £0.305m due to staffing costs being charged to Covid grant and additional funding.

6. Place Directorate

6.1 The Directorate is reporting a nil variance this month. This is an improved position from the October reported £0.121m over spend. The pressures arising from the impact on income targets following delegated decisions signed off in June 2021 have been set against savings from Treasury Management activity.

6.2 COVID-19 related additional spend and income foregone totals £3.785m. The majority of this continues to relate to loss of car parking income.

7. **Corporate Items**

7.1 The overall position shows a nil variance.

7.2 COVID-19 financial support continues to be held here, and is being used to offset pressures that have arisen across all Directorates due to the pandemic; currently these are forecast to a total of £17.302m.

Appendix A 2021/22 Savings status (I) Summary

	Total	Achieved savings	on track for delivery	Working on for delivery	Planned, internal/external actions required to deliver
	£m	£m	£m	£m	£m
Children's	4.001	1.723	0.688	1.176	0.414
People	3.160	3.160	0.000	0.000	0.000
ODPH	0.028	0.028	0.000	0.000	0.000
Customer & Corporate Place	4.571	1.136	1.896	0.019	1.520
Corporate Items	1.035	0.080	0.045	0.257	0.653
	1.050	1.015	0.000	0.000	0.035
2021/22 Savings	13.845	7.142	2.629	1.452	2.622

Appendix A 2021/22 Savings status (2) Detail

Directorate / Plans	Target Savings	Achieved savings	Plans on track for delivery	Plans worked on for delivery	Planned, internal/external actions required to deliver
	£m	£m	£m	£m	£m
Children					
EPS step up	0.152			0.152	
Home to School Transport	0.179			0.179	
AST	0.500	0.168		0.332	
Fostering	0.670	0.189	0.067		0.414
Troubled Families	0.650	0.317	0.333		
Placement Review	1.400	1.049	0.288	0.063	
Management Actions	0.450			0.450	
Children - Savings	4.001	1.723	0.688	1.178	0.414
People					
Care Package Reviews (SC)	0.775	0.775			
Direct Payment Reviews (SC)	0.250	0.250			
Increased FCP Income (SC)	0.100	0.100			
Commissioned Contracts (SC)	0.250	0.250			
Grant Maximisation (CC)	0.200	0.200			
Management Actions (CC)	0.050	0.050			
Income Targets (CC)	0.050	0.050			
One Off Savings 2020/21 (SC)	1.485	1.485			
People - savings	3.160	3.160	0.000	0.000	0.000

ODPH					
Additional Income	0.008	0.008			
Additional Income #2	0.020	0.020			
ODPH - savings	0.028	0.028	0.000	0.000	0.000
Customer, Corporate Services and Executive Office					
Efficiency	0.949				0.949
FM review	0.550				0.550
Business support	1.200	0.917	0.283		
ICT	1.000		1.000		
CEX; Legal services	0.100		0.100		
Coroner	0.040			0.019	0.021
Training	0.153	0.153			
Capitalise Capital Team	0.050	0.050			
Internal Audit	0.016	0.016			
Departmental	0.513		0.513		
Customer & Corporate Services and Executive Office savings	4.571	1.136	1.896	0.019	1.520
Place					
Regeneration Property Fund	0.500				0.500
Concessionary Fares	0.080	0.080			
Weston Mill, bulky & trade waste income	0.208			0.180	0.028
Resident Parking	0.060				0.060
On/Off parking	0.065				0.065
Fees and charges including Mt. Edgcumbe	0.122		0.045	0.077	
Place savings	1.035	0.080	0.045	0.257	0.653
Corporate					
Schools PFI - adjustments	1.015	1.015			
Income target not allocated	0.035				0.035
Corporate savings	1.050	1.015	0.000	0.000	0.035
Overall Total savings	13.845	7.142	2.629	1.452	2.622

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Audit and Governance Committee



Date of meeting:	29 November 2021
Title of Report:	Treasury Management Strategy 2022/23
Lead Member:	Councillor Nick Kelly (Cabinet Member for Finance)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	Chris Flower (Finance Business Partner for Capital and Treasury Management)
Contact Email:	Chris.flower@plymouth.gov.uk
Your Reference:	Finance/CF
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report sets out the Treasury Management Strategy for 2022/23 and includes the Annual Investment Strategy, the Non-Treasury Management Investment Strategy and the Minimum Revenue Provision Statement.

These reports are required by The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services.

Recommendations and Reasons

- I. The Audit Committee recommends the Treasury Management Strategy 2022/23 (incorporating the authorised limits, operational boundaries and prudential indicators) to the Council for approval.

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

Alternative options considered and rejected

It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

Relevance to the Corporate Plan and/or the Plymouth Plan

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

Implications for the Medium Term Financial Plan and Resource Implications:

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

Carbon Footprint (Environmental) Implications:

No direct implications.

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

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

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

Appendices

**Add rows as required to box below*

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

Background papers:

**Add rows as required to box below*

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

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

Sign off:

Fin	BA.21 .22.17 3	Leg	LS/37 680/A C/18/ 11/21	Mon Off		HR		Asset s		Strat Proc	
<p>Originating Senior Leadership Team member: Brendan Arnold</p>											
<p>Please confirm the Strategic Director(s) has agreed the report? Yes</p> <p>Date agreed: 17/11/2021</p>											
<p>Cabinet Member approval: Cllr Nick Kelly approved by email</p> <p>Date approved: 18/11/2021</p>											

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Treasury Management Strategy 2022/23



Councillor Nick Kelly
Leader of the Council and Cabinet Member for Finance

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

It also demonstrates our commitment to sound management and control of the Council's cash and investments.

Brendan Arnold
Service Director for Finance

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

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

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This section explains how we invest and borrow

Introduction

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

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

INVESTMENTS – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

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

Market Intelligence

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

Statutory and Performance Framework <i>Rules that guide us</i>	<p>Investments</p> <ul style="list-style-type: none"> • Sterling only • Can use UK Government, Local Authority or a body of high credit quality • The Council defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher and domiciled in UK
	<p>Counterparties and Limits (see table on page 20)</p>
	<p>Investment Limits – subject to Counterparty table on page 20</p> <ul style="list-style-type: none"> • Unlimited UK Government • Unlimited Money Market Fund • £25m any single local authority or government entity • £25m secured investment • £10m per Bank (unsecured) • £20m unrated corporates • £60m Strategic Pooled Funds • £10m Real estate investment
	<p>Key Council Budget Assumption for 2022/23</p> <ul style="list-style-type: none"> • Investments make an average rate of return of 1.5%
Approach <i>Choices made within the framework</i>	<p>Objective - Security first, Liquidity second and then Yield</p> <p>Strategy - to maximise returns, reduce risk and diversify investments</p> <p>Risk Assessment and credit ratio - Our advisors monitor credit ratings daily so any new investments will be made using the latest credit information</p> <p>Other information on security of Investments - Market intelligence from our advisors may give warnings before credit warning changes e.g. credit default swaps information</p>

BORROWING – FACTS AT A GLANCE

Principles and Objectives of the Treasury Management Strategy

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

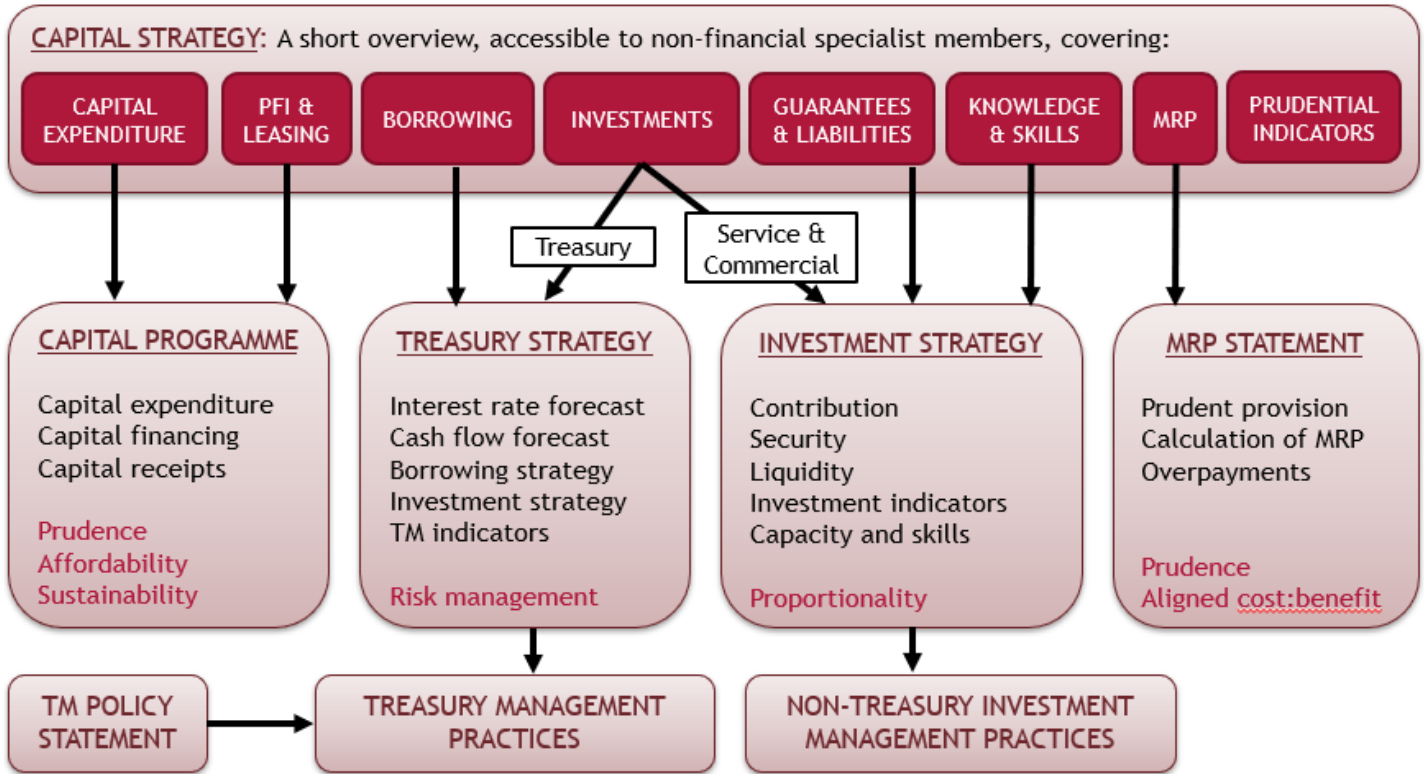
Market Intelligence

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

<p>Statutory and Performance Framework</p> <p><i>Rules that guide us</i></p>	<p>Borrowing</p> <ul style="list-style-type: none"> • £203m Total Capital Expenditure • £1068m Capital Finance Requirement (need to borrow) • £1086m Total Debt (loans and private finance initiative) • £1135m Operational Boundary (practical ceiling on borrowing) • £1180m The Authorised Limit (absolute maximum debt approved)
	<p>Prudential Indicators</p> <ul style="list-style-type: none"> • 10.7% Ratio of finance costs to net revenue stream (borrowing costs as a proportion of net revenue budget) • £10.70 Hypothetical increase in Council Tax affordability. (this is technical measure; the Council has made no future years tax decisions)
	<p>Treasury Management Indicators</p> <ul style="list-style-type: none"> • 60% Limit on Fixed Interest Exposure • 80% Limit on Variable Interest Rate • 0% to 80% Maturity Structure of Borrowing, exposure in any duration
	<p>Minimum Revenue Provision Policy (MRP)</p> <ul style="list-style-type: none"> • Annuity Method • PFI/Leases charged on an annuity method over the life of the asset • Option for capital receipts to be used towards repaying debt
	<p>Key Council Budget Assumption for 2022/23</p> <ul style="list-style-type: none"> • New long-term loans will cost an average rate of 2.0%
<p>Approach</p> <p><i>Choices made within the framework</i></p>	<p>Objective - Balance low interest rates with long term certainty</p> <p>Strategy – to have a balanced portfolio that utilises the benefits of low interest rates for short term borrowing together with the security of longer term fix rate borrowing</p> <p>Sources of Finance - Banks or Building Society, Public Works Loan Board, Pension Funds, Capital Market Bonds, Municipal Bonds Agency, anyone with whom we would invest. Also, Leasing, PFI, Sale & Lease back</p> <p>LOBOs will be repaid if there is a NPV saving and if there is agreement with the lenders</p> <p>Municipal Bonds Agency Council will use where appropriate</p> <p>Debt Restructuring A present value calculation based on current rates for the same period of loan may result in a discount or premium.</p> <ul style="list-style-type: none"> • Council will re-schedule if it reduces cost or risk

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

Strategy Reports: England



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

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

Economic background as at November 2021: The Bank of England (BoE) held Bank Rate at 0.10% in November 2021 and maintained its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 7-2 to keep rates on hold and 6-3 to maintain the asset purchase programme. Within the announcement, the MPC suggested interest rates would be increased soon, but not to the 1% level expected by financial markets. Within the November 2021 Monetary Policy Report, the Bank expected consumer price index (CPI) inflation to peak at around 5% in April 2022 before falling back as the impact from higher energy prices fade and demand slows.

UK CPI for September 2021 registered 3.1% year on year, slightly down from 3.2% in the previous month. Core inflation, which excludes the more volatile components, fell to 2.9% y/y from 3.1%. The most recent labour market data for the three months to August 2021 showed the unemployment rate fell to 4.5% while the employment rate rose to 75.3%. Both measures were helped by the extension of the government's furlough scheme, but this ended in September 2021 and while this may put some pressure on the jobs market, it is not expected to be material, with the BoE forecasting unemployment will only increase modestly in Q4 2021 according to its November 2021 Monetary Policy Report but remain low overall.

In August 2021, the headline 3-month average annual growth rate for wages were 7.2% for total pay and 6.0% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 4.7% while regular pay was up 3.4%. These figures should be interpreted with caution, however, as pay growth is now being impacted by base effects compared to 12 months ago when earnings were first affected by the coronavirus pandemic. Moreover, there has also been a fall in the number and proportion of lower paid jobs, helping to push up the average earnings figure.

Gross domestic product (GDP) grew by 5.5% in the second calendar quarter of 2021, compared to a fall of -1.6% q/q in the previous three months, with the annual rate jumping to 23.6% from -6.1%. Here too, base effects from 2020 have resulted in the high Q2 2021 data. Monthly GDP estimates have shown the economy is recovering, with the economy now just 0.8% below its pre-pandemic level. Looking ahead, the BoE's November 2021 Monetary Policy Report forecasts economic growth will rise by 1.5% in Q3 2021, 1.0% in Q4 2021 with the economy expected to get back to its pre-pandemic level in Q1 2022. GDP growth is now expected to be around 5% in 2022 (revised down from 6%), before slowing to 1.5% in 2023 and 1% in 2024.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.1% year-on-year in October, the fourth successive month of inflation. Core CPI inflation was 2.1% y/y in October, the third month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.0% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its November 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme. Having bought \$120 billion of bonds each month during the pandemic to keep interest rates low, the Fed confirmed that purchases will be scaled back, starting with a \$15 billion reduction in November 2021. In terms of the timing of any interest rate hikes, Fed Chair Jerome Powell said the central bank can be patient about doing so.

This is Arlingclose's expert view on future interest rates.**Credit Outlook**

Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and have steadily edged down throughout the year to almost pre-pandemic levels. The improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

This is Arlingclose's view of the risks of bank failures in the period ahead.**Interest Rate Forecast**

The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will rise in calendar Q2 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks shift towards the downside.

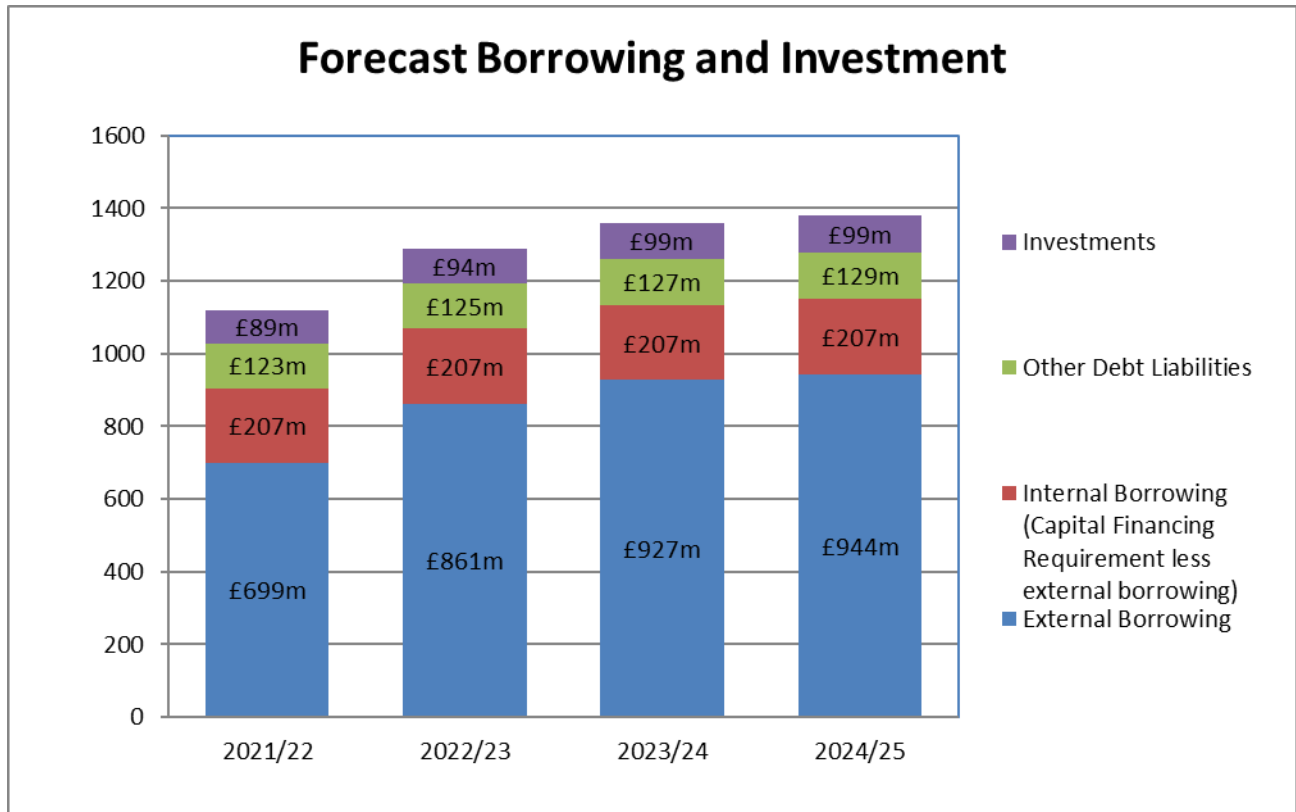
Gilt yields had increased sharply on the back of higher inflation and anticipated central bank action, however in its November MPC meeting, the committee noted that market expectations for rates were excessive, and yields have since fallen back. Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.60%, 1.0%, and 1.35% respectively. The risks around the gilt yield forecast are judged to be broadly balanced in the near-term and to the downside over the remainder of the forecast horizon. As ever, there will almost certainly be short-term volatility due to economic and political uncertainty and events.

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

Part 2 – Technical Detail for Analysis

Borrowing

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



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

Maximum Total Debt

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

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

The Council held £600 million of loans in as at 31 March 2021. This was a decrease of £3 million on the previous year. The decrease in loans is because many of the capital project were slowed down by Covid and the Council received grants for capital and revenue purposes and will be used in 2022/23.

The Council expects to hold borrowing up to £ 861m in 2022/23. The total borrowing must not exceed the authorised limit set by the Council of £900 million.

We seek low interest rates, but it is good to be as sure as possible what our interest costs will be in future years.

Objectives of Borrowing Decisions

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

It is much cheaper to borrow for a short period now. Before long term rates rise we intend to lock into fixed rate loans.

Borrowing Strategy

Since the Covid pandemic, we have seen the Bank of England cut the Bank Rate to its lowest rate ever. The Council has taken the opportunity to refinance some of its short term borrowing with long term fixed rate borrowing from PWLB. This has reduced the Council's short term borrowing and therefore reduced the interest rate risk (risk of interest rates rising).

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

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

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

The Council has taken additional long term fixed rate borrowing from the PWLB (£100m in September and October 2021) to reduce the amount of short term borrowing and to reduce the interest rate risk. The Council also has an Interest Rate Swap to mitigate part of this risk by a contract that fixes the rate of interest on £75m for 20 years.

The Council will take the option to repay LOBO loans if there is a NPV saving and if there is agreement with the lenders.

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

The Council will only borrow from approved sources.

These are the lenders we are able to use.

Sources of Borrowing

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

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- Any institution approved for investments (see below)
- Any other bank or building society authorised to operate in the UK
- Any other UK public sector body
- UK public and private sector pension funds (except Devon Local Government Pension Fund)
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues and short term borrowing
- Any other counterparty that is recommended by the Council's TM advisors
- A Plymouth City Council bond or similar instruments
- Interest Rate Swaps – although not actual borrowing they can be used to reduce the interest rate risk

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

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

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

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

Lender's Option Borrower's Option (LOBOs)

The Council holds £64m of LOBO loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.

The Council understands that lenders are unlikely to exercise their options in the current low interest rate environment but there remains an element of refinancing risk.

The Council will take the option to repay LOBO loans if there is a NPV saving and if there is agreement with the lenders.

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

Municipal Bond Agency (MBA)

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. In 2020 the agency issued its first bonds to the capital markets for individual local authorities. By issuing a single name bond, albeit using the MBA's infrastructure, the bond is again "solely, Treasury Management Strategy 2022/23

unconditionally and irrevocably guaranteed by the authority. This eliminates many of the problems associated with aggregating funding across authorities, with no need to compromise on funding structure, timing, and no requirement to guarantee the debt of other issuers.

The MBA are looking at offering short term loans (1-3 years) to Local Authorities which would offer an alternative source of short term borrowing.

Short-term and Variable Rate loans

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

If we can, we will replace existing loans with cheaper new loans.

Debt Rescheduling

Some lenders allow the Council 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 Council 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.

Prudential Indicators 2022/23

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

Estimates of Capital Expenditure

The Council's planned capital expenditure and financing may be summarised as follows.

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

Capital Expenditure and Financing	2021/22 Forecast £m	2022/23 Forecast £m	2023/24 Forecast £m	2024/25 Forecast £m
General Fund	188.191	202.662	55.080	17.791
Total Expenditure	188.191	202.662	55.080	17.791
Capital Receipts	1.918	5.637	6.128	0.619
Grants and Contributions	60.286	64.309	3.586	0.132
Reserves	0.000	0.000	0.000	0.000
Revenue	1.057	0.003	0.000	0.000
Borrowing	98.680	132.713	45.366	17.040
Leasing and PFI	0.000	0.000	0.000	0.000
Total Financing	151.941	202.662	55.080	17.791

Estimates of Capital Financing Requirement

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

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

Capital Financing Requirement	31 Mar 21 Actual £m	31 Mar 22 Forecast £m	31 Mar 23 Forecast £m	31 Mar 24 Forecast £m
General Fund	905.236	1067.949	1133.315	1151.355
Total CFR	905.236	1067.949	1133.315	1151.355

The Council has an increasing CFR and is forecast to rise by £283m over the next three years for the capital programme and therefore will require additional borrowing.

Gross Debt and the Capital Financing Requirement

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

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

Debt	31 Mar 22 Forecast £m	31 Mar 23 Forecast £m	31 Mar 24 Forecast £m	31 Mar 25 Forecast £m
Borrowing	698.680	861.393	926.759	943.799
PFI liabilities & Finance Leases*	123.000	225.000	227.000	229.000
Total Debt	821.680	1086.393	1153.759	1172.799

* A provision has been made for IFRS 16 to allow for operating leases being brought onto the balance sheet as a debt liability with effect from 1 April 2022.

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

Operational Boundary for External Debt

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

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

Operational Boundary	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Borrowing	700.000	900.000	950.000	1000.000
Other long-term liabilities	135.000	235.000	245.000	245.000
Total Debt	835.000	1135.000	1195.000	1245.000

Authorised Limit for External Debt

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

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

Authorised Limit	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Borrowing	775.000	935.000	1000.000	1030.000
Other long-term liabilities	140.000	245.000	255.000	255.000
Total Debt	915.000	1180.000	1255.000	1285.000

Ratio of Financing Costs to Net Revenue Stream

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

This measure demonstrates that our proposed borrowing is affordable.

Ratio of Financing Costs to Net Revenue Stream	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund	10.1%	10.6%	11.6%	12.1%

Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

This is a technical measure prescribed by CIPFA to demonstrate affordability. The Council has not made any decisions on council tax levels in future years.

Incremental Impact of Capital Investment Decisions	2020/21 Actual	2021/22 Estimate	2022/23 Estimate	2022/23 Estimate
General Fund - increase in annual band D Council Tax	£22.10	£10.70	£21.40	£11.90

Adoption of the CIPFA Treasury Management Code

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

Treasury Management Investment Strategy

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

Introduction

The Council invests its money for four 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**),
- Financial investments to obtain a return in the form of interest or dividend (known as **non-treasury management investments**), e.g. Pooled Funds
- to support local public services by lending to or buying shares in other organisations (**service investments**), and
- Regeneration of areas within the City or immediate economic area to encourage private investment and to create or retain local jobs (known as **commercial investments** where this is the main purpose).

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

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

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

Objectives

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

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

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

Investment Limits

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

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

Treasury Investment Counterparty Limits

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

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

Liquidity Management

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

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

Council Budget Assumptions for 2022/23

- Investments will make an average rate of 1.5%
- New long-term loans will cost an average rate of 2.0%

Negative Interest Rates

As we come out of the COVID-19 pandemic and the economy starts to grow at a fast rate it puts pressure on rising inflation. The Bank of England looks unlikely to raise the Bank Rate in order to reduce inflationary pressures. Therefore this has removed the concerns of negative interest rates.

Strategy

Given the increased risk and very low returns from short-term unsecured bank investments, the Council holds non-treasury management investment in diversified managed funds which offer a higher yielding. The Council holds £50m as a long-term investment (CCLA Property Fund, CCLA Diversified Fund, Schroder's Income Maximiser and Fidelity Enhanced Income Fund) and these give a higher return than the short term investments. Although there is a higher return there is an increased risk that of capital values falling. The purpose of having medium to long-term investments is to generate income that supports the revenue budget and the provision of local services.

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

Business models:

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

Approved Counterparties

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

Credit Rating

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

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

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

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

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

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

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

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

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

Operational Bank Accounts

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

Risk Assessment and Credit Ratings

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

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

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation

until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

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

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

Treasury Management Indicators

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

This is how we measure our performance.

Security

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

	Target
Portfolio average credit rating	A

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

Liquidity:

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

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

Interest Rate Exposures

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

	2021/22	2022/23	2023/24	2024/25
Upper limit on fixed interest rate exposure	50%	60%	60%	60%
Upper limit on variable interest rate exposure	80%	80%	75%	70%

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

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

Maturity Structure of Borrowing

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

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

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

Principal Sums Invested for Periods Longer than 365 days

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

	2021/22	2022/23	2023/24
Limit on principal invested beyond one year	£10m	£10m	£10m

Non-Treasury Management Investments

Introduction

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

The Council invests its money for three broad purposes:

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

Non-Treasury Management Investments

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

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

Objectives

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

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

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

Service Investments

Loans

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

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

The Council wants to move away from these types of activities.

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

Loans are treated as capital expenditure for accounting treatment.

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

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

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

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

Shares

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

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

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

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

Property and Regeneration Fund

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

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

The Property and Regeneration Fund

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

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

Property and Regeneration Fund

Property and Regeneration Fund	Actual 2020/21	Estimate 2021/22	Forecast 2022/23
Commercial Property Net Income	£2.556m	£2.534m	£2.494m
Net Return	1.3%	1.3%	1.3%

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

A fair value assessment of the Council's investment property portfolio has been made within the past twelve months, and the underlying assets provide security for capital investment. The following table summarises the movement in the fair value of investment properties over the year 2020/21:

Analysis of Movement in Investment Properties	2019/20	2020/21
	£000	£000
Balance at 1 April	197,732	254,440
Additions	47,576	26,558
Disposals	(215)	(160)
Net gains/(losses) from fair value adjustments	5,526	(8,300)
Transfers:		
(to)/from Property, Plant and Equipment	3,821	2,904
Balance at 31 March	254,440	275,442

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

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

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

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

Proportionality

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

Table 4: Property Regeneration Fund

	2020/21 Actual
Gross expenditure on provision of services	£595.386m
Gross Investment income	£2.556m
Proportion	0.43%

Borrowing in Advance of Need

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

Investment Evaluation Process for the Property and Regeneration Fund

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

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

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

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

Property and Regeneration Governance

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

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

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

Capacity, Skills and Culture

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 20 years' experience.

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

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

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

How investments are funded:

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

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

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

Loan Commitments and Financial Guarantees

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

Annual Minimum Revenue Provision Statement 2022/23

Where the Council 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 Council to have regard to the Ministry of Housing, Communities and Local Government's (MHCLG) Guidance on Minimum Revenue Provision (the MHCLG Guidance) updated in 2018.

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

Minimum Revenue Position Policy

The Department of Levelling Up, Housing and Communities (DLUHC) Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP.

For assets acquired after 31 March 2008 MRP will be determined by charging the expenditure over the expected useful life of the asset, to a maximum of 50 years, on an annuity basis, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years.

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.

Expenditure funded by borrowing where the project is being built and is not complete at 31st March 2018 (classified as under construction). MRP will be deferred until the construction is complete and operational with the charge to be made in the year following completion.

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

Investment properties will be charged MRP for properties that have reduced in value at the year-end valuation. For investment properties that have increased in value at the year-end valuation these will have nil MRP charge in that year. The investment properties are required to have life cycle maintenance and therefore are assumed to increase in value over time. This will extend the life of the assets and therefore it would not be appropriate to charge MRP.

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

External Loans

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

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

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

Other Items

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

Policy on use of Financial Derivatives

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

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

Investment Training

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

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

Markets in Financial Instruments Directive

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

Other options considered

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

The Treasury Management Practices, Principles and Schedules

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

Investment of Money Borrowed in Advance of Need

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

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

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

Appendix A – Arlingclose Economic and Interest Rate Forecast October 2021

Underlying assumptions:

- The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit
- While Q2 UK GDP expanded more quickly than initially thought, the ‘pingdemic’ and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support
- Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher
- The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.
- Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled-down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.
- The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

Forecast:

- Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank’s desire to move from emergency levels as by fears of inflationary pressure.
- Investors have priced in multiple rises in Bank Rate to 1% by 2024. While we believe Bank Rate will rise, it is by a lesser extent than expected by markets
- Gilt yields have risen sharply as investors factor in higher interest rate and inflation expectations. From here, we believe that gilt yields will be broadly steady, before falling as inflation decreases and market expectations fall into line with our forecast
- The risk around our forecasts for Bank Rate is to the upside over the next few months, shifting to the downside in the medium term. The risks around the gilt yield forecasts are initially broadly balanced, shifting to the downside later

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.15	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	-0.15	-0.15	-0.15	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
3-month money market rate													
Upside risk	0.10	0.15	0.20	0.20	0.30	0.30	0.30	0.30	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	0.10	0.15	0.35	0.40	0.45	0.60	0.65	0.65	0.60	0.60	0.60	0.60	0.60
Downside risk	0.00	-0.05	-0.25	-0.25	-0.30	-0.45	-0.50	-0.50	-0.45	-0.45	-0.45	-0.45	-0.45
5yr gilt yield													
Upside risk	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Arlingclose Central Case	0.65	0.65	0.65	0.65	0.65	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Downside risk	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
10yr gilt yield													
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Arlingclose Central Case	1.05	1.05	1.05	1.05	1.05	1.05	1.00	0.95	0.95	0.95	0.90	0.90	0.90
Downside risk	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50
20yr gilt yield													
Upside risk	0.30	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.40	1.40	1.40	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Downside risk	-0.35	-0.40	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
50yr gilt yield													
Upside risk	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Arlingclose Central Case	1.30	1.30	1.30	1.30	1.25	1.25	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Downside risk	-0.35	-0.35	-0.35	-0.40	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50

PWLB certainty rate = relevant gilt yield + 0.80%

Appendix B - Existing Investment and Debt Portfolio Position

	30 Sept 2021 Actual Portfolio £m	30 Sept 2021 Average Rate %
External Borrowing:		
PWLB – Fixed Rate	90.5	3.30
Short Term Borrowing	370.0	0.16
LOBO Loans	64.0	4.34
Long Term Borrowing	18.0	4.37
Total External Borrowing	542.5	1.51
Other Long Term Liabilities:		
PFI, Finance Leases and other liabilities	100.6	n/a
Other loans	18.1	n/a
Total Gross External Debt	661.2	
Investments:		
<i>Managed in-house</i>		
Short-term Money Market Funds	34.4	0.01
Other Short Term investments	3.7	0.01
<i>Managed externally</i>		
CCLA Pooled Funds	31.7	2.50
Other Pooled Funds	24.3	1.62
Total Investments	94.1	1.24
Net Debt	567.1	

Treasury Management Strategy 2022-23

Published by:
Plymouth City Council
Ballard House
West Hoe Road
Plymouth PL1 3BJ

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Audit and Governance Committee



Date of meeting:	29 November 2021
Title of Report:	Capital Financing Strategy 2022/23
Lead Member:	Councillor Nick Kelly (Cabinet Member for Finance)
Lead Strategic Director:	Brendan Arnold (Service Director for Finance)
Author:	Chris Flower (Finance Business Partner for Capital and Treasury Management)
Contact Email:	Chris.flower@plymouth.gov.uk
Your Reference:	Finance/CF
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This report sets out the Capital Financing Strategy for 2022/23 and is a requirement of The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in Public Services.

Recommendations and Reasons

- I. The Audit Committee recommends the Capital Financing Strategy 2022/23 to the Council for approval.

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

Alternative options considered and rejected

It is a statutory requirement under the Local Government Act 2003 and supporting regulations to set an annual treasury strategy for borrowing and prepare an annual investment strategy. The Council has adopted the CIPFA Code of Practice for Treasury Management.

Relevance to the Corporate Plan and/or the Plymouth Plan

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

Implications for the Medium Term Financial Plan and Resource Implications:

The cost of capital affects the Treasury Management Strategy and the Council's budget in terms of borrowing costs and investment returns. The Capital Strategy provides an overarching policy framework for the Council's capital programme and planning, and will form part of a suite of strategies which provide a holistic view of the Council's financial planning framework. With this in mind this document should be considered in conjunction with the Medium-Term Financial Strategy, Treasury Management Strategy and Investment Strategy.

The Capital Financing Strategy covers the capital programme; capital budget; governance; capital financing; affordability and risk management.

Carbon Footprint (Environmental) Implications:

No direct implications.

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

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

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

Appendices

*Add rows as required to box below

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

Background papers:

*Add rows as required to box below

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

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

Sign off:

Fin	ba.21. 22.17 3	Leg	LS/37 681/A C/18/ 11/21	Mon Off		HR		Asset s		Strat Proc	
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Originating Senior Leadership Team member: Brendan Arnold

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

Date agreed: 17/11/2021

Cabinet Member approval: by Cllr Nick Kelly by email

Date approved: 18/11/2021

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CAPITAL FINANCING STRATEGY 2022/23



INTRODUCTION AND CONTEXT

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas. It is a requirement of the amendments implemented in the 2018 Treasury Management Code of Practice Guidance that all Local Authority's will need to produce a Capital Strategy each year.

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

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

CAPITAL FRAMEWORK

The Council updated the Plymouth Plan 2014-2034 on 25 January 2021 which sets out the strategic direction for the city.

The Plan identifies specific strategic outcomes for the Council and its partners for the medium and longer-term; these outcomes align to those set in the Plymouth and South West Devon Joint Local Plan.

Performance is measured towards the delivery of the agreed outcomes and reported against on an annual basis.

In February 2021 the Council approved a budget which contained an uplift to the revenue budget of £1.771m to meet some of the increased costs associated with borrowing requirements to fund the capital programme. The current MTFP contains proposals to further increase this sum in 2022/23. The MTFP sets out a summary of schemes that the Council wishes to support and an indicative level of Council financial support which will assist in the delivery of those schemes which all deliver towards the city's outcomes.

GOVERNANCE

The Financial Regulations detail how capital projects are approved and added into the capital programme.

All new schemes must be fully financed and receive relevant approval by Section 151 Officer; up to £0.200m, or by the Leader when above this threshold.

Each scheme will need to detail:

- the aim of the project and any other ways of achieving it
- how it will be funded

- if there are any future revenue implications from the project e.g. building maintenance
- effects on staffing
- legal, contractual and prudential borrowing code implications
- if the Council is acting through an agent or partnership, legal advice must be sought on whether it has the power to act this way
- if it is a key decision, any comments made during consultation and the Council's response
- the estimated amount and timing of any capital and revenue spending.

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

Due diligence is carried out on all new proposals to determine whether the scheme is deemed suitable. Financial and capital planning reviews are carried out prior to any Business Case being presented to the City Council Investment Board (CCIB) to provide members with the confidence that the schemes meet the expected requirements in line with the strategic direction of the city.

Once accepted, all new schemes, which will require both finance and legal sign-offs, are published in the Executive Decision along with the Leaders decision.

CAPITAL PLAN

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

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

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

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

CAPITAL PROGRAMME

Once approved, schemes are added to the capital programme for delivery.

The table below details the Capital Programme as reported to Cabinet in September 2021, including, amongst others, the following schemes:

- Future High Streets Fund grant - £12.047m
- National Marine Park - National Heritage Lottery Fund award £9.6m
- The Eclipse project - £1.887m
- Forder Valley Link Road – £41.191m
- Forder Valley Interchange - £7.336m
- Transforming Cities Fund – £51.244m
- Brunel Plaza redevelopment of Plymouth Train Station – £26.224m

- Highway maintenance and essential engineering – £19.198m
- Plymouth Crematorium - £13.001m
- Schools Basic Need

Any adverse variance to approved schemes are required to seek further approval, with identified funding, to enable authorisation for increased expenditure providing details of the variance.

Five Year Capital Programme by Directorate

Directorate	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
People	9.612	10.895	3.716	0.132	0.132	24.487
Place - Economic Development	41.417	58.998	20.372	0.115	0.080	120.982
Place – Strategic Planning and Infrastructure	61.811	68.788	4.910	0.527	0	136.036
Place – Street Services	25.082	11.329	3.963	2.017	0	42.391
Customer & Corporate Services	6.648	1.802	0	0	0	8.450
Public Health	12.370	0	0	0	0	12.370
Total	156.940	151.812	32.961	2.791	0.212	344.716
Financed by:						
Capital Receipts	1.918	5.637	6.128	0.619	0.080	14.383
Grant funding	52.614	56.680	2.226	0.132	0.132	111.784
Corporate funded borrowing	48.746	32.627	8.028	2.040	0	91.441
Service dept. supported borrowing	44.933	49.236	15.219	0	0	109.388
Developer contributions	6.428	7.629	1.360	0	0	15.417
Other contributions	2.301	0.003	0	0	0	2.303
Total Financing	156.940	151.812	32.961	2.791	0.212	344.716

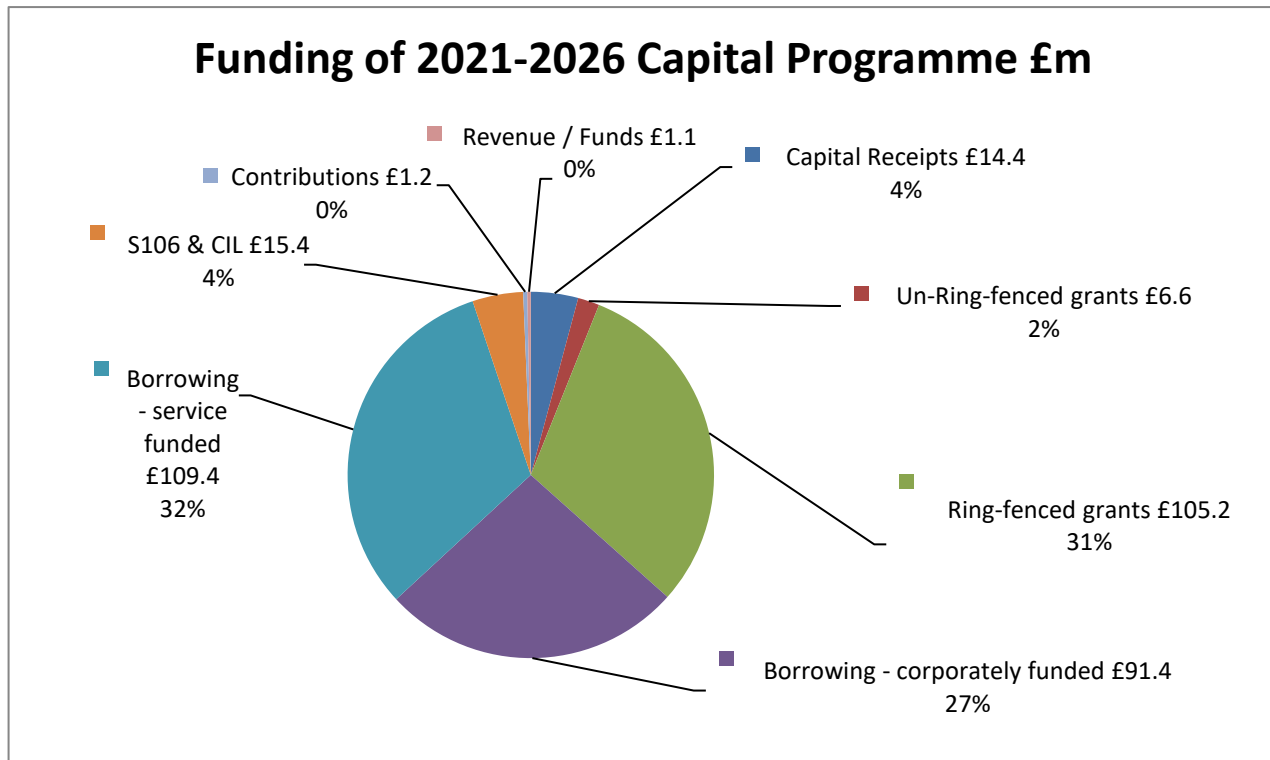
CAPITAL EXPENDITURE AND FINANCING

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

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

- Capital Receipts;
- Grants and contributions;
- S106 and Community Infrastructure Levy (CIL);
- Revenue Contribution to Capital Outlay (RCCO);
- Borrowing – both funded corporately, or where schemes deliver a saving, this is offset against the project and repaid by service.

The Capital Programme is of £344.716m is funding is summarised below by funding source.



PROPERTY AND REGENERATION FUND

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

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

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

EXISTING INVESTMENT PROPERTIES

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

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

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

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

AFFORDABILITY

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

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

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

As much of the capital programme is funded by borrowing, assumptions and decisions on the cost and affordability of the Council's borrowing is linked to the Public Works Loan Board (PWLB) interest rates, prudential indicators and the approved borrowing strategy as set out in the Treasury Management Strategy 2022/23.

RISK MANAGEMENT

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

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

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

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

KNOWLEDGE AND SKILLS

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Service Director of Finance is a qualified accountant with over 20 years' experience.

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

Where Council staff does 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.

Capital Finance Report Quarter 2 2021/22

The five year capital budget 2021-2026 is currently forecasted at £647.591 as at 30 September 2021. The capital budget has been adjusted to take into account the new approvals or changes to the capital programme and to adjust the future funding assumptions shown in table 1.

Current Capital Resources

Table 1 The Capital budget consists of the following elements:

Description	£m
Approved Capital Programme 2021-2026	344.716
Future Funding Assumptions *	302.875
Total Revised Capital Budget for Approval (2021-2026)	647.591

* Estimate of funding to be received to finance future capital projects (funding see Table 2c)

The approved capital budget (representing forecast resources) is made up of two elements. One is the Capital Programme representing projects that have been approved and the other is future funding assumptions which are estimates of capital funding the Council is likely to receive in the future.

Capital Programme

Project officers prepare detailed business cases, which are reviewed by finance officers and then are agreed by CCIB member before going to the Leader to sign the executive decision. Once the Leader (or Section 151 Officer for projects under £200k) has approved the project it is added to the Capital Programme for delivery.

Future Funding Assumptions

The current estimate of future capital funding for the next five years 2021-2026 is £302.875 (see table 2c).

The Future Funding Assumptions are made up of external funding including both ring-fenced and un-ringfenced grants, S106 and other external contributions. The capital programme is funded by 37% of external funding and there is a further £227.801m of future external funding to be added to the capital programme over the next five years;

Bidding for further external capital funding is strongly encouraged during the preparation of business cases for new projects.

Tables 2a and 3 below shows the revised capital programme for the period 2021-2026, as at 30 September 2021.

Additions to the capital programme during the quarter

During the quarter the new approvals are as follows:

Project	£
Fredrick Street	65,000
Langage Development South Phase 2	40,000
Plymouth International Medical & Technology Park	240,000
Oceansgate Phase 2 Direct Development	27,655
Tree Planting 2021/22	63,300
TCF T2 Mobility Hubs	95,674
Millbay Boulevard	109,088
Minor Traffic Signals	2,000
Disabled Facilities (incl Care & Repair works)	2,813,781
Plymouth Care Limited	30,000
Disabled Facilities (external contribution)	131,857
Total	3,618,355

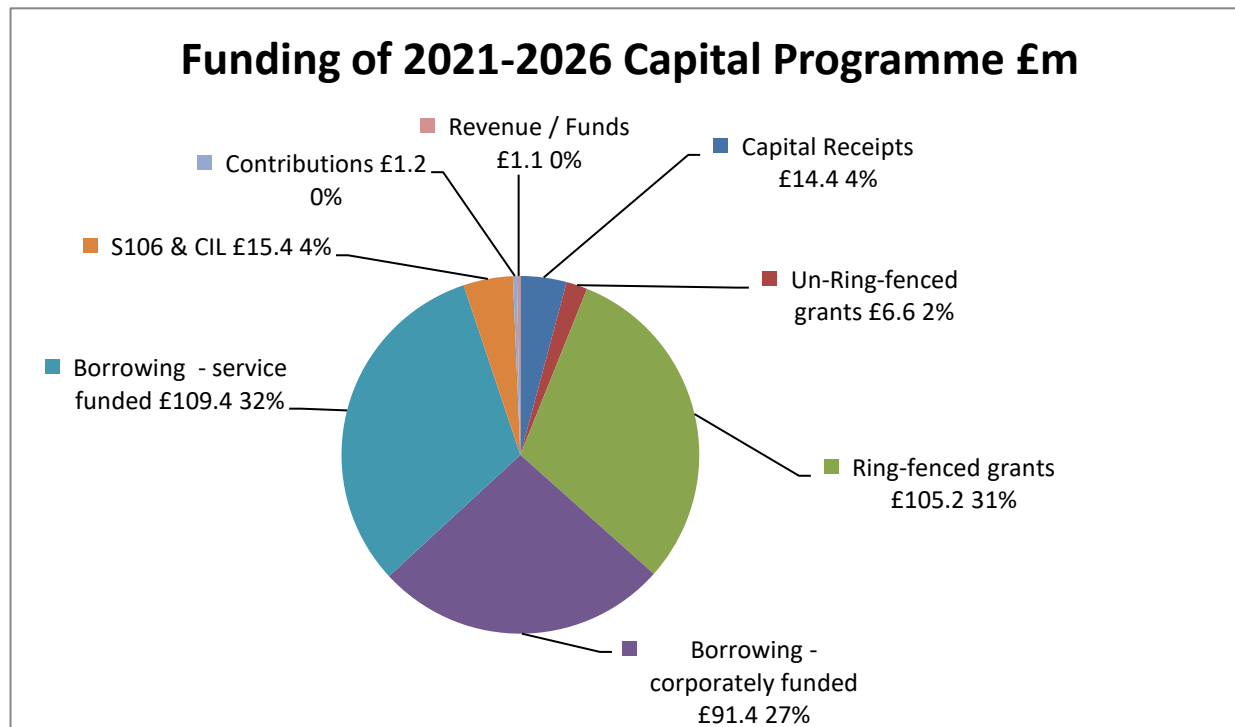
The capital programme is delivering some major projects across the city and it has won large grant funding bids for these projects. Some of the notable projects:

- Future High Streets Fund grant - £12.047m
- National Marine Park - National Heritage Lottery Fund award £9.6m
- The Eclipse project - £1.887m
- Forder Valley Link Road – £41.191m
- Forder Valley Interchange - £7.336m
- Transforming Cities Fund – £51.244m
- Brunel Plaza redevelopment of Plymouth Train Station – £26.224m
- Highway maintenance and essential engineering – £19.198m
- Plymouth Crematorium - £13.001m

Revised Capital Programme

Table 2a Capital Programme by Directorate

Directorate	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
People	9.612	10.895	3.716	0.132	0.132	24.487
Place - Economic Development	41.417	58.998	20.372	0.115	0.080	120.982
Place – Strategic Planning and Infrastructure	61.811	68.788	4.910	0.527	0	136.036
Place – Street Services	25.082	11.329	3.963	2.017	0	42.391
Customer & Corporate Services	6.648	1.802	0	0	0	8.450
Public Health	12.370	0	0	0	0	12.370
Total	156.940	151.812	32.961	2.791	0.212	344.716
Financed by:						
Capital Receipts	1.918	5.637	6.128	0.619	0.080	14.383
Grant funding	52.614	56.680	2.226	0.132	0.132	111.784
Corporate funded borrowing	48.746	32.627	8.028	2.040	0	91.441
Service dept. supported borrowing	44.933	49.236	15.219	0	0	109.388
SI06 & CIL	6.428	7.629	1.360	0	0	15.417
Other contributions	2.301	0.003	0	0	0	2.303
Total Financing	156.940	151.812	32.961	2.791	0.212	344.716

Table 2b Funding of the 2021-26 Capital Programme**Table 2c Future Funding Assumptions**

Future Funding Estimates	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	£m	£m	£m	£m	£m	£m
Service borrowing & external loans	26.250	30.850	2.120	5.000	5.000	69.220
Grants	11.794	28.302	24.221	30.416	105.094	199.827
S106 and CIL	4.275	3.831	4.121	4.064	3.922	20.212
Other sources	2.881	6.851	1.278	1.325	1.280	13.616
Total	45.199	69.835	31.740	40.806	115.296	302.875

Covid 19

The effect from Covid 19 has slowed the capital programme delivery. Since April 2021, the restrictions have been slowly lifting and capital projects have been getting back to work even with the additional safety requirements of social distancing.

The economy has been getting back to work but we have seen an increase in the cost of raw materials and labour which may affect some of the capital projects.

Table 3: Capital Programme by Delivery Outcome

Primary Outcome of Projects	£m
Securing Growth in the City Centre/Waterfront	17.137
Securing Growth in Derriford and the Northern Corridor	42.040
Securing Growth in the Eastern Corridor	3.687
Delivering More/Better Housing	27.342
Ensuring Essential City Infrastructure	85.782
Improving Neighbourhoods and Community Infrastructure	5.424
Ensuring Good Quality School Places	0.868
Growing the Economy	56.019
Delivering Oceansgate	4.202
Connecting the City	32.491
Celebrating Mayflower	1.150
Delivering The Box	0.936
Transforming Services	67.638
Total	344.716

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Cabinet



Date of meeting:	21 December 2021
Title of Report:	Corporate Plan Performance Report, Q2 2021-22
Lead Member:	Councillor Nick Kelly (Leader)
Lead Strategic Director:	Giles Perritt (Assistant Chief Executive)
Author:	Andrew Loton (Senior Performance Advisor)
Contact Email:	Andrew.loton@Plymouth.gov.uk
Your Reference:	AL2411
Key Decision:	No
Confidentiality:	Part I - Official

Purpose of Report

This is the Corporate Plan Performance report that details how the Council is performing against its priority performance indicators that were agreed at the inception of the Corporate Plan. It provides an analysis of performance as at the end of September 2021 against the Council's key performance indicators (KPIs), providing a detailed performance update against the Corporate Plan priorities.

This report forms part of the Council's Delivery and Performance Framework and is a key part of our aim to achieve a 'golden thread' from the Corporate Plan and its KPIs and delivery plans, through to service and team level business plans, and ultimately to individual objectives.

Key areas of good performance in this report include:

- Recycling rate improving and achieving target
- Continued good performance on completing carriage defects in time
- Improvement in free school meal take up
- Continued good performance around council tax collection which is achieving target.

Performance Challenges are:

- Small decrease in small medium enterprise spend and PL postcode spend (still achieving target).
- Slight increase in repeat referrals to Children's Social Care.
- A decrease in homelessness prevention.
- Number on multiple child protection plans has increased

There are a small number of indicators that are presented as narrative, this is due to indicators still being subject to due diligence prior to reporting, or it is not possible to report data due to COVID-19.

Recommendations and Reasons

That Cabinet:

- I. Notes the Corporate Plan Quarter Two Performance Report

Reason: To update Cabinet on the performance of the Council in terms of progress in delivering against the Corporate Plan and to inform future items of scrutiny.

Alternative options considered and rejected

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

Relevance to the Corporate Plan and/or the Plymouth Plan

This report is fundamentally linked to delivering the priorities within the Council's Corporate Plan.

Implications for the Medium Term Financial Plan and Resource Implications:

The Medium Term Financial Strategy is a core component of the Council's strategic framework and has a vital role to play in translating the Council's ambition and priorities set out in the Corporate Plan 2021-25.

Financial Risks

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

Carbon Footprint (Environmental) Implications:

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

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

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

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Corporate Plan Performance Report, Quarter Two 2021/22							

Background papers:

*Add rows as required to box below

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

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

Sign off:

Fin	djn.21 .22.18 5	Leg	LS/37 110/A C/25/ 11/21	Mon Off	.	HR	.	Assets	.	Strat Proc	.
Originating Senior Leadership Team member: Giles Perritt (Assistant Chief Executive)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 19/11/2021											
Cabinet Member approval: Councillor Nick Kelly (Leader) approved by verbally.											
Date approved: 25/11/2021											

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CORPORATE PLAN PERFORMANCE REPORT

Quarter two 2021/22



PLYMOUTH CITY COUNCIL CORPORATE PLAN 2021-2025

The Plymouth City Council Corporate Plan 2021-2025 sets out our mission 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 2021.

The Corporate Plan priorities are delivered through specific programmes and projects, which are coordinated and resourced through cross-cutting strategic delivery plans, capital investment and departmental business plans.

The key performance indicators (KPIs) and their associated targets detailed in this report for the second quarter of 2021/22 (July to September 2021) tell us how we are doing in delivering what we have set out to achieve in the Corporate Plan.

OUR PLAN

YOUR CITY, YOUR COUNCIL



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 To build back better and make Plymouth a great place to live, work and visit.

OUR VALUES we are:

DEMOCRATIC

Plymouth is a place where people can have their say about what is important to them and where they are empowered to make change happen.

RESPONSIBLE

We take responsibility for our actions, we are accountable for their impact on others and the environment and expect others to do the same.

FAIR

We will be honest and open in how we act. We will treat everyone with respect, champion fairness and create opportunities.

COLLABORATIVE

We will provide strong community leadership, working with residents, communities and businesses to deliver our common ambition.

OUR PRIORITIES

UNLOCKING THE CITY'S POTENTIAL

- A clean and tidy city
- A green, sustainable city that cares about the environment
- Offer a wide range of homes
- A vibrant economy, developing quality jobs and skills
- An exciting, cultural and creative place
- Create a varied, efficient, sustainable transport network

CARING FOR PEOPLE AND COMMUNITIES

- A friendly welcoming city
- Reduced health inequalities
- People feel safe in Plymouth
- Focus on prevention and early intervention
- Keep children, young people and adults protected
- Improved schools where pupils achieve better outcomes

DELIVERING ON OUR COMMITMENTS BY:

Empowering our people to deliver

Providing a quality service to get the basics right first time

Engaging with and listening to our residents, businesses and communities

Providing value for money

Championing Plymouth regionally and nationally

The purpose of this report is to provide a risk-informed analysis of performance against the priorities of the Corporate Plan 2021-2025. The priorities are grouped under 'unlocking the city's potential' and 'caring for people and communities', and the outcomes for 'delivering on our commitments' – the enablers of the Corporate Plan – are also reported on.

Direction of travel (RAG) colour scheme

A red-amber-green (RAG) direction of travel rating is provided to give an indication of whether performance is improving or declining based on the two latest comparable periods for which information is available. For example, repeat referrals to Children's Social Care is compared to the previous quarter; household waste sent for reuse, recycling or composting is compared to the same period in the previous year (due to seasonality); and annual measures, such as public satisfaction with traffic flow, are compared to the previous year.

- Indicators with arrows highlighted **green**: improved on the previous value or on an expected trend
- Indicators with arrows highlighted **amber**: within 15% of the previous value (slight decline)
- Indicators with arrows highlighted **red**: declined by more than 15% on the previous value
- Indicators with arrows that are not highlighted have no direction of travel or the most recent value is not comparable with previous values.

Target (RAG) colour scheme

A RAG target rating is applied for indicators that have a target. For these indicators, the bar for the latest reporting period is coloured either red, amber or green in the chart and in the table to visually display how we are performing compared with the target.

- Indicators highlighted **green** show where Plymouth is better than target
- Indicators highlighted **amber** show where Plymouth is within 15% of target
- Indicators highlighted **red** show where Plymouth is more than 15% worse than target
- Indicators not highlighted or 'N/A' show where no in year data is available to compare against target, or no target has been set.

Summary page

A performance summary section is presented at the start of this report to visually display how we have performed against our Corporate Plan priorities. Our RAG rating on these pages is used to show whether we have done better, worse or had a slight decline from the previous quarter or year (coloured arrows), and whether we have done better, worse or got close to the target (coloured boxes). Some indicators do not have a target (for example, due to being a new indicator) and will therefore have no target RAG rating. Similarly, some of our indicators are new and we do not have any previous data to compare our performance to or it is not appropriate to compare to previous data; these will have no direction of travel RAG rating in the summary pages.

Description of key performance indicators

Tables containing the names and descriptions of all of the key performance indicators featured within this report are presented at the end of the document.

Impact of COVID-19 on performance

The COVID-19 pandemic has had far reaching impacts across all services. Impacts that the COVID-19 pandemic has had on performance is referenced throughout the report. The pandemic has also impacted upon the ability to report on performance against some indicators as we would have done so previously. Where performance against an indicator has not been able to be quantified, a narrative update has been provided in its place. The narrative outlines activity that has been undertaken or the challenges faced.

UNLOCKING THE CITY'S POTENTIAL					
Priority	Key performance indicators	2020/21 outturn	Previous performance*	Latest performance	Page
A clean and tidy city	1. Streets graded at an acceptable standard for overall street cleanliness and grounds maintenance	82.4%	85.6% ^Q	86.8%	▲ 6
A green sustainable city that cares about the environment	2. Household waste sent for recycling, reuse or composting	31.1%	40.0% ^C	40.1%	▲ 6
	3. Average number of cycle trips taken on DfT count day	183	134 ^A	183	▲ 6
	4. Carbon emissions emitted by the council		Narrative update		7
Offer a wide range of homes	5. Net additional homes delivered in the city (cumulative from 2014/15)	5,836	5,301 ^A	5,836	▲ 7
A vibrant economy, developing quality jobs and skills	6. Spend on small and medium enterprises	22.3%	23.2% ^Q	22.8%	▼ 8
	7. Spend within the PL postcode	56.8%	57.1% ^Q	55.4%	▼ 8
	8. 16-18 year olds in education, employment or training	90.0%	90.0% ^C	90.5%	▲ 8
	9. Employment rate	76.7%	76.7% ^Q	75.2%	▼ 8
	10. Number of businesses supported through COVID-19 business grants	7,494	1,776 ^Q	82	▼ 8
	11. Inward investment	£194.339m	£334.408m ^A	£194.339m	▼ 8
	12. Inclusive growth (earnings gap)	£338.20	£364.70 ^A	£338.20	▼ 8
An exciting, cultural and creative place	13. Number of visitors to Plymouth	2,436,000	5,279,000 ^A	2,436,000	▼ 11
Create a varied, efficient, sustainable transport network	14. Principal roads (A) in good or acceptable condition	97.8%	97.5% ^A	97.8%	▲ 11
	15. Public satisfaction with traffic flow	44%	39% ^A	44%	▲ 11
	16. Carriageway defects completed on time	96.8%	98.8% ^Q	98.8%	- 11

CARING FOR PEOPLE AND COMMUNITIES					
Priority	Key performance indicators	2020/21 outturn	Previous performance*	Latest performance	Page
A friendly welcoming city	1. Residents who think people from different backgrounds get on well together	39%	38% ^A	39%	▲ 14
	2. Residents who regularly do voluntary work	42%	43% ^A	42%	▼ 14
Reduced health inequalities	3. Stop smoking service successful quit attempts	46.7%	47.6% ^Q	40.0%	▼ 15
	4. Excess weight in 10-11 year olds	Not yet available	31.9% ^A	33.5%	▲ 15
	5. Eligible pupils taking benefit based Free School Meals (FSM) as % of whole pupil population	18.6%	14.8%	18.6%	▲ 15
	6. School readiness		Narrative update		16
People feel safe in Plymouth	7. Number of anti-social behaviour incidents reported to the council	738	202 ^Q	216	▲ 17
	8. Residents who feel safe (during the day)	90%	91% ^A	90%	▼ 17
Focus on prevention and early intervention	9. Repeat referrals to Children's Social Care	24.1%	23.4% ^Q	23.6%	▲ 18

	10. Households prevented from becoming homeless or relieved of homelessness	988	206 ^Q	176	▼	18
	11. Number of people rough sleeping	6	8 ^Q	12	▲	18
	12. Long-term support needs met by admission to residential and nursing care homes (65+)	239	62 ^Q	51	▼	18
Keep children, young people and adults protected	13. Children in care (rate per 10,000)	92.6	92.1 ^Q	93.8	▲	19
	14. Children with multiple child protection plans	27.4%	25.6% ^Q	27.2%	▲	19
	15. Closed adult safeguarding enquiries with desired outcomes fully/partially achieved	95.6%	95.3% ^Q	94.4%	▼	19
	16. Adult social care service users who feel safe and secure	No survey	89.8% ^A	90.0%	▲	19
Improved schools where pupils achieve better outcomes	17. Percentage of Key Stage 4 pupils achieving the Basics (5+ in English and Maths)	51.9%	47.1% ^A	51.9%	▲	20
	18. Update on Ofsted inspections		Narrative update			21

DELIVERING ON OUR COMMITMENTS						
Priority	Key performance indicators	2020/21 outturn	Previous performance*	Latest performance	Page	
Empowering our people to deliver	1. FTE days lost due to staff sickness	6.83	7.29 ^Q	7.48	▲	23
	2. Staff engagement		Narrative update			23
Providing a quality service to get the basics right first time	3. Customer experience score	77.1%	83.3% ^Q	75.0%	▼	23
Engaging with and listening to our residents, businesses and communities	4. Residents who know how to get involved in local decisions	33.7%	30.8% ^A	33.7%	▲	24
	5. Spend against budget (£million)	£0.000m	£1.514m ^Q	£0.729m	▼	25
Providing value for money	6. Council tax collected	96.4%	54.3% ^C	55.2%	▲	25
	7. Business rates collected	98.5%	56.6% ^C	51.6%	▼	25
Championing Plymouth regionally and nationally	8. Offers and Asks		Narrative update			26
	9. Regional influence		Narrative update			27

*The previous performance reported in the tables presents the latest *comparable* performance:

A: Annual or bi-annual measures – performance from the latest reported year is compared to the previously reported year, for example 2020/21 compared with 2019/20.

Q: Quarterly measures – performance from the latest reported quarter is compared to the previously reported quarter, for example quarter two 2021/22 compared with quarter one 2021/22.

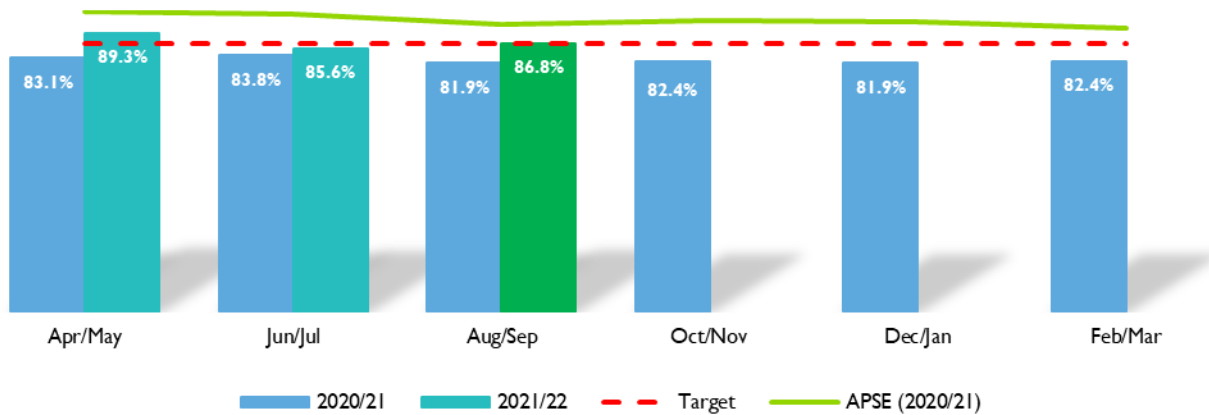
C: Comparable period – performance from the latest reported period is compared to the same period in the previous year, either due to seasonality (recycling rate and young people in education, employment or training) or because they are cumulative measures (council tax and business rates).

Unlocking the city's potential

- ***A clean and tidy city***
- ***A green, sustainable city that cares about the environment***
- ***Offer a wide range of homes***
- ***A vibrant economy, developing quality jobs and skills***
- ***An exciting, cultural and creative place***
- ***Create a varied, efficient, sustainable transport network***

1. Streets graded at an acceptable standard for overall street cleanliness and grounds maintenance								
Financial year	Apr/May	Jun/Jul	Aug/Sep	Oct/Nov	Dec/Jan	Feb/Mar	Direction of travel	Target
2020/21	83.1%	83.8%	81.9%	82.4%	81.9%	82.4%		
2021/22	89.3%	85.6%	86.8%				▲	86.7%

Street cleanliness, grounds maintenance and hard surface weeds acceptable standard score

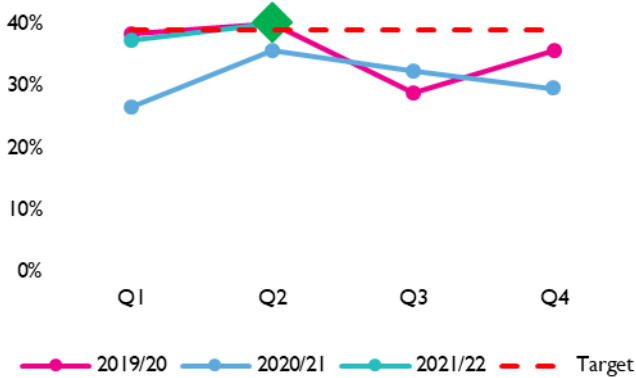


The overall acceptable standard score for combined street cleanliness and grounds maintenance reached an all-time high of 89.3% for April and May, before falling after the audits in June and July were included, and then increasing to 86.8% following the latest round. This is above our target but remains below the APSE (92.1%) and family group (89.9%) averages, with the gaps standing at 5.7 and 3.1 percentage points, respectively. The high score in April/May was influenced by an improvement in the score for hard surface weeds (86.7% acceptable in Apr/May; previous high was 76.9% in Feb/Mar 2018/19). While performance has since declined, with 79.9% of the total inspected streets so far this year being acceptable for hard surface weeds, this remains high in comparison to previous years.

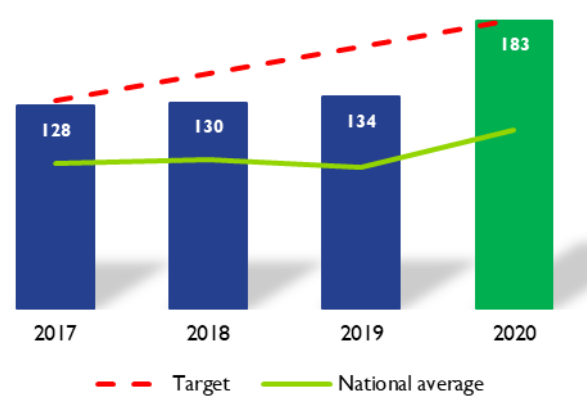
A green sustainable city that cares about the environment

Quarterly KPI	Q3	Q4	Q1	Q2	Direction of travel	Target
2. Household waste sent for recycling, reuse or composting	32.4%	29.6%	37.3%	40.1%	▲	39%
Annual KPI	2017	2018	2019	2020	Direction of travel	Target
3. Average number of cycle trips taken on DfT count day	128	130	134	183	▲	176

Percentage of household waste sent for recycling, reuse or composting



Average number of cycle trips taken on Department for Transport count day



The overall recycling rate for 2020/21 was 31.1%, which is below the comparable rate in previous years (35.8% in 2019/20), partly as a result of the COVID-19 lockdown, including the closure of our household waste recycling centres at the end of March 2020 and the suspension of garden waste collections until late August. There was an increase in quarter one 2021/22 to 37.3% and a further increase in quarter two to 40.1%, exceeding the target of 39%. Due to the impacts of the pandemic, 2020/21 does not provide a like for like comparison with this year. When comparing to quarter two in 2019/20 (40.0%), there has been a slight increase of 0.1 of a percentage point. The improvement this year is partly due to strong performance around garden waste.

The Department for Transport (DfT) undertakes one day cycle counts on approximately 40 roads across the city, once a year, every year. This dataset provides a reasonably consistent annual snap shot of levels of on road cycling in the city that can be used as an indicator of the extent of growth in the use of sustainable transport. The government’s 2017 Cycling and Walking Strategy target is to double cycling by 2025. To support reaching the 2025 target of 256 cyclist counts in Plymouth, the 2020 target was 176. In 2020, Plymouth exceeded its target and the levels of cycling across the country is following similar trends. There has been increased investment through the Transforming Cities Fund and Active Travel Fund and we are hopeful that significant additional funding will be forthcoming in the years ahead to support the government’s 2017 Cycling and Walking Strategy. The substantial increase from 2019 to 2020 can be attributed to travel choice changes brought about by COVID-19, but also partially attributed to cycling infrastructure delivered by the council.

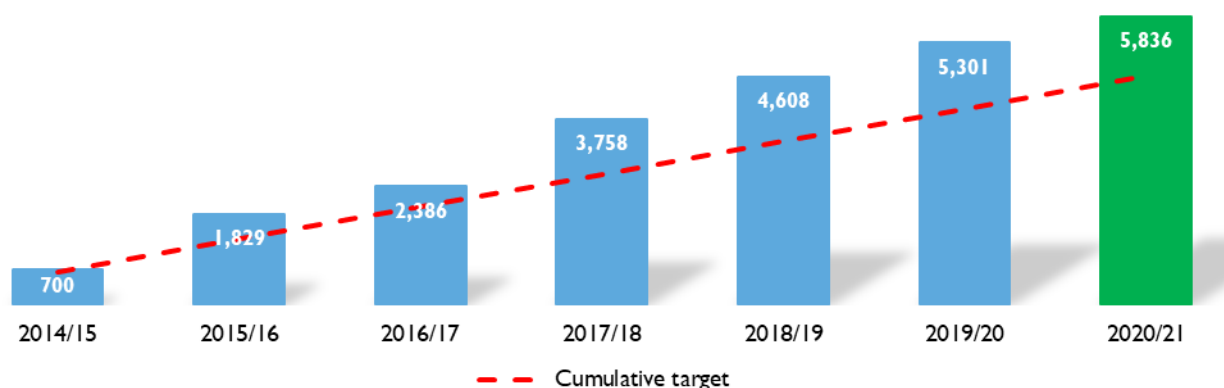
4. Carbon emissions emitted by the council

Three of the 25 actions in the Council Corporate Carbon Reduction Plan 2021 (year two) have now been achieved in full (12%). The key achievements to date include implementation of a new tracker system that captures and reports the carbon dioxide emissions from all fleet vehicles; changes to the council’s Corporate Plan have been made and signed off at City Council on 14 June 2021; and the roll out of the e-learning training programme on climate change for staff and councillors has been completed. The remaining 24 actions have been achieved in part (88%) and are not due for completion until December 2021; they are most likely going to remain ‘achieved in part’ until quarter four 2021/22.

Offer a wide range of homes

Annual KPI	2017/18	2018/19	2019/20	2020/21	Direction of travel	Target
5. Net additional homes delivered in the city (cumulative from 2014/15)	3,758	4,608	5,301	5,836	▲	4,620

Net additional homes delivered in the city (cumulative)

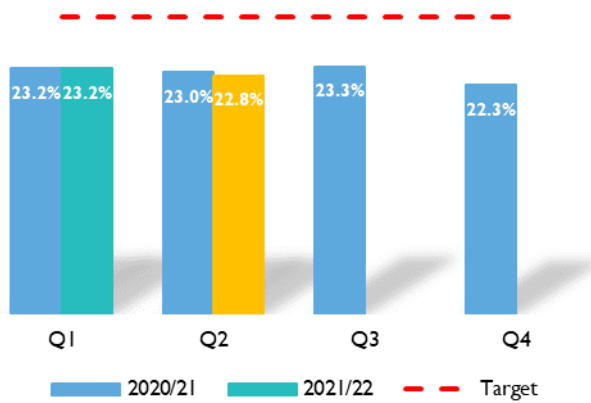


Delivery is on track to meet the Plymouth Local Planning Authority (LPA) area target set out in the Joint Local Plan of 13,200 net additional dwellings to be delivered over the period 2014 to 2034 (annualised to 660 dwellings per annum). We have delivered 5,836 net additional dwellings over the period 2014 to 2021 and are currently significantly ahead (by 1,216 dwellings) of the Plymouth LPA cumulative target (4,620 net additional dwellings over the period 2014 to 2021). Of the 5,836 homes, 984 were affordable homes, which is an annualised average of 141 (17% of net housing delivery). However, this hides the significant amount of new affordable housing that has been delivered over the period (1,674 dwellings), accounting for 25% of gross housing delivery (6,682 dwellings). The major regeneration areas of Devonport, North Prospect and Barne Barton have seen the demolition of 690 poor quality affordable homes being replaced by the provision of new high quality affordable homes. The next update will be in summer 2022.

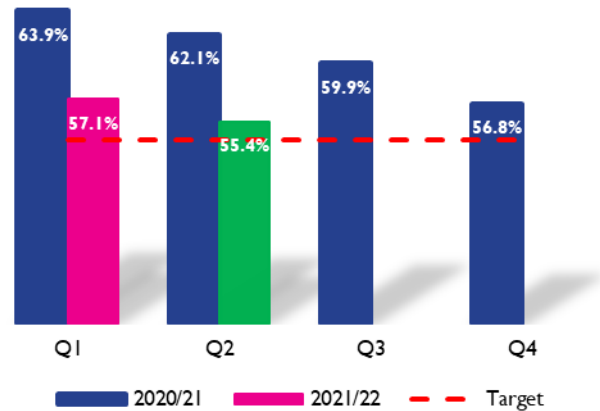
A vibrant economy, developing quality jobs and skills

Quarterly KPIs	Q3 2020/21	Q4 2020/21	Q1 2021/22	Q2 2021/22	Direction of travel	Target
6. Spend on small and medium enterprises (SME)	23.3%	22.3%	23.2%	22.8%	▼	26%
7. Spend within the PL postcode	59.9%	56.8%	57.1%	55.4%	▼	54%
8. 16-18 year olds in education, employment or training	89.7%	90.3%	90.5%	Not reported	▲	92%
9. Employment rate (16-64 population, rolling 12 months)	75.4%	76.7%	75.2%	Not yet available	▼	Trend increase
10. Number of businesses supported through COVID-19 business grants	1,819	3,839	1,776	82	▼	Monitor
Annual KPIs	2017/18	2018/19	2019/20	2020/21	Direction of travel	Target
11. Inward investment	£162.952m	£265.807m	£334.408m	£194.339m	▼	Monitor
12. Inclusive growth (earnings gap)	£355.10	£350.30	£364.70	£338.20	▼	Trend decrease

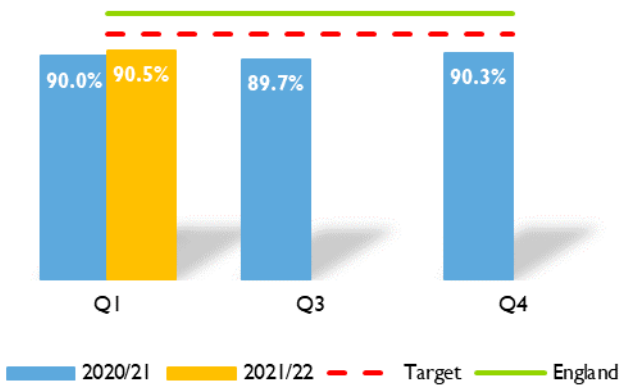
Percentage of spend on small and medium enterprises (YTD)



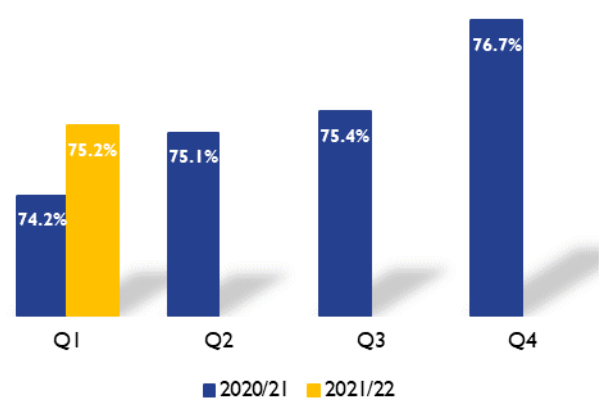
Percentage of spend in the PL postcode (YTD)



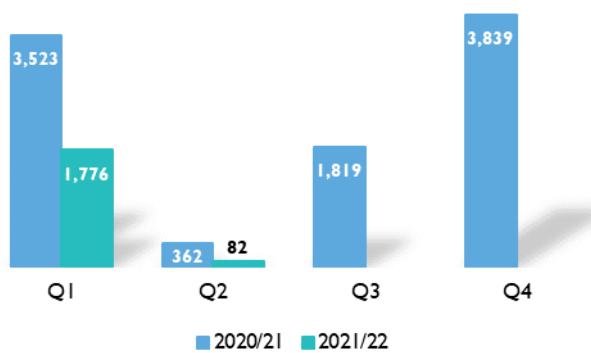
Percentage of young people in education, employment or training



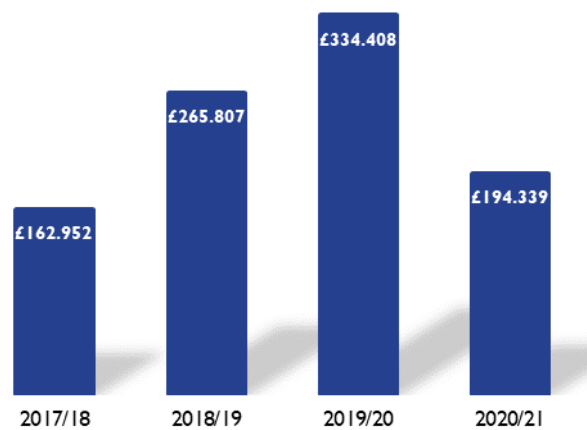
Percentage of 16-64 year olds in employment (rolling 12 months)



Number of businesses supported through COVID-19 business grants



Value of inward investment (£million)



Gap in wages between the 20th and 80th percentile



In 2021/22 to date, 22.8% of our total procurement spend has been spent on small and medium sized enterprise (SME) suppliers, which is a reduction of 0.4 of a percentage point from the end of quarter one. This equates to approximately £35.1 million out of a total spend of £153.4 million. Our current performance is marginally below the position at the end of quarter two 2020/21 and remains below our target of 26%. However, the actual SME spend for 2021/22 is approximately £6 million more than the same period in 2020/21. In quarter two, we did business with 686 SME suppliers, which is up on the 641 in quarter one. So far this year we have used 929 different SME suppliers, which translates to 36.9% of all of the suppliers that we have used being a SME (up on 32.6% at the end of quarter one).

Approximately £85.0 million has been spent on PL postcode suppliers in 2021/22 to date out of a total spend of £153.4 million, equating to 55.4%. Although this is below the position at the end of quarter one (57.1%), it remains above our 54% target and the actual spend with PL postcode suppliers has increased by around £6.7 million on the same period in 2020/21. During the first half of 2021/22 we have procured goods and services through 1,438 suppliers based within the PL postcode (an additional 250 suppliers on quarter one), which is 57.0% of the total number of suppliers used.

At the beginning of the academic year, data can be unrepresentative as young people settle in to their intended destinations; therefore, quarter two data is not reported. Careers South West (CSW) advisers are focused on supporting those young people who still have not specified their intended destination or who have confirmed that they are not in education, employment or training (NEET). The local authority and CSW are developing a data sharing protocol to support young people who are electively home educated. This group of young people is identified as at risk of not engaging in post-16 provision as they may not receive high quality advice and guidance on career options or skills before the end of their statutory education.

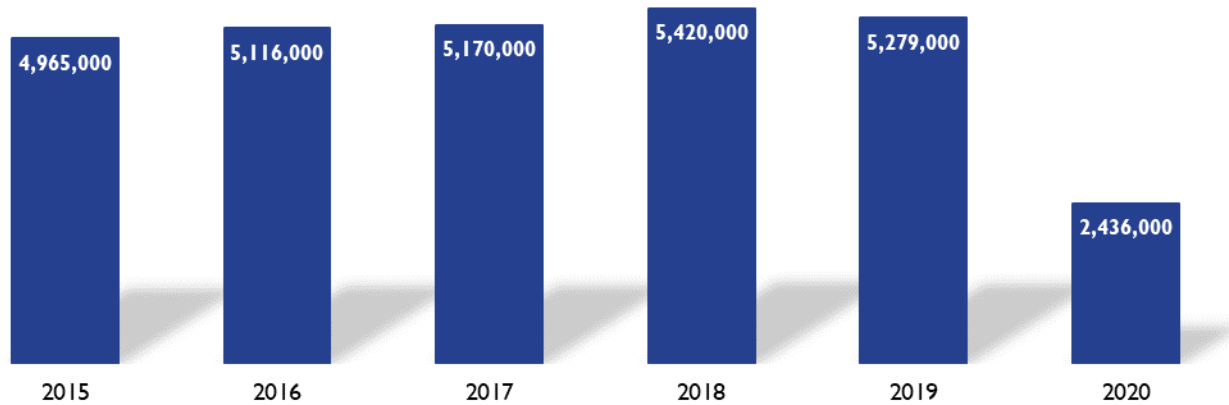
The COVID-19 pandemic has fundamentally altered the way in which Economic Development is currently supporting businesses. The latest estimate of the total number of businesses supported by the COVID-19 grants in Plymouth is 5,979. The reduction compared to last quarter is due to a recovery correction and it is likely to continue to change as allocation errors are identified. The department continues to collaborate and work with businesses to understand their pressures and offer as much support as possible.

Despite the considerable negative impact of the COVID-19 pandemic and the level of Foreign Direct Investment (FDI) flows falling globally, seven FDI projects successfully landed in Plymouth in the 2020/21 financial year, with a total value of £133,342,000 (this does not include the value of two of the project landings, which relate to the acquisition of two Plymouth companies). This accounts for the large majority of the total £194.339 million of inward investment in 2020/21.

The health and wellbeing of a number of communities has been disproportionately impacted by the COVID-19 pandemic and those with existing barriers to the labour market have been further displaced. The Resurgam Charter and COVID-19 Channel Area Response Exchange (C-CARE) projects aim to address some of these negative impacts for communities across Plymouth. Since its launch in March 2021, the Resurgam Charter has engaged with hundreds of businesses and secured over 140 signatories, including engagement from local businesses as well as some of the city's biggest employers. C-CARE launched in April 2021 and has been driving individual and collective action to amplify activities that are addressing the challenges identified across all five themes of the Resurgam Charter. C-CARE will provide support to at least 200 businesses and use community organisations to engage 500 individuals with skills action plans. The activity will also deliver a programme of meanwhile use activity, which is part of a wider initiative to reinvent our town centres.

Annual KPI	2017	2018	2019	2020	Direction of travel	Target
13. Number of visitors to Plymouth	5,170,000	5,420,000	5,279,000	2,436,000	▼	Monitor

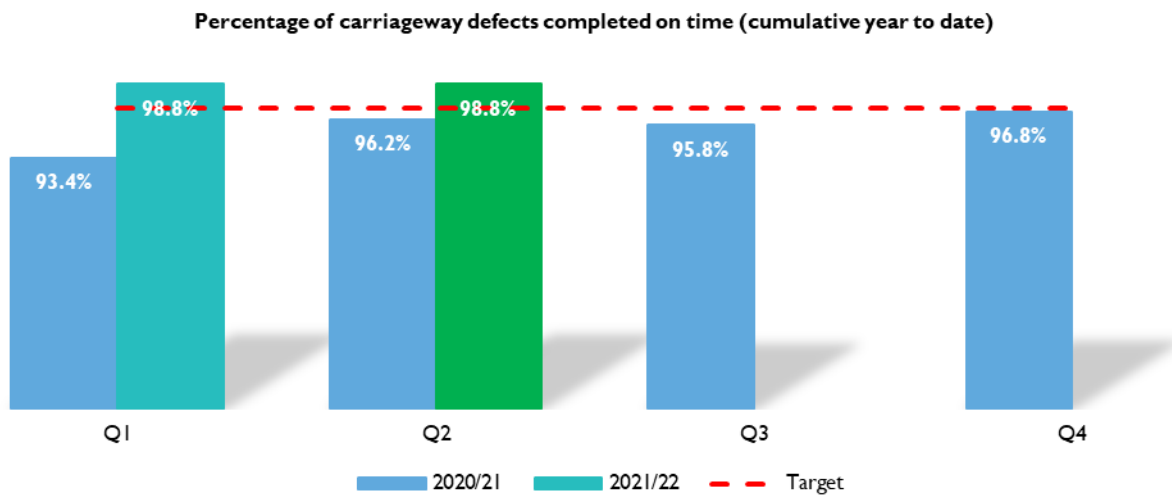
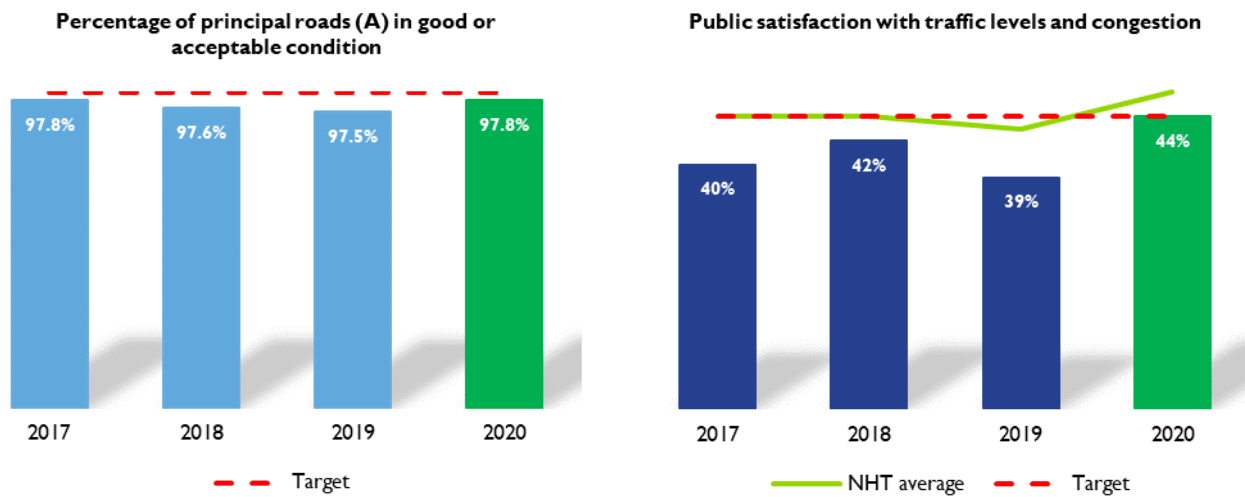
Number of visitors to Plymouth



COVID-19 hit the tourism, hospitality, and leisure and retail sectors very hard during 2020; overall there was a 54% loss of visitors from 2019 and a 56% loss of spend - from £334 million down to £148.4 million. This was due to lockdowns from March to July and then again in the back end of the year. International travel was hit particularly hard, losing 74% of visitors. Although visitor numbers had picked up significantly in the quarter two period, specifically August with summer holidays and UK visitors on 'staycations', the overall impact was significant and in line with national as well as regional statistics. Targets for 2021 onwards are being revised as we now have a new long term target forecast of 6.2 million visitors by 2030.

Create a varied, efficient, sustainable transport network

Annual KPIs	2017	2018	2019	2020	Direction of travel	Target
14. Principal roads (A) in good or acceptable condition	97.8%	97.6%	97.5%	97.8%	▲	97%
15. Public satisfaction with traffic flow	40%	42%	39%	44%	▲	44%
Quarterly KPI	Q3 2020/21	Q4 2020/21	Q1 2021/22	Q2 2021/22	Direction of travel	Target
16. Carriageway defects completed on time (cumulative)	95.8%	96.8%	98.8%	98.8%	▲ ▼	97%



2020 saw an improvement to 97.8% in the proportion of principal (A) roads that were in a good or acceptable condition. By continuing our regime of monitoring, we have managed to make informed and targeted decisions about where we need to invest in our resilient highway network to ensure that optimal condition is maintained.

The 2020 National Highways and Transport (NHT) survey showed that public satisfaction with traffic levels and congestion improved significantly, with 44% of respondents being satisfied, closing the gap with the NHT average (46%) to two percentage points. We have seen the continuation of several network improvement programmes and remain focused on maintaining the quality and functionality of the resilient network in line with our Asset Management Framework.

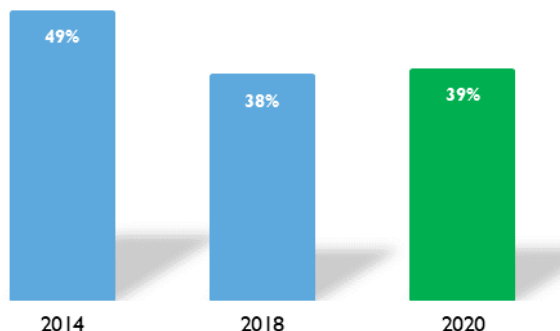
By the end of quarter two 2021/22, 1,190 of the total 1,205 carriageway defects were completed within the required timescales, equating to 98.8% and exceeding the target of 97% and the 96.8% achieved in 2020/21. This measure includes carriageway defects carried out over three differing priorities with different timescales for completion.

Caring for people and communities

- ***A friendly welcoming city***
 - ***Reduced health inequalities***
 - ***People feel safe in Plymouth***
- ***Focus on prevention and early intervention***
- ***Keep children, young people and adults protected***
- ***Improved schools where pupils achieve better outcomes***

Plymouth City Survey (2020 collected pre-pandemic)	2014	2018	2020	Direction of travel	Target
1. Residents who think their local area is a place where people from different backgrounds get on well together	49%	38%	39%	▲	Trend increase
2. Residents who regularly do voluntary work	-	43%	42%	▼	Trend increase

Percentage of Plymouth City Survey respondents who think their local area is a place where people from different backgrounds get on well together



Percentage of Plymouth City Survey respondents who volunteer or help out

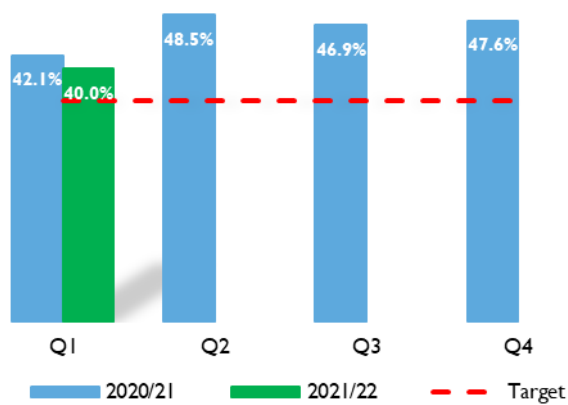


39% of respondents agreed that Plymouth is a place where people from different backgrounds get on well together, while 47% answered 'neither agree nor disagree' or 'don't know'. Plymouth's cohesion score is 73.8%; this excludes the neutral options and is an increase from 71.7% in 2018. We have used the £506,000 awarded by the Controlling Migration Fund to establish the Unify Plymouth Partnership, which aims to improve community cohesion in the four wards with the lowest cohesion scores. We have established a Community Cohesion Partnership in the four wards with the most challenging cohesion rates to develop an inclusive local vision statement. Four new Community Connectors have been appointed in the wards of Devonport, Efford and St Budeaux. As social distancing restrictions relax, the project now incorporates a mix of digital and face-to-face engagement activities. In the past quarter this has included small community gatherings; a programme of events to mark Black History Month; and delivery of the 'It started with Jack' programme.

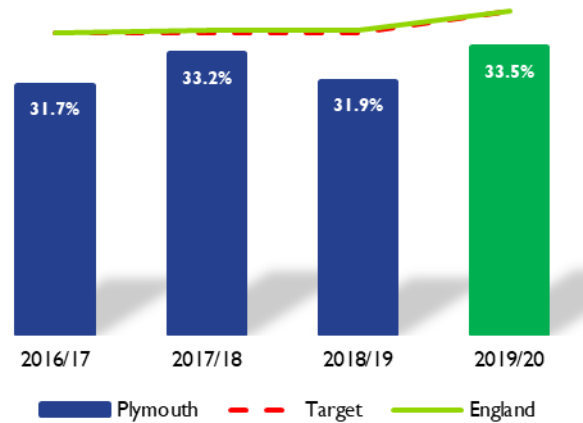
In partnership with Our Plymouth, since mid-April we have recruited a total of 926 vaccine stewards at Home Park, covering 903 shifts (3,612 hours) every week. Centre volunteers have contributed 72,240 hours that have enabled NHS staff to deliver over 300,000 jabs. Twenty Plymouth Good Neighbours Scheme care support volunteers have been recruited, trained and matched with vulnerable residents of Plymouth. Support volunteers provide practical help on a weekly basis, collecting shopping and prescriptions for a vulnerable Plymouth resident and making time for a friendly chat with them. We have also trained over 400 Mayflower Makers who have so far accumulated over 5,500 hours of activity supporting Mayflower events, more recently recruiting and supporting 62 volunteer Mayflower Makers on duty covering 78 shifts and a total of 320 hours of work at the Hatchling event. More than 100 volunteers have attended the equality and diversity training (*So, What CAN I Say?*), which is being delivered by Odils Learning Foundation. PCC volunteers are also supporting the Plymouth Together Fund, helping to raise vital funds for the families and local communities impacted by the Keyham tragedy.

Quarterly KPI	Q2 2020/21	Q3 2020/21	Q4 2020/21	Q1 2021/22	Direction of travel	Target
3. Stop smoking service successful quit attempts	48.5%	46.9%	47.6%	40.0%	▼	35.0%
Annual KPI	2017/18	2018/19	2019/20	2020/21	Direction of travel	Target
4. Excess weight in 10-11 year olds	33.2%	31.9%	33.5%	Not yet available	▲	35.2%
5. Eligible pupils taking benefit based Free School Meals (FSM) as % of whole pupil population	11.2%	13.4%	14.8%	18.6%	▲	Monitor

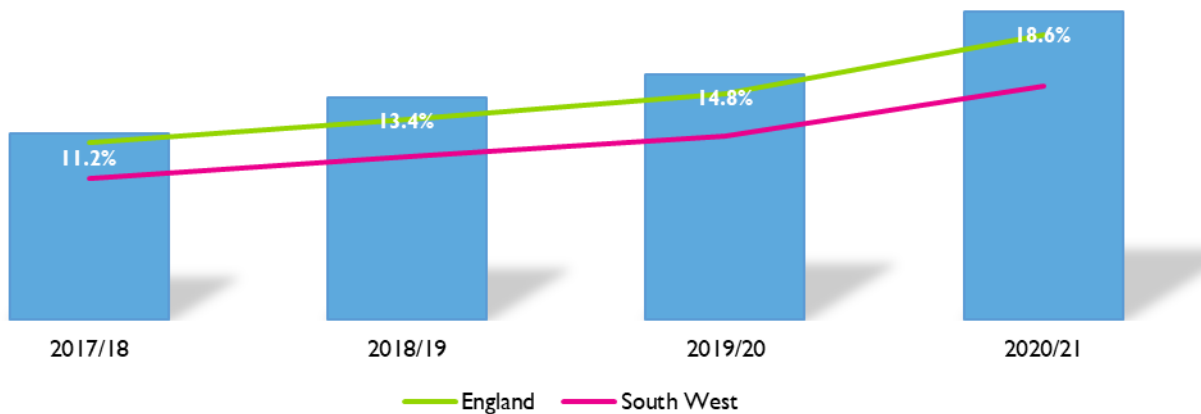
Percentage of people accessing the Stop Smoking Service who have quit



Excess weight in 10-11 year olds



Eligible pupils taking benefit based FSM as a percentage of the whole pupil population



Smoking cessation remains a priority through delivery of specialist services due to the importance of respiratory health throughout the COVID-19 pandemic. Resources continue to be focused on those with the most complex needs and targeting support to engage with vulnerable groups, including smokers with severe and enduring mental health issues, substance misuse and homelessness. The Swap to Stop offer of electronic cigarettes and behavioural support for smoking during pregnancy has improved engagement and cessation rates. The offer has also been rolled out to smokers who are entitled to free prescriptions, which has provided an alternative to nicotine replacement therapy and Champix and is particularly timely considering the lack of Champix supply since June. The Integrated Treating Tobacco Dependency Service with University Hospitals Plymouth is progressing and aims to embed tobacco treatment in all of their pathways and 'making every contact count' (MECC) training within their organisation. Initially, the focus will be with maternity services, then rolling out to key wards, mental health acute unit and recovery. We will also continue to take a system approach to tobacco control so that action takes place to disrupt and minimise the supply of illegal and illicit tobacco in the city, and to ensure that tobacco sales are appropriately restricted by age and advertising restrictions are adhered to.

Healthy weight continues to be a priority with additional concerns linked to the possible impact of the pandemic. Data from a representative group of schools, including eight from Plymouth, will be published in November and this should provide an indication (at a national level) of what this impact may be and help to inform further responses. NHS England has commissioned a new tier three service across the whole of the south west, with a hub serving the peninsula based at University Hospitals Plymouth. This pilot service is due to commence in the New Year. Plans are in progress to develop a new community offer in Plymouth, utilising local networks and harnessing existing services to support healthy weight; this will link with the tier three service where required and create an improved system offer that is informed through feedback from families. Work continues via education settings, health professionals and the voluntary and community sector to support healthy weight through information, advice and support.

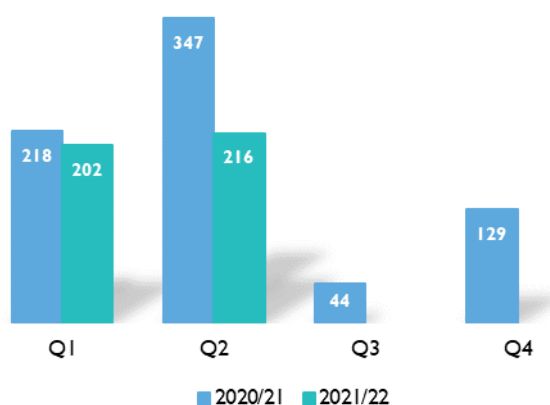
18.6% of Plymouth's total pupil population is registered as eligible for benefit based Free School Meals (FSM). This is a 3.8 percentage point increase on the previous year and continues to sit above the national and regional averages. There has been a 17.9% increase in the number of pupils known to be eligible for benefit based FSM between the 2019/20 and 2020/21 academic years. This can largely be attributed to the impacts of COVID-19 on working families who previously paid for school meals or accessed Universal Infant FSMs now becoming eligible. Of those pupils who are eligible for benefit based FSMs, CATERed is supplying meals to just over 80%, meaning that almost 20% in any period are not taking up their full entitlement. In quarter three we will have the ability to report local data quarterly; this will provide intelligence around families taking up their entitlement and will enable us to understand the levels of deprivation that this cohort of pupils and their families are facing, and the challenges that schools are supporting. CATERed continues to support all eligible pupils with access to a full range of menu choices across all schools and, with a return to dining spaces post-lockdown this term, numbers are beginning to increase. At the time of writing, CATERed is providing an increasing number of weekly food parcels for benefit based FSM eligible pupils who are isolating at home due to COVID-19 at an increasing number of schools.

6. School readiness

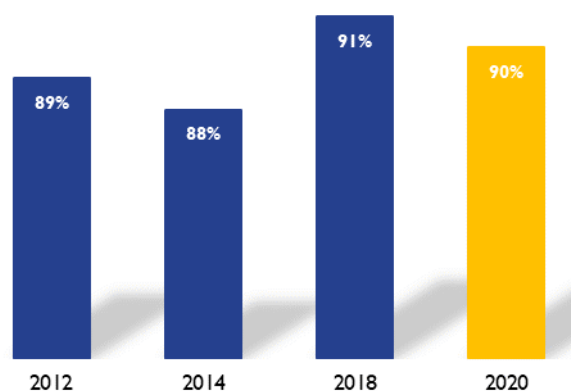
There remains no requirement for schools and settings to submit data to the local authority or to confirm completion to the Department for Education. The decision has, therefore, been made to cancel the data collection and its subsequent statistical releases in autumn 2020 and 2021. The revised Early Years Foundation Stage became statutory in September 2021. 2021/22 will be a year of transition for the sector and schools and settings will also need to adjust to changes in the Early Years Foundation Stage Profile assessment. There is evidence that the pandemic has had a significant impact on the communication and language development of children birth to five, which may affect long term learning and development. Plymouth City Council, Livewell Southwest and children's centres are working together to roll out the new early language identification measure (ELIM) to all two year old children. This assessment tool identifies difficulties early and enables early years staff to work with parents to implement strategies that improve speech and language development. This compliments the Professional Development Project, which trains early years practitioners to improve speech and language for the children in their care.

Quarterly KPI	Q3 2020/21	Q4 2020/21	Q1 2021/22	Q2 2021/22	Direction of travel	Target
7. Anti-social behaviour incidents reported to the council	44	129	202	216	▲	Monitor
Plymouth City Survey (2020 collected pre-pandemic)	2012	2014	2018	2020	Direction of travel	Target
8. Residents who feel safe (during the day)	89%	88%	91%	90%	▼	Trend increase

Number of anti-social behaviour incidents reported to the council



Percentage of Plymouth City Survey respondents who feel safe outside in their local area

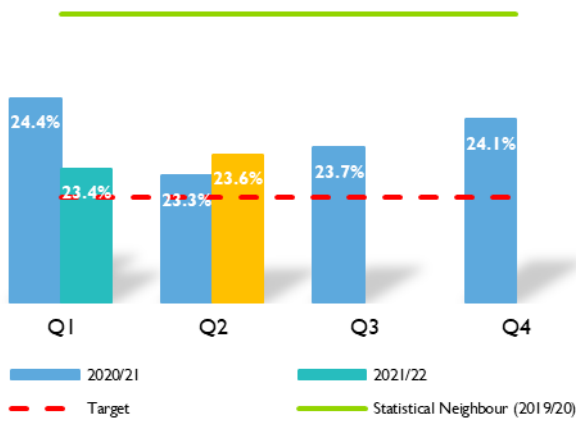


In quarter two we received 216 anti-social behaviour reports directly into Plymouth City Council via our online reporting form, which is used by the public and our Community Connections advisors when taking telephone queries. In addition to this, we received a number of reports and requests for service from our police and housing partners. The number of anti-social behaviour reports received by Community Connections in quarter two remains high, with a 7% increase on reports received in the previous quarter; however, a slight increase is to be expected due to this being the summer period and including school holidays. Hotspots of youth-related anti-social behaviour were identified over this quarter, including on The Hoe and in St Budeaux/Barne Barton, and a multi-agency approach was taken to resolve these. There has also been engagement during several weeks of action, including 'Op Aidant', tackling Modern Day Slavery in the City; 'Hate Crime Awareness Week', raising awareness around Hate Crime; and the first 'Anti-Social Behaviour Week'. Please note that numbers reported here are provisional and subject to change.

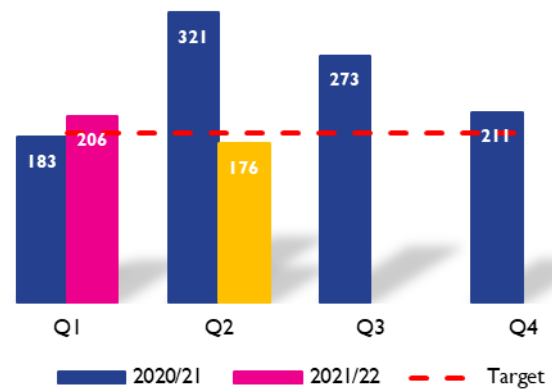
In 2020, 90% of residents who completed the Plymouth City Survey felt safe outside in their local area during the day, with only 3% feeling either fairly or very unsafe. Safer Plymouth has developed to become a trauma informed community safety partnership. A proposal was developed in conjunction with the Trauma Informed Plymouth Network to refresh the identity of the partnership and to improve efficiency and flexibility in how we operate through new governance arrangements. This has proved to be effective, in particular in the readiness to deliver against the new duties on the local authority brought about by the new Domestic Abuse Act and in readiness for the future delivery of the Serious Violence Bill.

Quarterly KPIs	Q3 2020/21	Q4 2020/21	Q1 2021/22	Q2 2021/22	Direction of travel	Target
9. Repeat referrals to Children's Social Care	23.7%	24.1%	23.4%	23.6%	▲	23.0%
10. Households prevented from becoming homeless or relieved of homelessness	273	211	206	176	▼	188
11. Number of people rough sleeping	7	5	8	12	▲	Monitor
12. Long-term support needs met by admission to residential and nursing care homes (65+)	62	58	62	51	▼	Monitor

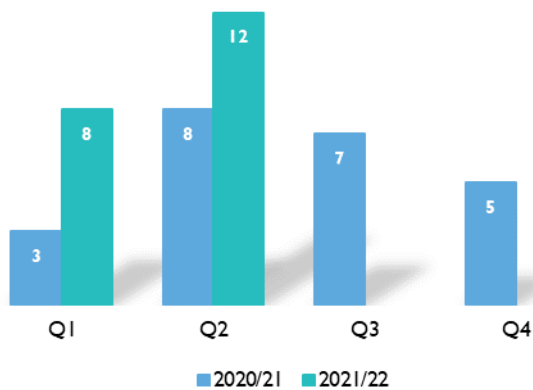
Repeat referrals to Children's Social Care



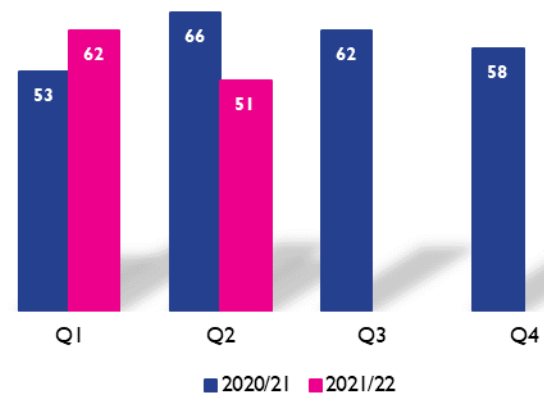
Number of households prevented from becoming homeless or relieved of homelessness



Number of people rough sleeping



Long-term support needs met by admission to residential and nursing care homes



At the end of quarter two, the percentage of re-referrals over a rolling 12 month period was 23.6%, equating to 846 of the 3,583 referrals received in the last 12 months being for children and young people who we had already received a referral for during the 12 months prior. Within quarter two, 204 (23.2%) of the 880 referrals received were repeat referrals.

During quarter two, 176 households were prevented from becoming homeless or relieved of their homelessness, which is a reduction of 30 on the previous quarter. However, there were some applications received late in the quarter that might progress to a prevention. The service met the target of 500 households supported last year, and has achieved the target of 375 in the first six months of 2021/22. The ongoing impact of COVID-19 on homelessness is influencing the ability to prevent/relieve homelessness in the same approach and timescales as pre-pandemic.

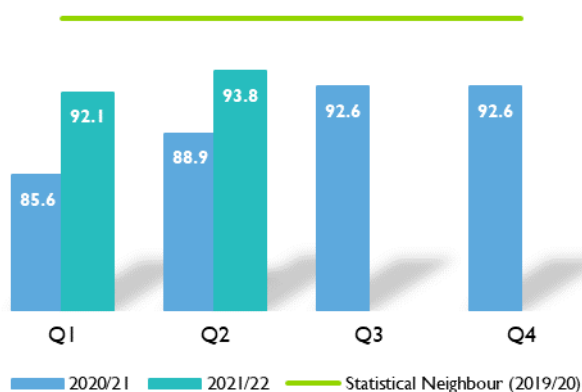
The value for rough sleeping is based on the average of a one day snapshot reported each week during the period. On average during quarter two, 12 people were seen rough sleeping each week. Numbers of rough sleepers were consistently a little higher during the majority of quarter two. Early indications in quarter three are that numbers are starting to show a slight decline.

In 2020/21, the number of admissions to residential/nursing care of people aged 65 and over remained relatively static when compared to 2019/20. Last year there were 242 long term admissions, compared to 253 the previous year. Between 1 April and 30 September there have been 113 admissions; lower numbers in September 2021 mean that we are on a trajectory to see lower numbers than in 2020/21.

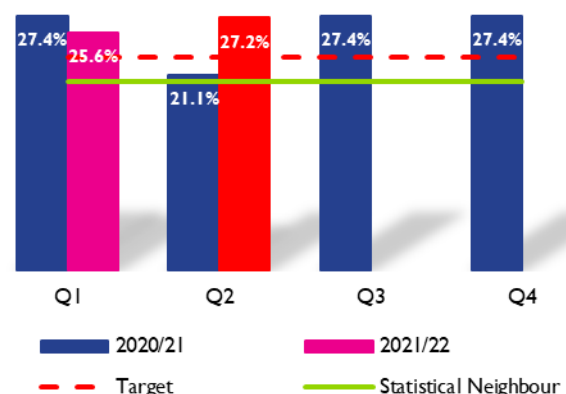
Keep children, young people and adults protected

Quarterly KPIs	Q3 2020/21	Q4 2020/21	Q1 2021/22	Q2 2021/22	Direction of travel	Target
13. Children in care (rate per 10,000)	92.6	92.6	92.1	93.8	▲	Monitor
14. Children with multiple child protection plans (rolling 12 months)	27.4%	27.4%	25.6%	27.2%	▲	23.0%
15. Closed adult safeguarding enquiries with desired outcomes fully/partially achieved	96.7%	94.6%	95.3%	94.4%	▼	94.5%
Annual KPI	2016/17	2017/18	2018/19	2019/20	Direction of travel	Target
16. Adult social care service users who feel safe and secure	92.8%	90.1%	89.8%	90.0%	▲	89.8%

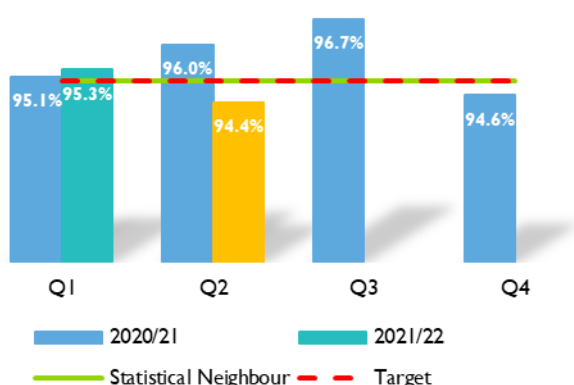
Number of children in care (rate per 10,000 children)



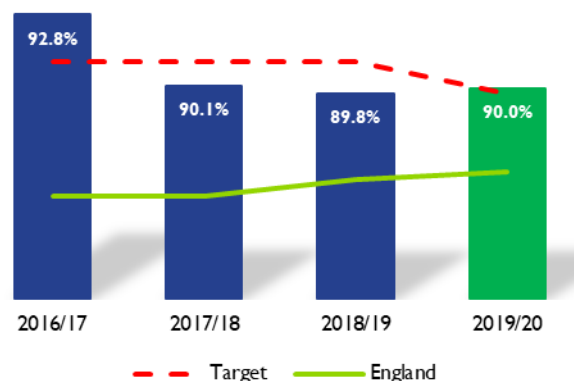
Percentage of children subject to multiple child protection plans (rolling 12 months)



Percentage of closed adult safeguarding enquiries where the desired outcomes have been fully or partially achieved



Percentage of ASC service users who say that those services make them feel safe and secure



The number of looked after children saw a net increase of 13 children to 500 when compared to quarter one of 2021/22. This is a net increase of 68 children since the first national lockdown started. Our rate per 10,000 children is currently reported at 93.8, which is below our statistical neighbour average (published at 98.0 for 2019/20), but 26.8 children per 10,000 more than the England average.

In the 12 months up to the end of quarter two 2021/22, 88 (27.2%) of 323 new Child Protection Plans were for children who had already been on a Plan at some point in their lifetime (up 1.6 percentage points on quarter one's position). Within the quarter, 14 (21.2%) of the 66 new Child Protection Plans were repeat Plans.

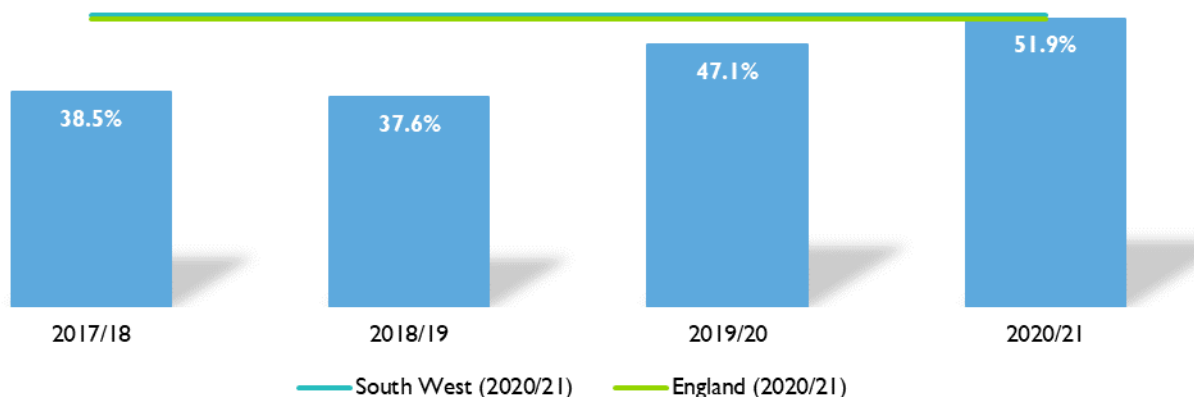
Between 1 July 2021 and 30 September 2021, 226 individuals were the subject of a completed adult safeguarding enquiry, 162 of whom expressed a desired outcome at the start of the enquiry (71.7% compared to 73.6% in quarter one). The percentage of people who were not asked about their preferred outcome increased to 18.6% (18.4% in quarter one). The percentage of closed enquiries in which the desired outcome has been either fully or partially achieved decreased in quarter two to 94.4% (153), from 95.3% in quarter one. The percentage fully achieved increased to 69.8% (113) (62.8% in quarter one). This halts a declining trend in the percentage fully achieved.

No annual Statutory Adult Social Care Survey was carried out in 2020/21 due to COVID-19. Performance had declined in the past two years before improving slightly in 2019/20, with 90% of respondents agreeing that the adult social care (ASC) services that they receive make them feel safe. In response to the 2018/19 survey results, an ASC performance action plan aimed at improving outcomes was put in place and there have been small increases in performance against both this indicator and the ASCOF 4A, which measures how safe people feel in general. Further development of this plan has been delayed due to COVID-19. We remain concerned that the cohort of social care users who feel least safe are those aged 18 to 64 without a learning disability and we will continue to look to improve feelings of safety for this particular cohort, as well as all other users.

Improved schools where pupils achieve better outcomes

Annual KPI	2017/18	2018/19	2019/20	2020/21	Direction of travel	Target
17. Percentage of Key Stage 4 pupils achieving the Basics (5+ in English and Maths)	38.5%	37.6%	47.1%	51.9%	▲	Monitor

Percentage of Key Stage 4 pupils achieving the Basics



In 2020/21, 51.9% of Key Stage 4 pupils achieved a 5+ in English and Maths within their GCSEs. This is on par with the England average and 0.6 of a percentage point below the regional average. Performance has improved more than would be expected in a typical year in each of the pupil level attainment statistics between the 2018/19, 2019/20 and 2020/21 academic years. This reflects the change to the way that GCSE grades were awarded rather than improvements in pupil performance. As a result, the 2019/20 and 2020/21 data should not be directly compared to attainment data from previous years for the purposes of measuring changes in student performance. The Plymouth Strategic (Secondary) Education Group continues to provide momentum for the place based approach for secondary school improvements, reporting directly to the Plymouth Education Board and the Regional Schools Commissioner.

18. Update on Ofsted inspections

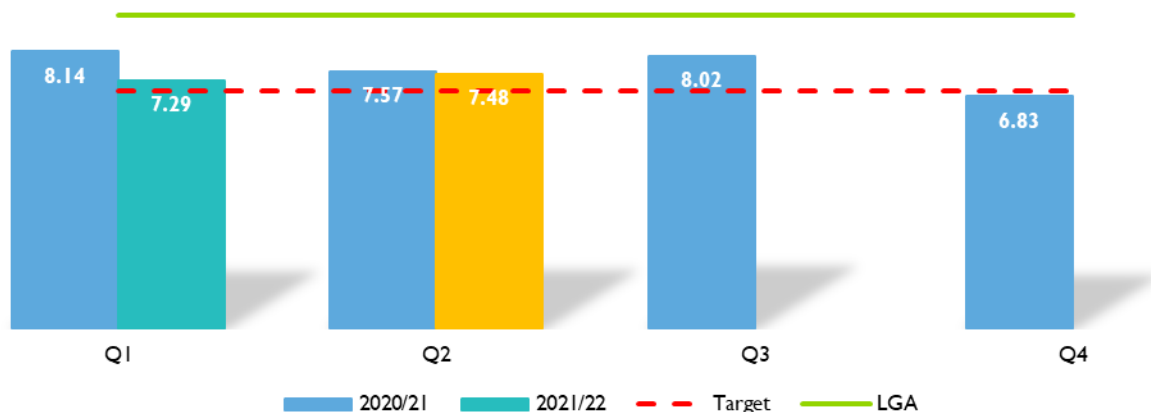
'Lighter touch' Ofsted inspections occurred over the summer term 2021, focusing on what is being done to support catch up for all pupils; support for disadvantaged and vulnerable pupils; and the maintenance of safeguarding measures. Only two primary schools have been inspected since graded Inspections resumed in September, both of which improved their outcomes from 'requiring improvement' to 'good'. Ofsted will not allow the impact of COVID-19 to be the sole factor behind any 'inadequate' judgement. Inspectors will seek to understand how schools adapted and prioritised the curriculum.

Delivering on our commitments

- ***Empowering our people to deliver***
- ***Providing a quality service to get the basics right first time***
- ***Engaging with and listening to our residents, businesses and communities***
- ***Providing value for money***
- ***Championing Plymouth regionally and nationally***

1. FTE days lost due to staff sickness (rolling 12 months)						
Financial year	Q1	Q2	Q3	Q4	Direction of travel	Target
2020/21	8.14	7.57	8.02	6.83		
2021/22	7.29	7.48			▲	7.00

Number of FTE working days lost due to staff sickness (rolling 12 months)



The number of days lost per full time equivalent (FTE) for the council as a whole increased to 7.48 days at the end of the quarter two (up 0.19 of a day on quarter one), and is currently nearly half a day above the target of 7.0 days or less. When compared against the same quarter of 2020/21, the number of days lost is currently 0.09 of a day lower. Musculoskeletal (excluding back/neck) is the top reason for both short and long term sickness.

2. Staff engagement

Following employee feedback from a recent pulse survey, we are now preparing for a full employee engagement survey that has been commissioned. We will continue to hold pulse surveys on a regular basis, for example the COVID-19 Pulse Survey, Equality and Diversity Snapshot Survey and a Health and Wellbeing Survey. Our most recent 'Wellbeing Survey' carried out in August saw a varied response, with 17.2% of our 500 frontline employees responding and 54.0% of the remaining employees (approx. 2,000) responding. This gave an overall response rate of 46.6% for the overall 2,500 employees.

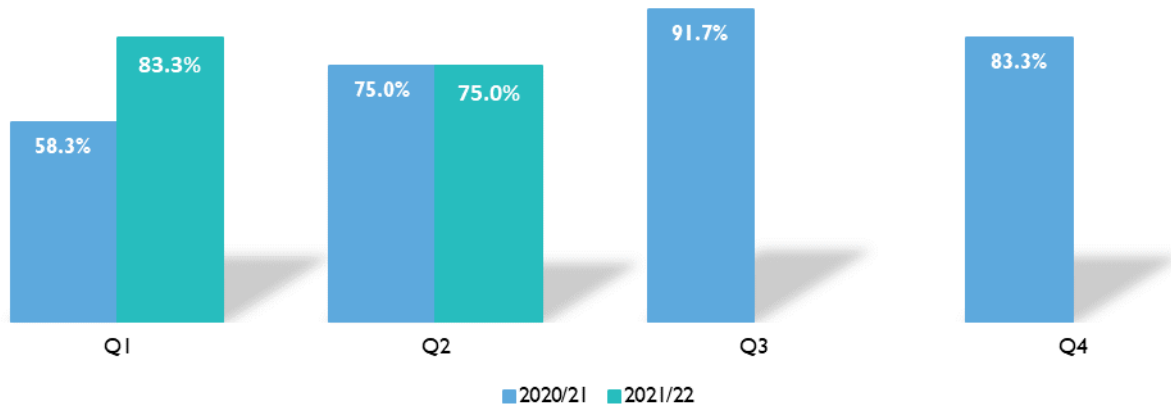
We were awarded the Silver Standard of Wellbeing this year and are now working towards the Gold level. The 'Big Listen' will bring together our previous Staff Survey, Safety Climate Survey, and Stress and Resilience surveys into one place, enabling all staff to have a voice.

The next council-wide online session with our Chief Executive Officer (CEO) and senior managers has been arranged for early in quarter three and will be a question and answer (Q&A) session for 'Demystifying the Council budget'. In addition to this, the CEO and Service Director for Human Resources and Organisational Development will be holding an Equality and Diversity Q&A. Together with representatives from the corporate Equalities and Diversity Group, the session will discuss what equality and diversity means to Plymouth City Council.

Providing a quality service to get the basics right first time

3. Customer experience score						
Financial year	Q1	Q2	Q3	Q4	Direction of travel	Target
2020/21	58.3%	75.0%	91.7%	83.3%		
2021/22	83.3%	75.0%			▼	Monitor

Customer experience score



The customer experience score is an index KPI that takes into account performance against a number of indicators that are focused on the customer. Currently, this indicator considers customer complaints resolved in expected timescales; Freedom of Information (FOI) requests completed within 20 working days; the time taken to process new claims for Housing Benefit and Council Tax Support; percentage of bins reported as missed by customers; and the number of households prevented from or relieved of homelessness. Two points are allocated when an indicator is achieving target, one for a KPI that is amber against target (within 15%) and none for a KPI that is red against target (more than 15% away). The score is then represented as a percentage of the maximum score possible.

86.3% of stage one complaints resolved in quarter two were resolved within the timeframe of 10 working days. This is a reduction on quarter one, in which we achieved our highest quarterly timeliness performance for more than three years. We will continue to work on improving our response time to customer feedback. Although timeliness of closing complaints has declined, the number of complaints received in quarter two 2021/22 has reduced (1,777) when compared with quarter one (2,321). Of the complaints resolved within the month, 26.3% were upheld, which is a large improvement on quarter one's upheld rate (36.7%). We also received more compliments in quarter two (137) than in quarter one (129).

We were due to close 232 FOI requests in quarter two 2021/22, 216 of which were closed within the timeframe of 20 working days, equating to 93.1%. This is a reduction in the number of requests due from quarter one but an improvement in timeliness (244 FOIs due in quarter one; 88.1% completed on time). Performance was strong throughout the quarter, with all three months exceeding the 90% timeliness target.

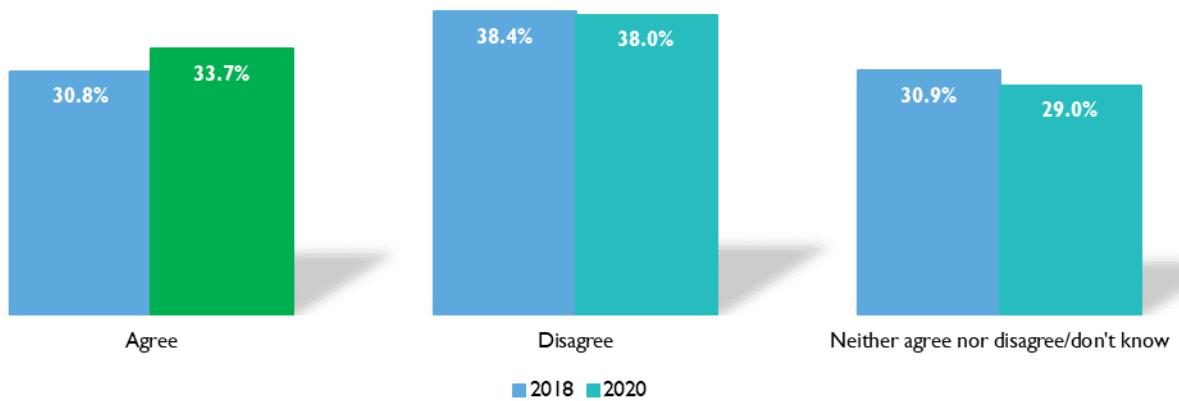
The average time taken to process new Housing Benefit claims improved by one day in quarter two 2021/22 to 18.3, against a target of 18 days. However, monthly performance shows this to have been affected by higher processing times in August, with both July and September being below target.

Quarter one of 2020/21 saw the beginning of national COVID-19 restrictions, leading to an increase in the volume of Council Tax Support (CTS) claims that we received. The CTS caseload for working age customers at the end of 2020/21 had increased by 28.7% from the previous year, from 12,089 to 15,555. This will be partly due to working age customers whose income was affected by the COVID-19 restrictions who claimed Universal Credit, with the number of CTS claimants who received Universal Credit increasing by 67.7% at the end of 2020/21. Despite the increase in claims, processing times for new CTS claims have remained below or equal to the target (18 days) for the last four quarters and in quarter two 2021/22 was 17.2 days.

Engaging with and listening to our residents, businesses and communities

Plymouth City Survey	2018	2020	Direction of travel	Target
4. Residents who know how to get involved in local decisions	30.8%	33.7%	▲	Trend increase

Percentage of Plymouth City Survey respondents who know how to get involved in decisions affecting their local area

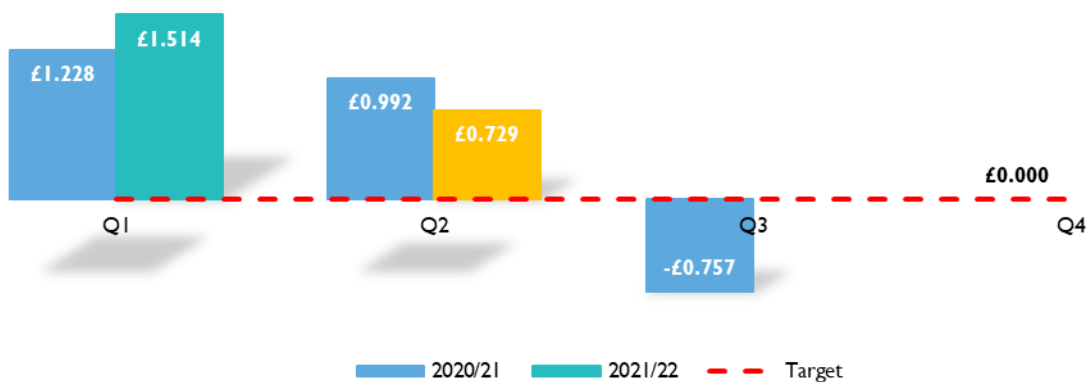


These results tell us that a third (33.7%) of respondents are aware of how they can get involved in decisions in their local area. Councillors have different ways of engaging with residents in their wards, meaning that residents have direct access to their elected representative and the council has an established mechanism for consulting on proposals, such as planning applications. For the second successive survey, the youngest age group was significantly less likely to agree that they know how to get involved, with 7.5% of respondents aged 16 to 24 years agreeing compared with 34.9% of those aged 25 years and older. A refreshed Engagement Framework has been approved and a Community of Practice has been set up to develop and support engagement activity and share best practice.

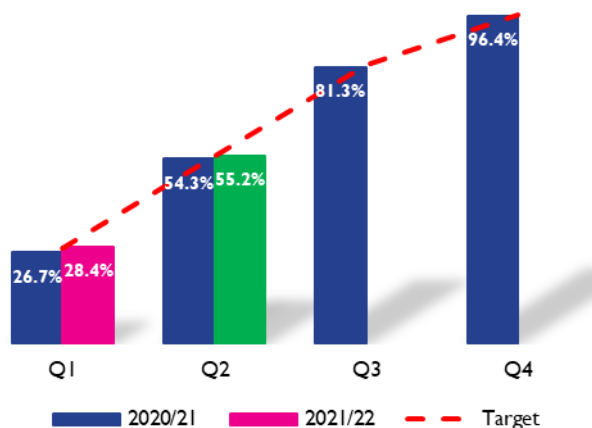
Providing value for money

Quarterly KPIs	Q3 2020/21	Q4 2020/21	Q1 2021/22	Q2 2021/22	Direction of travel	Target
5. Spend against budget	-£0.757m	£0.000m	£1.514m	£0.729m	▼	£0.000m
6. Council tax collected (YTD)	81.3%	96.4%	28.4%	55.2%	▲	54.99%
7. Business rates collected (YTD)	78.6%	98.5%	37.5%	51.6%	▼	53.05%

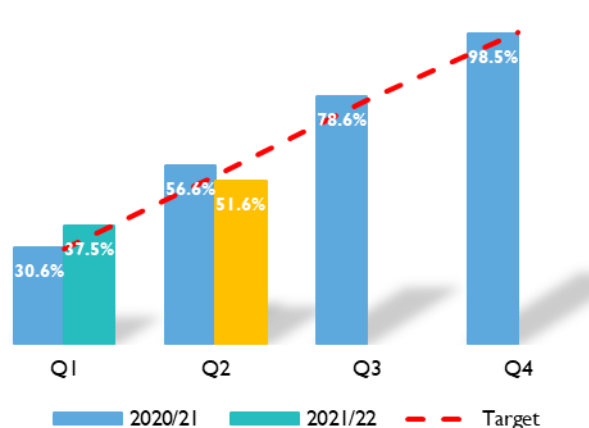
Forecast year end variation spend against budget (£million)



Percentage of council tax collected (YTD)



Percentage of National Non-Domestic Rates (NDR) collected (YTD)



The forecast revenue outturn after the application of COVID-19 grants and council mitigating actions is currently estimated at £0.729 million over budget, which is a variance of +0.14% against the council's overall budget forecast (£514 million) and a reduction of £0.785 million from quarter one. This is the mid-year position for 2021/22 and it should be noted that the financial position will fluctuate as we move through the year. Officers and Members will work closely to manage the finances towards a balanced position by the end of the year.

55.2% of council tax had been collected by the end of quarter two 2021/22, which is an improvement on both 2020/21 (54.3%) and 2019/20 (55.0%), indicating a continued return to more normal levels of council tax collection following the impacts of the COVID-19 pandemic. This equates to £80.403 million that has been collected in 2021/22 to date, which again is more than the amount collected by the same point in both 2020/21 and 2019/20.

51.6% of business rates had been collected by the end of quarter two, equating to £36.347 million. This is below target due to a change in national regulations, which required all retail and leisure properties to start paying 34% rates from 1 July 2021. Some businesses are still contacting us to ask for this relief to be removed from their account and some have not yet set up direct debits for the payment, which is impacting on the percentage of rates collected.

Championing Plymouth regionally and nationally

8. Offers and Asks

The council's public affairs activity remains focused on the priority areas for the council and city and we continue to engage with ministers and senior civil servants on a range of issues that are important to Plymouth. Following the tragic events in Keyham in August, the council and city MPs have been continuing to press Ministers for confirmation of the cross-government support needed for the Keyham Recovery Plan. There has been an announcement of £1.2 million from the Home Office and Ministry of Justice, as well as indications of additional support from the Department for Education and the Department of Health and Social Care.

We are also continuing to make our voice heard through hosting ministers and civil servants and responding to government consultations. For example, Caroline Dinenage MP, Minister of State for Digital and Culture, visited the Box in July following the announcement that Plymouth had secured £9.5 million for the National Marine Park from the National Lottery Heritage Fund (Heritage Horizons Award). Civil servants from the Levelling Up Unit and HM Treasury also visited the city in September to hear from a range of partners and businesses about what additional government support is needed to address Plymouth's challenges and help the city grow. The council also provided a submission to the HM Treasury's Spending Review 2021, setting out what we see as the key national policy changes required to unlock the future potential of the city.

9. Regional influence

In August, Plymouth City Council responded to the government's invitation to submit expressions of interest for a Devolution Deal, under its renewed focus as part of the Levelling Up agenda. Devon County Council also submitted a separate expression of interest on behalf of all of the Devon district councils. Plymouth, Torbay and Devon council leaders subsequently had a call with senior government officials in early September and the three councils are currently working together to identify the next steps towards a Devolution Deal covering the whole area. The suggestion from officials was that a few areas nationally that were well ahead with their preparations could be selected to be the first to negotiate Devolution Deals, with Devon potentially in a second tranche.

The council has continued to provide leadership and support for the Heart of the South West Joint Committee and work in partnership with the Local Enterprise Partnership (LEP), whilst still awaiting the publication of the government's Levelling Up White Paper. The White Paper is expected to provide greater clarity on new UK funding streams, Devolution Deals and regional working structures, and potentially on the future role of LEPs.

UNLOCKING THE CITY'S POTENTIAL		
Priority	Key performance indicators	Description
A clean and tidy city	1. Streets graded at an acceptable level for overall street cleanliness and grounds maintenance	The cleanliness and condition of streets is measured using the Land Audit Management System (LAMS), so that we can compare ourselves to other members of the Association for Public Service Excellence (APSE) performance network. It comprises three main elements: street cleanliness, grounds maintenance, and the presence of hard surface weeds. Results are cumulative and include all audits that have been completed in the financial year to date.
	2. Household waste sent for recycling, reuse or composting	The amount of household waste that is recycled, reused or composted, including IBA metals.
A green, sustainable city that cares about the environment	3. Average cycle trips taken on DfT count day	The Department for Transport (DfT) undertakes one day cycle counts on approximately 40 roads across the city, once a year, every year. The data is collected and published annually. This dataset provides a reasonably consistent annual snap shot of levels of on road cycling in the city that can be used as an indicator of the extent of growth in the use of sustainable transport. The government's 2017 Cycling and Walking Strategy target is to double cycling by 2025.
	4. Carbon emissions emitted by the council	The amount of carbon dioxide (CO2) emissions emitted by the council (narrative update).
Offer a wide range of homes	5. Net additional homes delivered in the city (cumulative from 2014/15)	The annual net additional homes in the Plymouth Local Planning Authority Area, for example through new house building completions and conversions (e.g. of a house into flats), but after the removal of dwellings lost by change of use or demolition.
A vibrant economy, developing quality jobs and skills	6. Spend on small and medium enterprises	The council's spend on supplies, services and works from small and medium-size enterprises/businesses (SMEs) as a percentage of the total amount spent. This is the council's spend through the Procurement Service including spend for other commissioned providers, such as care services. This indicator shows the year to date position at the end of each quarter, aligning with the annual target.
	7. Spend within the PL postcode	The council's spend on supplies, services and works from businesses with a PL postcode as a percentage of the total amount spent. This is the council's spend through the Procurement Service including spend for other commissioned providers, such as care services. This indicator shows the year to date position at the end of each quarter, aligning with the annual target.
	8. 16-18 year olds in education, employment or training	The percentage of young people aged 16 to 18 in academic years 12 to 14 who are going to, or remaining in, education, employment or training (EET).
	9. Employment rate (16-64 population, rolling 12 months)	This includes anyone aged 16 to 64 years who did some paid work in the reference period, whether as an employee or self-employed; had a job that they were temporarily away from; on government-supported training and employment programmes; or were doing some unpaid family work.
	10. Number of businesses supported through COVID-19 business grants	The way that businesses have been supported has been directly impacted by COVID-19. This indicator will now focus on the businesses supported through the COVID-19 business grants and will likely be reviewed each year.

	11. Inward investment	The total value of strategic projects, third party investment and notable Foreign Direct Investments (FDIs) brought into the city or facilitated by the council.
	12. Inclusive growth (earnings gap)	The gap in gross weekly pay between the top 20% and the bottom 20% of earners within Plymouth.
An exciting, cultural and creative place	13. Number of visitors to Plymouth	A visitor is defined as someone who lives more than an hour from a destination or who stays overnight. Data is supplied by the South West Tourism Research Company and is based on the Cambridge Economic Impact Model, which is an industry respected tool for measuring the economic impact of tourism in a given area.
Create a varied, efficient, sustainable transport network	14. Principal roads (A) in good or acceptable condition	The condition of principal roads (A roads) in the city, collected via a mechanical condition survey.
	15. Public satisfaction with traffic flow	Public satisfaction with traffic levels and congestion on Plymouth's roads, collected via the National Highways and Transport (NHT) Network annual survey.
	16. Carriageway defects completed on time	A combined score for the timeliness of completing priority one (24 hours), priority two (seven days) and priority three (21 days) carriageway defects. This includes works related to the surface of the carriageway (i.e. not footpaths, gullies, etc.) and excludes any defects that have had an issue on site or have a valid reason for missing the deadline.

UNLOCKING THE CITY'S POTENTIAL

Priority	Key performance indicators	Description
A friendly, welcoming city	1. Residents who think people from different backgrounds get on well together	The percentage of Plymouth City Survey respondents who agreed with the statement 'my local area is a place where people from different backgrounds get on well together'. This is a measure of community cohesion.
	2. Residents who regularly do voluntary work	The percentage of Plymouth City Survey respondents who volunteer or help out in the city, which includes formal volunteering (e.g. for a charity or community group) or informal helping out (e.g. a neighbour).
Reduced health inequalities	3. Stop smoking service successful quit attempts	The number of people who engage with the Stop Smoking Service and set a quit date, with successful quit attempts measured at four weeks.
	4. Excess weight in 10-11 year olds	The prevalence of excess weight (including obesity) among children in Year 6 (aged 10 to 11 years old).
	5. Eligible pupils taking benefit based Free School Meals (FSM) as % of whole population	Families who are entitled to one of the following benefits are eligible to access Free School Meals: Income Support; income-based Jobseeker's Allowance; income-related Employment and Support Allowance; support under Part VI of the Immigration and Asylum Act 1999; guaranteed element of Pension Credit; Working Tax Credit; or Universal Credit. This indicator measures the number of pupils who are taking up their eligibility.
	6. School readiness	The percentage of Early Years Foundation Stage Profile (EYFSP) pupils in the city who achieve a Good Level of Development (GLD) at the end of each academic year. Due to the suspension of the publication of attainment data as a result of COVID-19, this is a narrative update on progress.
People feel safe in Plymouth	7. Number of anti-social behaviour incidents reported to the council	A demand measure that reports on the number of anti-social behaviour reports to the council via our online reporting form, which is used by the public and our Community Connections advisors who take telephone queries.

	8. Residents who feel safe (during the day)	The percentage of Plymouth City Survey respondents who feel fairly safe or very safe when outside in their local area during the day.
Focus on prevention and early intervention	9. Repeat referrals to Children's Social Care	The percentage of referrals to Children's Social Care within the financial year where there has been a referral within the previous 12 months for the same child.
	10. Households prevented from becoming homeless or relieved of homelessness	The number of households that the council has either helped to stay in their current accommodation or has supported to relocate, preventing them from becoming homeless.
	11. Number of people rough sleeping	The number of rough sleepers are identified via weekly estimates provided by PATH (Plymouth Access to Housing), who undertake regular tours of the city.
	12. Long-term support needs met by admission to residential and nursing care homes (65+)	The number of people aged 65 years and over whose long-term social care needs following an assessment are met by admission to a residential or nursing care home.
Keep children, young people and adults protected	13. Children in care (rate per 10,000)	If a child/young person is made the subject of a care order, we have legal responsibility for them. We count a child as a 'child in care' if they get accommodation for a period of more than 24 hours, are subject to a care order, are accommodated under section 20 of the 1989 Children's Act or are subject to a placement order (adoption). To enable comparison against other authorities, we report the number as a rate per 10,000 children within our authority's population.
	14. Children with multiple child protection plans	The percentage of children starting a Child Protection Plan who have previously been on a Child Protection Plan. The current Plan may be for the same or different reasons and there might be a significant time lapse between Child Protection Plans.
	15. Closed adult safeguarding enquiries with desired outcomes fully/partially achieved	The percentage of safeguarding enquiries in which, at the point of completion, the individual affected or individual's representative's desired outcomes have been fully or partially achieved.
	16. Adult Social Care users who feel safe and secure	The proportion of people who use Adult Social Care (ASC) services who say that those services make them feel safe and secure, as measured using the annual Statutory ASC Survey.
Improved schools where pupils achieve better outcomes	17. Percentage of Key Stage 4 pupils achieving the Basics (5+ in English and Maths)	Key Stage 4 is the phase of education attended by 14 to 16 year olds and leads to GCSE examinations. GCSEs are awarded a grade level between 1 and 9, with a strong pass (C+) being graded at a 5+ and the previous 'A' grade being graded at a level 7. Obtaining a 5+ in English and Maths is considered 'achieving the Basics'.
	18. Update on Ofsted inspections	Ofsted ratings for registered early years settings and schools. Please note that due to the COVID-19 outbreak, Ofsted inspections from March 2020 were suspended. Ofsted inspections resumed from September 2021. This is therefore a narrative update on progress and performance reporting will commence in quarter three 2021/22.

DELIVERING ON OUR COMMITMENTS

Priority	Key performance indicators	Description
Empowering our people to deliver	1. FTE days lost due to staff sickness	The average number of working days lost due to sickness per full-time equivalent (FTE) employee, calculated as a rolling 12 month average, excluding schools. Sickness data includes days lost due to physical and mental ill health, as well as injuries.

	2. Staff engagement	A narrative overview of what we are doing to improve staff engagement.
Providing a quality service to get the basics right	3. Customer experience score	The customer experience score is an index KPI that takes into account performance against a number of indicators focused on the customer. Currently, this indicator considers customer complaints resolved in expected timescales; Freedom of Information (FOI) requests completed within 20 working days; the time taken to process new claims for Housing Benefit and Council Tax Support; percentage of bins reported as missed by customers; and the number of households prevented from or relieved of homelessness. Two points are allocated when an indicator is achieving target, one for a KPI that is amber against target (within 15%) and none for a KPI that is red against target (more than 15% away). The score is then represented as a percentage of the maximum score possible.
Engaging with and listening to our residents, businesses and communities	4. Residents who know how to get involved in local decisions	The percentage of Plymouth City Survey respondents who agreed with the statement 'I know how to get involved in decisions that affect my local area'.
Providing value for money	5. Spend against budget (£million)	The projected balance remaining against the council's overall budget at the end of the financial year, updated monthly.
	6. Council tax collected	The percentage of council tax collected – this is a cumulative measure and shows whether or not the council is on track to collect all council tax by the end of the financial year, which contributes to the amount of money available to spend on services.
	7. Business rates collected	The percentage of National Non-Domestic Rates (NNDR) collected against the amount due to be collected. NNDR is more commonly known as 'business rates' and charged on most properties that are used for non-domestic purposes, for example shops and offices. The collection of business rates represents approximately 61% of the council's overall income so it is important that the collection of NNDR is monitored.
Championing Plymouth regionally and nationally	8. Offers and Asks	The Offers and Asks is our way of influencing the government on what we need for the city. The 'Asks' are updated regularly and are used to advise and inform Plymouth's three Members of Parliament (MPs). A narrative update on progress is reported.
	9. Regional influence	A narrative update on progress made regarding our work with partners and neighbouring councils, as well as how we promote our regional leadership role.

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APPENDIX A - RISK MANAGEMENT MONITORING REPORT

October 2021



1.0 Introduction

- 1.1 The position with regard to the strategic and operational risk registers are presented within this report.
- 1.2 Risk Champions have reviewed the strategic and operational risks to identify those that could impact the work directed towards the delivery of council services, including ensuring safe systems of work for staff and customers. Risk owners have been asked to update current mitigation and action plans.
- 1.3 The next formal review of the strategic risk and opportunity register will take place in January 2022, and of the operational risk register in April 2022.

2.0 Strategic Risk and Opportunity Register – Monitoring Summary

- 2.1 Attached to this report at Appendix B is the updated strategic risk register. The register offers additional information including detail on Key Controls and Sources of Assurance and how progress against mitigation will be measured. Section 5 of the report provides information on the approach to scoring risks.

3.0 Strategic Risk Register

- 3.1 There are 17 risks on the strategic risk register, two of which have a risk rating of Red; these relate to the growing volume and complexity of demand on the Children, Young People and Families and Adult Social Care Services. The risks relating to financial pressures and the risk relating to the impact of insufficient pupil attainment has been reduced to an amber rating. All other risks have seen no change in the risk rating score, and no new risks have been added. The 'red risks' are shown below.

Risk number one relates to the 'hidden harm' consequences of COVID-19 infection control measures and safe systems of work that are adding to existing pressures on the Children, Young People and Families service. The service is continuing to see a rise in children coming into care.


Risk number two relates to workforce concerns and the growing fragility of the Adult Social Care Market that might lead to the inability of the Local Authority to meet statutory duties and meet eligible need.

3.2 Strategic Risk update table



Table one provides an update on all 17 risks on the strategic risk register.

Table one – Strategic Risk Register Updates

No.	Description	Mitigation	Risk Score	Current risk rating	Risk Owner
1	<p>Failure to meet statutory duties due to growing volume and complexity of demand for children's social care services.</p> <p>Hidden harm consequences of infection control measures and safe systems of work limitations add to existing pressures on service.</p> <p>Risk of continued rising demand for children to come into care since the pandemic in March 2020.</p>	<ul style="list-style-type: none"> - Additional social work capacity agreed to support effective delivery of casework - Fostering Project Delivery Plan in place - High cost placement review supported by named Service Manager - Adolescent Support Team reunification and edge of care service supporting over 60 young people at any one time - Ongoing rigour in decision making to manage demand via Placement Panel, which takes place weekly and is overseen by a dedicated service manager with responsibility for reducing costs of individual placements and ensuring timely step down - Ensuring action plan milestones are reached via monthly monitoring at Programme Board/Finance Directorate Management Team meetings - All delivery plans have been reviewed and progress is being achieved to mitigate delays caused by COVID-19 response. 	20	<p>Red</p> <hr style="border: 2px solid black;"/> <p>Red since Jul 2020</p>	Alison Botham
2	<p>Lack of adult social care workforce and growing fragility of Adult Social Care Market leading to inability of Authority to meet statutory duties and meet eligible need.</p>	<ul style="list-style-type: none"> - Establishment of Community Capacity Command Centre to provide greater oversight of market and capacity - Local authority is taking steps to set up a Care Company to ensure continuity of provision in the event of market failure - Care Home liaison work being undertaken by Livewell Southwest, to increase levels of support to Residential and Nursing care market - Risk to be continued to be monitored through contract monitoring and market intelligence - Supporting market wide workforce recruitment / retention across residential and domiciliary sector - Remodelled bed bureau launched to support Care Homes to manage complex discharge cases. - Incentive payments to workforce. 	20	<p>Red</p> <p>↑</p> <p>Red since Oct 2021</p>	Craig McArdle



<p>3</p>	<p>Insufficient economic performance to sustain the City's economy and growth plans.</p> <p>The risk to economic performance is a combination of the ongoing impacts of the coronavirus, Brexit, labour shortages, infrastructure challenges relating to material supply and general uncertainty in many sectors.</p> <p>Some of the long-term effects (especially without effective policy instruments) are likely to carry over in 2022 and beyond.</p>	<p>The impact of COVID-19 on the economy has been sharp and has affected different sectors of the economy in different ways. We are focussing, through Resurgam, on six areas to help our economy to recover, to protect local jobs and to support our communities. These are:</p> <ul style="list-style-type: none"> - Spend 4 Plymouth – A massive focus on local procurement for local jobs - Build 4 Plymouth – An ambitious capital programme and economic stimulus to support construction jobs, building a better and greener Plymouth - Skills 4 Plymouth – Extensive new support for young people and retraining our workforce for future jobs through our skills launch pad - City Centre Renaissance programme – support for our city centre and a regeneration plan - Resurgam Beacons – A focus on our future. We will seek to create new jobs in the blue and green economy. That is our amazing marine sector and a new green deal for jobs - Sector Action Plans – a bespoke package of interventions led by the private sector for our 11 key sectors, building on our Resurgam plans and innovating and collaborating together through our newly established Sector Hub. <p>Supporting our sectors whether they are in critical shock, stable, or capable of high growth. These sectors are:</p> <ul style="list-style-type: none"> - Construction and the Built Environment - Creative Industries - Digital - Defence - Health and Care - Fishing - Manufacturing - Marine - Retail - Tourism and Hospitality 	<p>16</p>	<p>Amber</p> 	<p>Anthony Payne</p>
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		<ul style="list-style-type: none"> - Transport and Distribution. <p>We have also established the cross cutting theme of inclusive growth. Our aim is to 'build back better', growing a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of all of the people of Plymouth.</p>			
4	<p>Ongoing COVID-19 rates (with potential for further peaks) affect city's recovery / reset plans. It is not yet clear what mitigations will be needed for us to live with COVID-19. There remains a high risk of further waves but the timing is not certain. Rates remain high and are likely to increase over the winter period.</p>	<ul style="list-style-type: none"> - Vaccination programme continues, with additional work to reduce health inequalities. This now includes the booster programme and the 12-15 year old programme - Local Outbreak Management Plan revised and includes ability to respond to new variants of concern, as well as various mitigations (such as asymptomatic testing), which will help the city to live with COVID-19. 	16	Amber	Ruth Harrell
5	<p>Failure to reduce Health Inequalities will mean our poorest residents continue to live shorter lives as well as more years in ill health. Mounting evidence that COVID-19 is having differential health impacts across communities, adding to existing health inequalities. This is through either the disease itself or the mitigations put in place. There is an ongoing impact of this due to the economic downturn. The primary role of the Office of the Director of Public Health (ODPH) and the</p>	<p>Persistent action across the Council is required at many levels to tackle inequalities by addressing the wider detriments of health. The public health team and partners continue to work with employers (year one focus) and schools (year two focus) to influence healthier lifestyles. The team continues to embed and promote the national One You campaign across the city. The 'five ways to wellbeing' has been adopted across the city as the single approach to improving mental wellbeing. The work that started in year five on 'people connecting through food' is ongoing with a number of new initiatives developed. The focus on arts, culture, heritage and health (using the Mayflower 400 commemorations) continued throughout 2020 and 2021. The Thrive Plymouth Network will re-start and continue to meet on a quarterly basis to ensure delivery of the programme. Discussions are ongoing about Year Seven of the Programme, which is likely to focus on Trauma Informed. Evidence has been provided to the Health and Wellbeing Board on the risk of widening health inequalities and partners are working together to try to mitigate. The local Care Partnership priorities are being refreshed and include tackling</p>	16	Amber	Ruth Harrell

	Public Health Team in particular is now to try to manage COVID-19 in the city, therefore protecting most deprived communities from further negative impacts.	<p>inequalities. Both of these routes bring partners together to understand the issues and the steps needed to tackle health inequalities in the city.</p> <p>In addition to this, to support the work of the Council's cross-party Child Poverty Working Group, a high level review of the evidence of the impacts of the pandemic on the mental wellbeing of children and young people has been carried out. As already stated, the primary role of the ODPH and the Public Health Team in particular is now to minimise the impact of COVID-19 in the city, therefore protecting most deprived communities from further negative impacts.</p>			
6	Increased and sustained pressure on Adult Social Care budget due to increased costs of providing care, growing numbers of people and increased complexity of need. As this is a statutory service and largest single budget it could have a significant impact on the Authorities overall financial position.	<ul style="list-style-type: none"> - Real time management information - Strong Reablement Offer - Established Review Programme - Commissioning Intentions and Commissioning Activity to develop new models of care - Budget containment meetings in place - Brief providers around risks relating to COVID-19 and infection control and safe system measures - Focus on reviews and reablement to right size packages of care - Emergency plan to cover need to prioritise critical services. 	16	Amber 	Craig McArdle
7	Insufficient pupil attainment to achieve economic / quality of life outcomes across secondary cohort.	<ul style="list-style-type: none"> - Plymouth Education Board (PEB) (and sub groups) is being reviewed to strengthen education partnership - Strengthen School Causing Concern procedure - School improvement work will create a partnership of distinct interventions to drive improvement and raise achievement - Cause for concern meetings. Inclusion Strategy Board as an added strand of PEB work - Proposed Inclusion Mark for the city to celebrate inclusion. 	15	Amber 	Alison Botham

		<p>The Plymouth Standards Partnership Recovery & Improvement Plan: A key priority is work to support disadvantaged pupils. The work of the Plymouth Commission has been extended to focus on attainment for secondary aged pupils and school improvement. This has also focussed on the impact of the COVID-19 response arrangements, and a survey of all secondary schools has been undertaken to inform priorities for re-engaging pupils in September. Schools are expected to have the capacity to offer immediate remote education for classes or groups who are required to self-isolate for a short period of time, or where there are local restrictions requiring pupils to remain at home. Schools are being offered a catch up premium of £80 per pupil for most schools, to assist with programmes of learning to support pupils who require additional support. At this time, it is intended that subject to some adjustments to content and activity, in the summer 2021, GCSEs, AS and A levels are all teacher assessed.</p>			
8	<p>The Council having insufficient workforce capacity and resilience to deliver the required range of services to meet statutory obligations and administration priorities.</p>	<ul style="list-style-type: none"> - Develop online training programmes - Implementation of 'The Way We Work' programme (technology, information management, accommodation) to enable the right conditions for success - Review of senior structure - Review of business plans - Possible remodelling of services - Ongoing 1:1s - Working towards Gold Wellbeing at Work Award - Increase in number of Wellbeing Champions to 60 (from 44) - Implement New Ways of working and deliver Accommodation Strategy. 	15	<p>Amber</p> <p>█</p>	<p>Andy Ralphs</p>

9	The Council not meeting its obligation to keep data secure by failing to adhere to Data Protection Act 2018 Regulations.	<ul style="list-style-type: none"> - Roll out staff awareness training to all staff - Implement greater reporting consistency within directorates - Implement improved incident analysis within the Service Desk - Improved contract management with partners - Implement greater reporting consistency within directorates - Implement improved incident analysis within the Service Desk - Standardised breach management processes distributed to key staff - Implement compliance requirements into DELT business as usual - this is a work stream of the information management project - Corporate Privacy Notice complete, service specific Notices being finalised. 	15	Amber █	Andy Ralphs
10	The Council not meeting its legal obligations regarding the health, safety and wellbeing (HS&W) of its workforce.	<ul style="list-style-type: none"> - Agree substantive future working arrangements according to worker type - The Big Listen November 2021 - Delivery of 21/22 HS&W action plan - Taking action on future Government guidelines in relation to COVID-19. 	15	Amber █	Andy Ralphs
11	The Council is unable to fulfil its legal obligations regarding the safety of its citizens and service recipients.	<ul style="list-style-type: none"> - Statutory post holders - Commissioning and service Improvement plans - Budgetary management - Revision of business plans. 	12	Amber █	Alison Botham/ Craig McArdle
12	Departure from EU single market without a trade deal further decreases city economic output.	<ul style="list-style-type: none"> - Continued regional engagement to maintain strong influence - Monitor proposed regulatory changes for service impact - Continue to act promptly on government guidelines when issued. 	12	Amber █	Giles Perritt
13	Risk of failing to meet carbon reduction targets to reach net zero by 2030.	<ul style="list-style-type: none"> - Year 1 action plans have been completed for both Climate Emergency Action Plan (CEAP) and Council Carbon Reduction Plan (CCRP) - Year 2 action plans for both CEAP and CCRP have been approved by Full Council (January 2021) 	12	Amber █	Anthony Payne

		<ul style="list-style-type: none"> - Brexit, Infrastructure and Legislative Change Overview and Scrutiny Committee have received six monthly performance updates (October 2020 and March 2021) - Year 3 action plans for both CEAP and CCRP are timetabled in to Full Council in January 2022. 			
14	Risk of financial impact of delivering proposed changes to Waste Services as set out in the Government's Draft Environment Bill.	<p>The Council have partnered with the Waste Industry body 'Waste and Resources Action Programme' to jointly commission external support to assess the likely impacts and opportunities of the Environment Bill. The funding for this work has been wholly met by Department for Education, Food and Rural Affairs. The procurement of this work will complete by November 2021 with a final report due in March 2022. The scope of the work is as follows:</p> <ul style="list-style-type: none"> - To understand the implications of, and ensure the Council meets, the government's requirements as proposed in the Resources & Waste Strategy - To help inform the future design of the Council's household waste collection service and understand the implications in terms of reprocessing infrastructure - To understand the likely impact that changes to the current household waste collection service will have on the Council's recycling performance - To consider where operational efficiencies can be achieved whilst still delivering a service that meets the needs of its residents and allows the Council to maintain high levels of customer satisfaction - To appraise whether existing waste management infrastructure and assets in Plymouth, and the surrounding area, are likely to be sufficient for future requirements; and if they are deemed not to be then to provide options to inform the Council's waste strategy and spatial planning. 	12	Amber 	Anthony Payne
15	The Council's expenditure exceeds the resources available to meet that expenditure within the medium term financial plan (MTFP) period (2022/23-2025/26).	<p>The Council has taken the following steps</p> <p>(1) to adopt a 5 year MTFP moving forward rather than a 1 year or 3 year model</p> <p>(2) to adopt a system of monthly financial reporting to Directorate Management Teams, Corporate Management Team, and Cabinet and</p>	12	Amber 	Brendan Arnold

		<p>Quarterly to Full Council, with monthly consideration of directorate level financial issues at each Scrutiny Committee</p> <p>In addition the Council has introduced a system of detailed monitoring of the delivery of savings targets so that a view is published monthly in Cabinet reports. The Council also holds an annual review of fees and charges and has annual and ongoing programmes of work to identify and understand potential savings opportunities. The governance system of the Council - as unpacked in the Annual Governance Statement comprise a rigorous system of financial control. In acknowledgement of budget pressures and the choices that lie ahead on a successive basis to balance future budget shortfalls the Council has launched a Budget Consultation process to inform difficult budget choices moving forward.</p>			
16	<p>Risk of failing to deliver the range of housing to meet Plymouth's need.</p>	<ul style="list-style-type: none"> - Strategic Land Review completed and now released 45 housing sites to the market - Established Housing Investment Fund to support interventions to unlock housing delivery - Working with Homes England to develop a Placed Based Strategic Partnership to unlock and deliver a pipeline of housing sites, support city centre renaissance and to help align government funding with housing site opportunities. Proposal to establish a tripartite partnership between The Department for Levelling Up, Housing, Communities and Local Government, Homes England and Plymouth City Council/South Hams/West Devon with the vision to transform the pace and quality of housing provision to fully meet housing need. Work with Homes England has led to agreed solutions on legacy sites to unlock delivery. - Launched the Plymouth Eco-Homes Programme to deliver over 250 low-carbon and net-zero homes across Plymouth - Embarking on our Direct Delivery of new homes to drive up good design, quality and sustainable living. Identifying a pipeline of future sites to support our direct delivery ambitions - Developing Housing Partnership Agreements with key Housing Association Partners to maximise their investment and delivery in the city 	9	<p style="text-align: center;">Green</p> <hr style="width: 20px; margin: auto;"/>	<p>Anthony Payne</p>

		<ul style="list-style-type: none"> - Considering site acquisitions and provided funding to help unlock stalled Joint Local Plan (JLP) sites. Reviews of JLP sites completed and monitored, with delivery strategies being implemented. Site allocations tracker used to monitor delivery and progress throughout the year, working with officers to explore necessary actions to bring sites forward and establish trusted partnership. Facilitate PPAs with developers to encourage delivery and facilitate proactive working arrangements - Bidding to a number of government funding programmes to support new homes - Ongoing work with Homes England and Department for Levelling Up, Housing, Communities and Local Government to unlock funding and making the case for a fairer allocation of national funding for homes - Ongoing innovation to improve the proactive and fast track approach to planning to deliver housing - Monitoring development activity in the construction sector to understand the effect of COVID-19 on housebuilding - We will manage the five year land supply position to ensure that decisions on sites are taken using a balanced and objective assessment of market conditions - Work with Resurgam programme to develop measures to support and boost housebuilding, supporting Plymouth’s economic recovery and other Resurgam activity - Work with the Plymouth Housing Development Partnership to leverage their investment and progress housing projects to stimulate affordable housing delivery, and support Small and Medium Enterprises to start building again - We will work with Department for Levelling Up, Housing, Communities and Local Government and Homes England to maximise investment in new homes and infrastructure. 			
17	Risk to vulnerable children and young people in the care system, by not delivering early intervention and prevention.	Continue to drive forward change across the partnership in relation to whole family working, engagement with the Early Help Assessment Tool process, data exchange and achieving the outcomes required within the Troubled Families Outcomes Plan.	6	Green <hr style="border: 2px solid black; width: 50px; margin: 0 auto;"/>	Alison Botham

4.0 Operational Risk Register

- 4.1 There are 119 risks on the operational risk register, three of which have a risk rating of Red; these relate to risk of injury at Mount Edgumbe, the management of Asbestos and the risk of injury or incident linked to traffic management and segregation at Council depots.

The risk relating to the Council's failure to obtain the PSN (Public Service Network) compliance from the Cabinet Office has been downgraded from a red risk to amber. This is because the accreditation was achieved for 2021, having not been achieved in 2020. An action plan is being put in place to ensure that failure does not happen again. Further details on the 'red risks' are shown in table two below.

Table two – Operational Risk Register Updates – Red Risks only

No.	Description	Mitigation	Risk Score	Current risk rating	Risk Owner
1	<p>Risk of loss of life, injury or property damage due to tree falling within the city and at Mount Edgumbe.</p> <p>Ash dieback is now present in the city and Mt Edgumbe and is affecting large numbers of ash trees, meaning they are more susceptible to shedding limbs. Ash is the third most common species of tree in Devon and represents 1000s of the trees on land in the city. The disease is expected to infect over 90% of ash trees in the city in the coming years and therefore increases the risk to public safety and damage to</p>	<ul style="list-style-type: none"> - Works ongoing due to large backlog of work - Initial assessment of Ash dieback and report issued - Tree Risk Management Review completed - Increased partnership working and share - Higher risk rating relates to Mount Edgumbe and requirement for capital funding to deliver tree management plan - Plan for Trees Investment budget will need reviewing, profiling and reporting on by the end of year as spend is currently greater than forecast. We are now in a better position to be informed about likely costs as a full survey season has been undertaken - Still a case to be raising this at national level to ensure that costs to LAs are recognised by national government, Department for Education, Food and Rural Affairs / Department for Levelling Up, Housing, Communities and Local Government and a plan/ funds provided. 	20	<p>Red</p> <p>↑</p> <p>Red since Oct 2021</p>	David Draffan / Paul Barnard

	infrastructure, as well as having a significant impact on biodiversity and decreasing the city's canopy cover.				
2	Inadequate Asbestos Management Arrangements - resulting in closure of buildings/services, legislation breach, potential litigation for health claims, failure of duty of care, poor corporate governance	<ul style="list-style-type: none"> - Completion of the pilot of three buildings - Roll out of the MAC initiative to all remaining buildings - Management of the buildings, linked to Person in Charge changes and take up within all risk areas. 	20	<p>Red</p> <hr/> <p>Red since Feb 2021</p>	Kim Brown
3	Risk of injury or incident from inadequate traffic management and segregation between pedestrians and vehicles at depots	<ul style="list-style-type: none"> - Project works to address all aspects of site traffic flow and pedestrian segregation - Training programme to ensure that all employees, contractors and businesses operating on site understand the Safety Watch Observation Programme - Project Board to be initiated to ensure that all project works are managed as a coherent whole - Perimeter fencing to be installed around land fill site - Replacement of push walls in Refuse Transfer Station and green waste area - Assurance around environmental agency requirements for the monitoring of gases and leachate. 	20	<p>Red</p> <p>↑</p> <p>Red since Oct 2021</p>	Philip Robinson

5.0 Scoring Guidance and Risk Matrix

To ensure that a consistent scoring mechanism is in place across the Council, risks are assessed using the agreed criteria for likelihood and impact. Risk scoring guidance is shown below.

Score	Likelihood	Threat / Risk
5	Almost Certain (80-100%)	Is expected to occur in most circumstances Will undoubtedly happen, possibly frequently e.g. annually or more frequently Imminent/near miss For health and safety risk – one in 100 chance of the adverse event happening
4	Likely (50-80%)	Will probably occur in many circumstances Will probably happen, but not a persistent issue e.g. once in three years Has happened in the past For health and safety risk – one in 1,000 chance of the adverse event happening
3	Possible (25-50%)	Could occur in certain circumstances May happen occasionally, e.g. once in 10 years Has happened elsewhere For health and safety risk – one in 10,000 chance of the adverse event happening
2	Unlikely (10-25%)	May occur only in exceptional circumstances Not expected to happen, but is possible e.g. once in 25 years Not known in this activity For health and safety risk – one in 100,000 chance of the adverse event happening
1	Rare (0-10%)	Is never likely to occur Very unlikely this will ever happen e.g. once in 100 years For health and safety risk – one in a million chance of the adverse event happening

Risk Impact (Severity)

Score	Impact	Threat / Risk
5	Catastrophic Risk	Risks which can have a catastrophic effect on the operation of the Council or service. This may result in critical financial loss, severe service disruption or a severe impact on the public. Examples: Unable to function without the aid of government or other external agency Inability to fulfil obligations Medium to long term damage to service capability Severe financial loss – supplementary estimate needed, which will have a catastrophic impact on the Council's financial plan and resources are unlikely to be available Death (single or multiple) or work related diagnosis leading to death Adverse national publicity – highly damaging, severe loss of public confidence Significant public interest Litigation certain and difficult to defend Breaches of law punishable by imprisonment Very significant exposure of public funds with funding being managed across organisations and complex reporting Very complex stakeholder community with new partnerships, collaborations and suppliers/stakeholder environment volatile or with significant external change factors

		Extensive use of leading edge, novel or innovative technology, which requires specialist management and external audit
4	Major Risk	<p>Risks which can have a major effect on the operation of the Council or service. This may result in major financial loss, major service disruption or a significant impact on the public. Examples:</p> <p>Significant impact on service objectives</p> <p>Short to medium term impairment to service capability</p> <p>Major financial loss – supplementary estimate needed, which will have a major impact on the Council's financial plan</p> <p>Extensive injuries, major permanent harm, long term sick</p> <p>Permanent/significant disability</p> <p>Major adverse local publicity, major loss of confidence</p> <p>Litigation likely and may be difficult to defend</p> <p>Breaches of law punishable by fines or possible imprisonment</p>
3	Moderate Risk	<p>Risks which have a noticeable effect on the services provided. Each one will cause a degree of disruption to service provision and impinge on the budget. Examples:</p> <p>Service objectives partially achievable</p> <p>Short term disruption to service capability</p> <p>Significant financial loss – supplementary estimate needed, which will have an impact on the Council's financial plan</p> <p>RIDDOR (Reporting of injuries, diseases and dangerous occurrences regulations) or major injury</p> <p>Medical treatment required, semi-permanent harm up to one year</p> <p>Some adverse publicity, needs careful public relations</p> <p>High potential for complaint, litigation possible</p> <p>Breaches of law punishable by fines only</p>
2	Minor Risk	<p>Risks where the consequences will not be severe and any associated losses will be minor. As individual occurrences they will have a negligible effect on service provision. If action is not taken, then such risks may have a more significant cumulative effect. Examples:</p> <p>Minor impact on service objectives</p> <p>No significant disruption to service capability</p> <p>Moderate financial loss – can be accommodated at head of service level</p> <p>Three or more day injury</p> <p>First aid treatment, non-permanent harm up to one month</p> <p>Some public embarrassment, no damage to reputation</p> <p>May result in complaints/litigation</p> <p>Breaches of regulations/standards</p> <p>Budget within delegation</p>
1	Insignificant Risk	<p>Risks where the consequences will not be severe and any associated losses will be relatively small. As individual occurrences they will have a negligible effect on service provision. If action is not taken, then such risks may have a more significant cumulative effect. Examples:</p> <p>Minimal impact, no service disruption</p> <p>Negligible impact on service capability</p> <p>Minimal loss – can be accommodated at senior technical accounting level</p>

	First aid injury Unlikely to cause any adverse publicity, internal only Breaches of local procedures/standards Budget within delegation and relatively small or within operational costs
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When assessing the risk, the highest measure identified in each table is the score taken to plot the risk level on the risk matrix. The risk ratings for each part of the assessment are multiplied to give an overall ranking for each risk. The risk matrix uses a “traffic light” approach to show high (red), medium (amber) and low (green) risks.

Risk Matrix Table

Likelihood / Probability	Almost Certain	5	10	15	20	25
	Likely	4	8	12	16	20
	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Rare	1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
		Impact / Severity				

Risk Tolerance		
Red (High Risk)	20 - 25	Must be managed down urgently
Amber (Med/High Risk)	12 - 16	Seek to influence medium term/monitor (as per risk appetite escalation)
Amber (Medium Risk)		
Green (Low Risk)	6 - 10	Acceptable – continue to monitor if circumstances are subject to change, if not, remove from register
Yellow (No risk)	1 - 5	Can be removed from register and managed locally within team but consider adding to risk register if controls are likely to change

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