

BUDGET SCRUTINY OVERVIEW

Budget Setting 2026-27



TIMELINE

Day One:

- *Session 1: Strategic Overview – Revenue and Capital Budgets*
- *Session 2: Housing, Homelessness and Communities*
- *Session 3: Health and Adult Social Care*

Day Two:

- *Session 4: Children's Social Care and Education*
- *Session 5: Strategic Planning, Transport and Environment*
- *Formalise Recommendations*

9th February: Cabinet – Budget Report 2026/27

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

BUDGET CONTEXT

○ **Pressures on Demand-Led Services**

Plymouth City Council continue to face into cost pressures across its demand-led services, particularly in adult social care, children's social care, homelessness, and SEND provision. These services are experiencing rising volumes and increasing complexity of need, which in turn are driving up costs and placing strain on existing budgets. In adult social care alone, the number of clients and the intensity of support required have increased significantly, with cost complexity now a major contributor to budget growth. Children's services are seeing higher placement costs, including a growing number of unregistered and high-cost residential settings, while the city's maintained special schools are at full capacity, leading to increased reliance on expensive independent placements for children with SEND.

Homelessness services are under sustained pressure due to a shortage of affordable housing, the impact of the cost-of-living crisis, and expanded statutory duties. The number of households requiring temporary accommodation continues to grow, with many presenting with complex needs.

These pressures are compounded by the financial impact of the Dedicated Schools Grant (DSG) deficit, which, although currently excluded from the Council's formal financial position through a statutory override, is generating significant revenue costs due to the borrowing required to fund expenditure. The Government's White Paper on SEND reform is expected in early 2026 (delayed from this Autumn), meaning further clarity will be able to feed into the Budget Scrutiny session – with expectation that it will clarify and set-out the approach to the long-term reform needed to tackle this national issue.

○ **Changes to Core Funding**

The council is also entering a period of transition in how core funding is allocated, with national reforms offering both challenges and opportunities. The Government's Fair Funding 2.0 consultation marks a significant step forward in the evolution of local authority finance. It aims to simplify the system, consolidate over 300 separate grants into fewer core funding streams, and better reflect the needs and characteristics of individual councils. It also sees the reestablishment of a three-year settlement period, allowing for more certainty in financial planning and forecasting.

For Plymouth, the reforms are expected to bring additional funding over the next three years, which is a welcome development. Early modelling suggests a net increase in baseline allocations, helping to

support services where demand continues to grow, however not at levels sufficient to financially meet these needs outlined above.

The proposed reforms involve the roll-in of several specific grants - particularly those supporting social care - into the Settlement Funding Assessment (SFA). While this does not represent new money, it does change how funding is structured and reported and is initial modelling of the impact suggests real-term funding decrease that will need to be addressed in these specific areas.

The reset of the Business Rates Retention Scheme, also planned for 2026/27, introduces further change. Plymouth has historically benefited from pooling arrangements and retained growth, and while the reset is intended to rebalance the system nationally, the final methodology and transitional protections are still to be confirmed. The Council continues to model its business rates income cautiously and is relying on historic trends to set future expectation whilst further information is awaited.

The outcome of both these significant changes to funding will be clearer by the time of the Budget Scrutiny sessions, allowing for more informed budget discussions. Most significantly, the provisional settlement is expected to be announced by Government in late December 2025.

○ **Prevention First Agenda (Transformation)**

The council is responding to this financial environment with a focused and coordinated programme of change. Rising demand, a shift in funding approach, and structural pressures across key services require more than short-term fixes - they demand a strategic shift in how the Council operates and delivers services. To meet this challenge, four core areas of delivery have been prioritised to improve outcomes, reduce costs, and ensure long-term sustainability.

Reducing Placement Costs involves targeted action in services experiencing the fastest growth. Adult Social Care is expanding reablement care to reduce long-term dependency through its Front Porch initiative. Children's Services are strengthening placement sufficiency, SEND provision is being expanded, and additional temporary accommodation is being delivered to meet rising homelessness demand.

Enabling Our Organisation to Change focuses on building smarter ways of working. Investment in data, insight, and digital infrastructure is improving decision-making, customer experience, and operational agility. These capabilities are helping embed a culture of continuous improvement across the organisation.

The **City Help & Support Programme** supports the Council's prevention-first strategy. It brings together multi-disciplinary teams to deliver early help and targeted support, reducing reliance on high-cost statutory interventions and enabling long-term financial benefits.

Finally, **Service-Level Delivery** is being reshaped to improve efficiency and sustainability. Directorate teams are streamlining processes, reducing duplication, and focusing on delivering services right first time.

To balance the budget, directorates are expected to deliver savings to support budget pressures through efficiency measures, service redesign and income generation. These savings must be carefully balanced against the risks of non-delivery, ensuring that proposals are both achievable and sustainable. Risk assessments and mitigation strategies should be embedded within all savings plans to support robust financial management.

Provisional Budget Scrutiny Schedule:

<i>Time</i>	<i>Session Contents</i>	<i>Chair and speakers</i>
Day 1		
09:30	<u>Welcome</u> <ul style="list-style-type: none"> • Apologies and Substitutions • Declarations of Interest • Chair's Urgent Business • Draft Aims and Objectives 	Cllr Mark Coker (Chair)
09:45	<u>SESSION ONE</u> Leader of the Council Cabinet Member for Finance Deputy Leader The overview of the Council and its resources The Corporate Plan Economy and Enterprise; including Freeport Regional and Local Economic Strategy Strategic and commercial projects Revenue Budget Capital programme Revenues and municipal enterprise	Cllr Tudor Evans OBE Cllr Mark Lowry Cllr Jemima Laing Tracey Lee <i>S151 Officer</i> Paul Barnard David Draffan Wendy Eldridge Helen Slater
11:15	Break	
11:30	<u>SESSION TWO</u> Cabinet Member for Housing, Co-operative Development and Communities Cabinet Member for Customer Experience, Sport, Leisure, HR and OD Cabinet Member for Community Safety, Events, Libraries, Cemeteries and Crematoria Plan for Homes and associated initiatives Homelessness Community engagement Customer services Sports and Leisure Environmental health Trading standards Crime and Anti-social behaviour Civil Protection and resilience Library service	Cllr Chris Penberthy Cllr Sue Dann Cllr Sally Haydon Gary Walbridge Professor Steve Maddern Matt Garrett Jackie Kings Sharon Richards Nathan Franklin

	Bereavement and Crematoria	
13:30	Lunch	
14:00	<u>SESSION THREE</u> Cabinet Member for Health and Adult Social Care Older people's services Mental Health services Physical disability services Drug & alcohol services Learning disabilities services Adult public health Adult Safeguarding Health and social care Children's and adult's dental health Children's public health	Cllr Mary Aspinall Gary Walbridge Professor Steve Maddern Julia Brown Chris Morley Rebecca Sampson Sharon Richards
15:00	Break	
15:15	Continuation of Session Three	
16:15	Reflections on Day One	

<i>Time</i>	<i>Session Contents</i>	<i>Chair and speakers</i>
Day 2		
09:30	<p><u>SESSION FOUR</u></p> <p>Cabinet Members for Children's Social Care, Culture, Events and Communications</p> <p>Cabinet Member for Education, Skills and Apprenticeships</p> <p>Children Safeguarding and protection (Children's Social Care)</p> <p>Children in Care and Care leavers</p> <p>Children in Need</p> <p>Children's Social Care</p> <p>Children's mental health</p> <p>Early Intervention, Prevention and Targeted Support</p> <p>Youth Justice and Youth Services</p> <p>Post 16 – Education and training</p> <p>Apprenticeships</p> <p>Schools</p> <p>Early Years</p> <p>Adult Education</p> <p>Skills and Employability</p> <p>SEND</p>	<p>Cllr Jemima Laing</p> <p>Cllr Sally Cresswell</p> <p>David Haley</p> <p>Lisa Davies</p> <p>Amanda Davis</p> <p>Matthew Fulton</p> <p>Louise Jenkins</p>
11:30	Break	
11:45	<p><u>SESSION FIVE</u></p> <p>Cabinet Member for Strategic Planning and Transport</p> <p>Cabinet Member for Environment and Climate Change</p> <p>Spatial and infrastructure planning</p> <p>Strategic transport policy including public transport, active travel, community transport, concessionary fares and non- commercial routes</p> <p>Flood risk management</p> <p>Highways operations and maintenance</p> <p>Pavements</p> <p>Parking</p> <p>Marine services</p> <p>Climate change</p> <p>Plymouth Net Zero Action Plan</p> <p>Climate Emergency Investment Fund</p> <p>Energy policy, decarbonisation and renewable energy initiatives</p> <p>Commercial and domestic waste management</p> <p>Environmental enforcement</p> <p>Parks, recreation and sports pitches</p> <p>Street cleaning</p>	<p>Cllr John Stephens</p> <p>Cllr Tom Briars-Delve</p> <p>Glenn Caplin-Grey</p> <p>Andy Sharp</p> <p>Paul Barnard</p> <p>Sharon Gillett</p>

12:45	Lunch	
13:15	Continuation Session Five	
14:15	Informal Session	Cllr Mark Coker (Chair)
15:45	Recommendations	Cllr Mark Coker (Chair)