TRANSFORMATION STRATEGY

OUR DRIVERS OF CHANGE AND OUR AMBITION TO DELIVER

EXECUTIVE SUMMARY

As a result of our three-year demand forecasting and the 2026/27 to 2028/29 Local Government Finance Settlement, the Council now has a greater level of certainty about its financial position and the scale of transformation required. The clarity provides a firm foundation for a programme that builds on the progress already delivered and work currently underway.

This transformation strategy sets out the Plymouth City Council's strategic drivers for change, in terms of the three areas of challenge: (1) more demand for services than capacity; (2) insufficient resources to go around; and (3) the need to design services that better meet the needs of our customers. This strategy therefore has a defining main effort: **to reduce demand, reduce costs and increase the positive impact of our services**; particularly in the high demand/high-cost areas of Adult Social Care, Children's social care and placements, Homelessness and provision of SEND (including home to school transport and short breaks).

In the context of the Medium-Term Financial Plan (MTFP), this equates to an urgency of scaling up prevention and redesigning services to reduce long-term pressure on the system. The MTFP forecast models a cumulative gap before mitigations (by March 2031) of £54.851m. After mitigations this reduces to a cumulative gap of £7.351m. Transformation projects and programmes are therefore required to deliver 'additionality' – above minimum of £5m annual savings from Business as Usual within each directorate from FY27/28 – of the following:

Reduce the demand pressures (prevention and cost avoidance) required within the Children's and Adults' Directorates, with an initial saving assumed of £5m for the first two full years of the MTFP and £2.5m the following year. These numbers will be refined as the early intervention and prevention programmes develop. **Total anticipated transformation saving of c. £12.5m**
New Target Operating Model (TOM) to be developed and scheduled for Cabinet approval in May 2026; with implementation from Q1 of FY26/27. **The TOM is anticipated to reduce the structural deficit which has been traditionally funded by one-offs.**

- **Growth and income** from other programmes

To deliver the scale of change required, this strategy sets the direction for:

- The **financial contribution, investment and savings**, to be made by the portfolio over the period of the MTFP.
- The **structure** of our Transformation Portfolio including the themed workstreams.
- The emerging **key projects and programmes within each themed workstream** and what they seek to achieve.
- The **financial principles** underpinning the use of flexible capital receipts to help fund the investment required to deliver the portfolio.
- The **governance principles** controlling decision making over the portfolio.
- The continued maturity of a **Corporate Programme Management Office** to provide support and assurance to the delivery of the portfolio.
- The **Plan on Page (PoP)** as a high-level visual summary illustrating entire transformation strategy into a single, coherent narrative, helping leaders, members and officers maintain shared clarity on the "what, why, how and when" of change.

- **Assurance of delivery of savings and benefits** to be provided to Cabinet as the programme develops with monthly assurance oversight of savings delivery as part of financial reporting.
- **Communication** and **Engagement Plan** with the whole Council is fundamental to successful delivery. The communication strategy and supporting plans will be part of the execution of the strategy. Target is from April 2026.

INTRODUCTION

Plymouth is a city with bold ambitions for the future. Our shared vision, set out in the Plymouth Plan, looks ahead over the next 25 years to create a thriving, sustainable, and inclusive city. This plan brings together priorities for housing, jobs, health, education, and the environment, and is developed in partnership with key stakeholders across the city. We are currently working with the City Leadership Group to refresh the Plymouth Plan, ensuring it reflects the challenges and opportunities of the decades ahead.

A major pillar of this work is driving inclusive economic growth. Plymouth is already home to a £6.97 billion economy supporting 116,000 jobs and has set an ambitious trajectory to grow its population to 300,000 by 2034, underpinned by a strong track record of investment and regeneration projects across the city. We are focusing on productive, inclusive and sustainable growth, ensuring we capitalise on the city's strengths - from marine and defence to culture and innovation. The new opportunities offered by the city's growth will help improve quality of life for all residents. Ultimately our ambition for this City is to deliver inclusive growth. It is only through more jobs, increased skills, higher wages, better housing and greater opportunities, that we can raise prosperity - lifting people out of poverty and improving health outcomes. This is best way to reduce demand for Council services in the long term.

The Council's Corporate Plan translates this city-wide vision into the responsibilities we hold as Plymouth City Council. It sets out how we will deliver on the commitments in the Plymouth Plan and the outcomes that matter most to our residents and communities. The principles that will underpin our transformation include:

Our Vision & Strategic Narrative: A shared, citizen centered transformation story to ensure alignment of members, officers and partners - critical for place-based delivery and balancing statutory duties with financial constraint.

Engaged & Empowered Leadership: Cabinet sponsorship with Officer delivery ensures clarity and consistency of mandate for change and focus despite multi-year financial pressures and dynamic external factors beyond our control.

Clear, Resident Centered Outcomes and Savings (Return on Investment): Designing services around residents' needs supports early intervention and prevention strategy to reduce avoidable demand service outcomes.

An Effective Operating Model: Redesigning public service delivery, processes, structures and enabling technology ensures services are sustainable, affordable and efficient.

Data & Technology Enablement: Establishing our data as an asset that connects through our systems to ensure we are evidence based in our decision making across the big four areas of service delivery; Adult Social Care, Children's Services, Homelessness and SEND provision.

These principles will drive our transformation.

Our priorities are shaped by a framework of mutually supporting priorities with defined ambition:

- **Long-term strategic priorities**: The big issues that will fundamentally change the City.
- **Short-term priorities**: Often political, responding to immediate needs and commitments.
- **Service delivery priorities:** The Business-as-Usual delivery of services for residents.
- **Organisational effectiveness priorities**: The brilliant basics that make the Council the best it can be; modern, efficient, effective, innovative and financially sustainable. Things just work better.

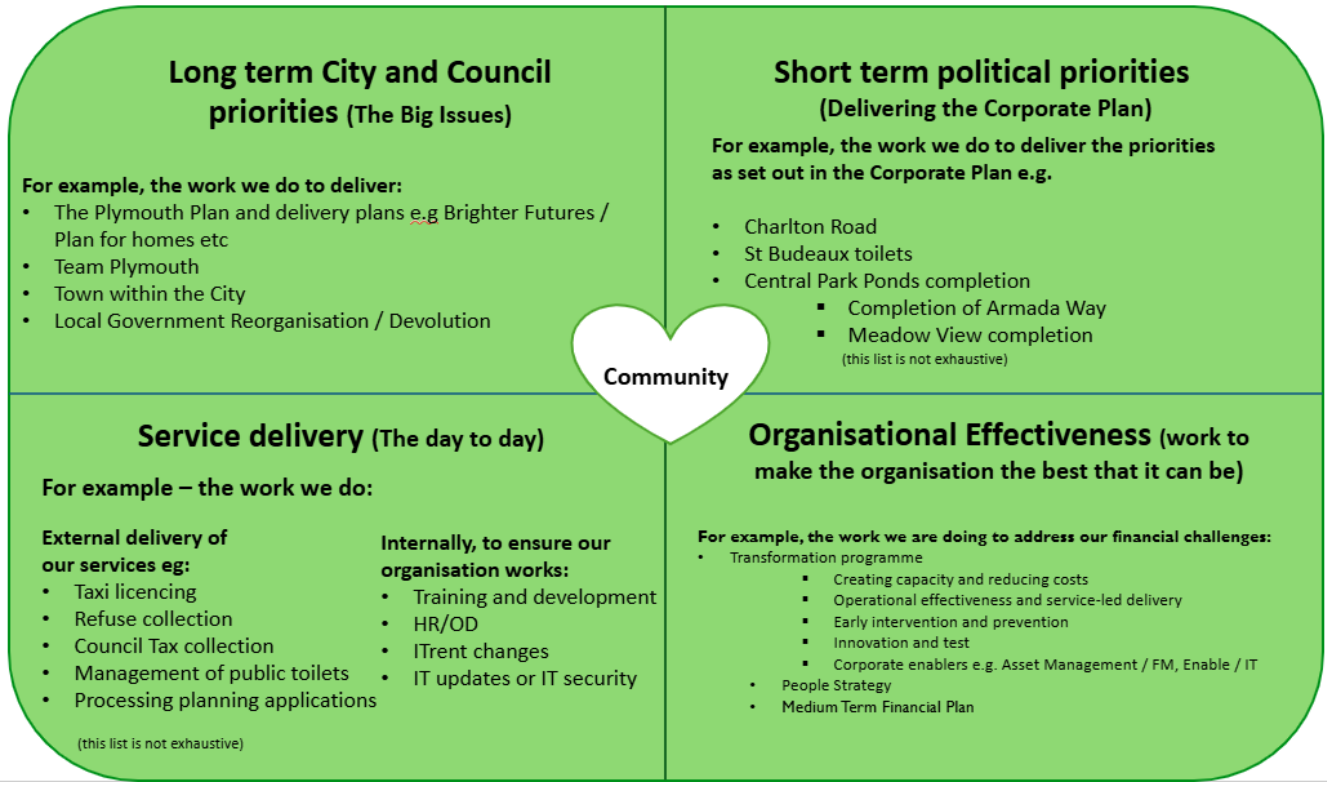

Diagram 1: A framework for our priorities and ambition.

This strategy focuses on our drivers for change, combined with the above framework, as the next stage in our evolution. The strategic aim is to reduce demand, reduce costs and increase the positive impact of our services; particularly in the high demand/high-cost areas of Adult Social Care, Children's Services, Homelessness and provision of SEND (including home to school transport).

WHAT TRANSFORMATION MEANS TO US

It is important to define Transformation as opposed to Business as Usual (BaU) so that there is clarity. To establish what is approved and funded within Transformation Portfolio and what is not. This is essential so that the Corporate Programme Management Office (CPMO) can deliver the governance, assurance and benefits tracking that is critical to the grip and pace needed in delivery. Ultimately, that the savings and service improvements are realised.

For Plymouth City Council, Transformation is defined as:

> ***"A portfolio of change at scale delivered in programmes and projects so that residents experience better outcomes in multiple areas of service delivery. It is characterised by large-scale, multi-dimensional organisational change, not simply new projects. Transformation must deliver clear benefits – both financial and non-financial."***

It requires alignment to the Plymouth Plan and Corporate Plan and priorities. The things that matter including conscious decisions to defer or stop doing things that are not a priority. We need to be outcomes focused in everything we do. It is delivered through programmes and projects that embed impact and benefits.

To be classed as 'Transformation', the following should be considered:

- Redesign an end-to-end service journey and its enabling back-office processes. It is invariably complex involving multiple stakeholders.
- Involve integration and use of shared platforms/data where viable.
- Evidence measurable investment and return in terms of outcomes and benefits (customer/citizen experience, cost-to-serve, risk, compliance) over multiple years.
- The CMPO provides assurance and governance gateways with a Senior Responsible Owner (SRO) for leadership and accountability.
- Include workforce & culture change (skills, roles, incentives)
- It requires coordinated changes to organisational structures, processes, systems, assets and performance measures.

Business as Usual (BaU) is distinct from Transformation. It is defined as:

> "***The stable, day-to-day operations that ensure the Council delivers its responsibilities and core services reliably and consistently. It represents our normal operational effectiveness – including delivery of savings - in action. It focuses on maintaining service continuity, compliance, and performance, without introducing significant organisational change or redesign."***

Note: Within the MTFP, Business as Usual savings are identified of £13m in FY27/28 followed by £5m of savings in the subsequent 3 years. This is outside of the transformation portfolio work but complementary to it. The Transformation portfolio is about additionality to the BaU savings measures at complexity and scale.

DRIVING GROWTH AND INCOME GENERATION

The Growth Directorate will be progressing several projects in 2026/27 aimed at improving efficiency and increasing performance and customer satisfaction as part of the Council's approach to transformation. Specifically, as part of *Workstream 2: Operational effectiveness and service-led delivery,* we will be undertaking the following projects.

1. **Review of Planning**: The Planning Advisory Service of the Local Government Association will conduct an independent, benchmarking-led review of the Council's planning function to ensure services are efficient, effective, and aligned with best practice across England. This will include the impact and requirements of new and emerging planning regulations. The review will assess performance against comparable local authorities, benchmark costs, resource deployment, and staffing structures and identify service strengths, weaknesses, and opportunities for improvement. In terms of transformation the recommendations will include options to integrate Artificial Intelligence (AI) to drive innovation and efficiency within the service.
2. **Highways Management Review:** With the existing ten year Term Maintenance Contract (TMC) due to conclude in 2027 and potential changes to the scope and scale of the highway network on the horizon due to the Local Government Review, 2026 is the right time to review our current delivery mechanisms to ensure our model of operations is fit for purpose for the next decade. This will build on the recently approved four-year maintenance plan for

Highways and the strong performance of the Street Services Department as reflected in the governments new rating system measuring how well each local highway authority is performing. PCC is currently rated as Amber. Options will range from retendering to a possible Teckal[1] compliant joint venture.

3. **Review of Arm's Length Companies:** The Economic Development Service has a track record of working in an entrepreneurial way, characterised by working in exciting partnerships with the private sector. Often, this requires arm's length companies and innovative delivery vehicles to ensure effective and agile delivery. In the first quarter of 2026 we will conduct an internal review to ensure our suite of companies still offer the best solution to delivery in a changing environment. This will include assessing the client, commissioning and governance arrangements of companies in line with future priorities and budgets.

4. **Governance and Commissioning of Cultural Services:** Building on the tremendous success of The Box in its first five years and the high levels of performance across the sector, the council will be taking the opportunity to review our approach to commissioning and delivering cultural services with a view to facilitate further partnership working and delivery for our communities and businesses. This will be informed by our bid to be UK City of Culture. Specifically, it will seek to identify the best delivery and legacy arrangements should our bid be successful.

5. **Development Corporation Proposals:** The Council has developed an ambitious and exciting proposal to the New Towns Commission to deliver ten thousand new homes in the city centre and has been shortlisted along with twelve other areas. It is anticipated that, if successful, the accelerated delivery of a New Town will require a Development Corporation with the powers, functions and capacity to deliver at pace. The council has recently commissioned WSP to produce a 'City Living Framework' which will create a series of masterplans and delivery plans which will create the planning and delivery frameworks to create a new market in city centre living. This will create homes and jobs and close the housing viability gap over the medium term. This work will set the objectives for a Development Corporation and shape the Planning, development and marketing functions it requires to accelerate delivery in partnership with Government.

These projects will support and form part of the Council's work on developing a new Target Operating Model (TOM) and ensuring the Growth Directorate is able to meet the delivery and financial challenges of the MTFP as well as realise the Council's ambitious growth agenda.

Indicative Timeline.

Project	**Timeline**
Review of Planning	April-June 26
Highways Management	March-December 26
Review of Arm's Length Companies	March – June 26
Governance of Cultural Services	July – March 27
Development Corporation	February 26 – February 27

[1] A **Teckal company** is a separate legal entity that a local authority can treat as if it were an "internal department" for procurement purposes. This lets the council award it contracts directly, bypassing open tendering—as long as strict tests are met.

TRANSFORMATION IS IN OUR HISTORY

Plymouth City Council has a long history of adapting and evolving to meet new challenges. Over the past two decades, we have transformed significantly, from being rated "poor" by the Audit Commission in 2004, to achieving unitary status and winning MJ's Best Achieving Council award in 2010.

We embraced innovation through initiatives such as the Co-operative Council model (2013), major customer service transformation (2014/15), and the "Transforming the Way We Work" programme (2017–2019), which modernised our technology and ways of working.

We have faced and overcome unprecedented challenges, including the COVID-19 pandemic and recovery, and in 2021 were proud to be named MJ Council of the Year. Our Corporate Peer Review in 2022–23 recognised our strengths but also highlighted areas for improvement, such as organisational capacity, clarity of purpose in change programmes, and embedding workforce strategies.

This track record demonstrates that Plymouth City Council is an organisation used to delivering change. We have delivered transformation before, and now we must do so again, at greater scale and pace, to respond to the needs of our residents and the significant financial challenges we face.

TRANSFORMATION ALREADY UNDERWAY

In FY 25/26 Transformation investment from flexible use of capital receipts contributed to savings in Children's Placement Costs. Other outcomes included:

- Developing the Corporate Programme Management standards required to respond to the Armada Way Learning Review as well as support and assure Corporate Transformation.
- Enabling the Council to deliver data and AI services including developing a single view of the child for Families First and capturing meeting outcomes for Community Connections.
- Mobilising the Council's approach to delivery of early intervention and prevention at scale.
- Delivering the plans for SEND improvement, sufficiency and provision.
- Defining the programme to streamline the Council's procurement capability, creating capacity to focus on complex, strategic projects whilst also delivering savings.

WHAT ARE OUR DRIVERS FOR CHANGE?

We are in exceptional circumstances, with a clear set of drivers that explain why significant change is now essential.

Why do we need to change?	Therefore we need to...
Because there is more demand in the system than we can cope with	• Focus on prevention and early intervention • Reduce pressure on our services by focusing on those who are in the most need • Automate where we can
Because there is not enough resource to go around	• Live within our means and balance our books • Target our resources to the best effect e.g. buildings / data and people • Attract, manage, support and retain the right people • Drive inclusive growth for the city
Because we need to design services that better meet the needs of our customers	• Listen, learn and co-create with our communities • Design services that work first time • Use data to drive smart service design • Adopt automation and AI where we can

Diagram 2: Our drivers for change

Against a backdrop of mounting financial pressures, we must fundamentally change how we work to continue delivering the outcomes that people depend on. While the Government's new three-year financial settlement offers welcome predictability, it does not address the full scale of the demand pressures we face. Rising demand across key services further adds to these challenges, particularly in the following areas:

- **Children in Care**, particularly high-cost residential placements – rising by around £27.9m over the next 4 years
- **Temporary housing for homeless households**, including B&B and holiday let accommodation – rising by around £2.2m over the next 4 years
- **Adult Social Care**, supporting people with complex health and social needs – rising by around £36.4m over the next 4 years
- **SEND education**, including independent special school placements and home-to-school transport – rising by around £10.6m over the next 4 years

Until now, we have managed these pressures through incremental additional funding and one-off allocations. This approach is no longer sustainable. The gap between forecasted demand, much of which is outside our control, and the resources available to us has grown too large.

To meet the needs of a modern city and deliver our ambitious agenda, we must change how our organisation operates. We need a Council that is better adapted to early intervention and prevention to reduce future demands. Our services are efficient, effective and able to respond to demand led pressures in services. We respond to the needs of our citizens and communities and work to achieve operational effectiveness and excellence in service delivery.

THE MULTI-YEAR FINANCIAL DEMANDS.

The MTFP summary position is at Appendix 1 underlines the urgency of scaling up prevention and redesigning services to reduce long-term pressure on the system. The MTFP forecast models a cumulative gap before mitigations (by March 2031) of £54.851m. After mitigations this reduces to a cumulative of £7.351m. Transformation is required to deliver the following MTFP mitigations:

- Reversal of one-off savings used to balance the 2026/27 Budget.
- Delivering savings plans for 2026/27, and development of additional plans in subsequent years.

New Target Operating Model (TOM) to be developed and scheduled for Cabinet approval in Q1 2026/27. The TOM will have a targeted full-year savings impact to reduce the structural deficit.

- Our early intervention and prevention projects and programmes must reduce the demand pressures required within the Children's and Adults' Directorates, with an initial saving

assumed of £5m for the first two full years and £2.5m the following year. These numbers will be refined as the programmes develop.
- The model also assumes a minimum of £5m annual savings from service led savings/ income generation within each directorate.

The options to reduce the affordability gap between budget requirements and core resources cannot be through savings measures alone. The balance between affordability and levels of service delivery requires organisational change at scale with trade-offs aligned to the priorities of statutory services and the Corporate Plan.

The drivers for change requires whole Council transformation particularly in the areas of early intervention and prevention as well as overall operational effectiveness. In parallel, we need to create capacity and reduce costs whilst ensuring we continue to innovate and test new ideas.

To deliver the scale of change required, this strategy sets out:

- The **financial contribution, investment and savings**, to be made by the portfolio over the period of the Medium-Term Financial Plan.
- The **structure** of our Transformation Portfolio including the themed workstreams.
- The **key projects and programmes within each themed workstream** and what they seek to achieve.
- The **financial principles** underpinning the use of flexible capital receipts to help fund the investment required to deliver the portfolio.
- The **governance principles** controlling decision making over the portfolio.
- The continued maturity of a **Corporate Programme Management Office** to provide support and assurance to the delivery of the portfolio.

By acting decisively, targeting resources, working together, and scaling what we know works, we have a clear way forward. This approach aligns with our Corporate Plan and our ambition to make Plymouth a fairer, greener city where everyone plays their part.

STRUCTURING OUR TRANSFORMATION DELIVERY

We will require a fundamental shift in our operating model: moving from reacting to crises to preventing them, and finding better, more sustainable ways of delivering services. Early intervention and prevention are guiding principles to our transformation strategy. It means evolving how we work as an organisation, building capacity, strengthening our capabilities and ensuring our structures and systems support the outcomes we want to achieve.

To guide this evolution, we have developed a transformation programme that will help ensure we remain sustainable and resilient for the future. This programme is based around five themed workstreams:

Workstream 1Theme: Creating capacity and reducing costs – Building Council capacity and provision for services that currently require high-cost external placements, such as SEND schooling, children's residential care, adult social care, and temporary accommodation.

Workstream 2 Theme: Operational effectiveness and service-led delivery – Departmental projects that respond to changing demand, seize new opportunities and address budget pressures, while also ensuring the organisation is the right size, with the right skills and structures to operate sustainably. This includes identifying more efficient and cost-effective ways of working, reshaping

teams where needed, and aligning resources to priority outcomes so that services remain affordable, effective and able to meet the needs of a modern city. It's about brilliant basics.

Workstream 3 Theme: Early intervention and prevention– Rebalancing services to create a comprehensive set of initiatives focused on universal and targeted early intervention and prevention, helping residents avoid crisis.

Workstream 4 Theme: Innovation and Test - Through innovation and a Test–Learn–Grow approach, we will transform the organisation by creating the space to trial new ideas, understand what works, and scale solutions that deliver real impact. This mindset allows us to move at pace, reduce risk, and build evidence-based improvements into how we design and deliver services.

Workstream 5 Theme: Corporate Enablers – Programmes to support the above and strengthen cross-organisational capability, improve effectiveness, and provide a common, cost-effective platform for essential support services. Enterprise system level architecture, data and AI enabled transformation.

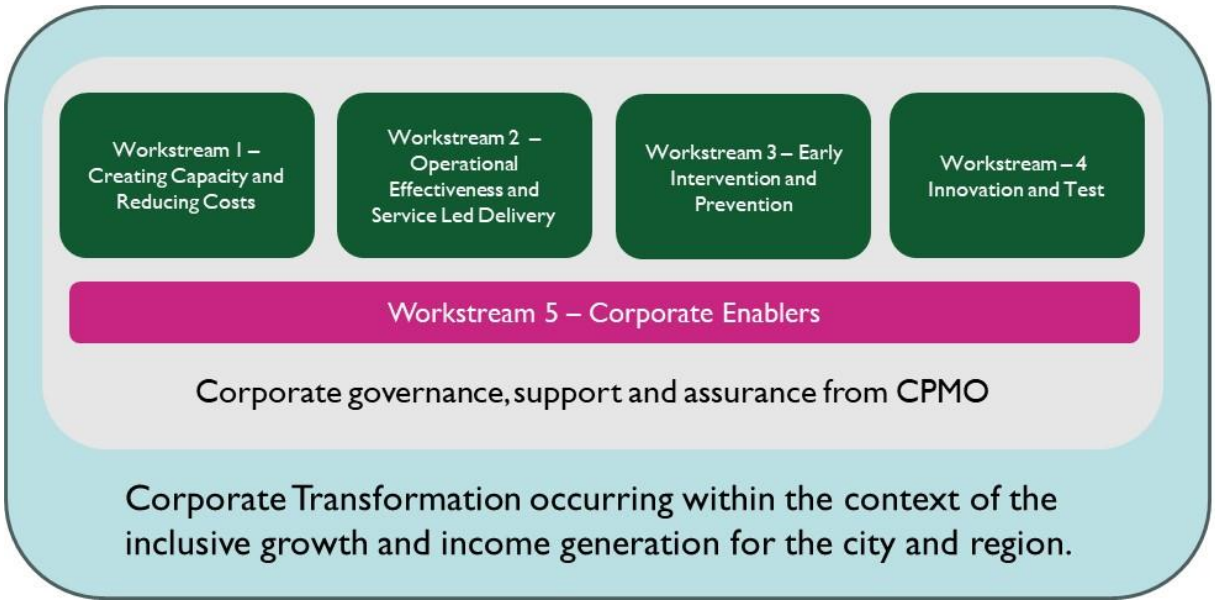

Diagram 3: Our transformation workstreams.

Together, these represent an aligned and coherent set of strategic workstreams making up our Transformation Programme. Collectively they deliver corporate outcomes and benefits with clear financial and non-financial measures of effectiveness.

WORKSTREAM 1: CREATING CAPACITY AND REDUCING COSTS

This is unequivocally about reducing demand to create capacity and reduce costs. Currently, the Council uses placements for residents in crisis that is predominantly sourced commercially. This approach provides us with flexibility, but it can mean that placements are outside of Plymouth and we are paying a premium rate to the private sector for their capacity. A strategy to build and operate Plymouth based capacity providing:

- Temporary accommodation
- SEND placements
- Children residential care homes
- Building tertiary prevention capability.

Creating capacity will reduce our costs for these services and allow relationships to continue within families and communities that can't be sustained where a placement is too far away to allow for regular travelling.

Our strategy is to bring Plymouth capacity on stream alongside other providers and gradually scale our capacity where demand persists and the benefits are clear.
Note: Whilst the benefits of increased Council capacity for these services reduce our direct costs, SEND is funded via the dedicated schools grant (DSG), overspends create DSG deficits — which local authorities are legally required to manage and reduce. This means that financial benefits from increasing the Council's SEND placement capacity are in the form of reduced funding to cover the deficit and if placements are closer, home to school transport cost are reduced.

WORKSTREAM 2: OPERATIONAL EFFECTIVENESS AND SERVICE-LED DELIVERY

Service level delivery will continue to be managed within departments through their business plans and established governance processes. Notwithstanding, there is a clear and imperative to re-evaluate service delivery in terms of outcomes. To evaluate our operational effectiveness in the following ways:

- To ensure we focus on **outcomes** rather than just **services** for services sake.
- We consider residents as **citizens** as well as customers and respond to their requirements whilst ensuring clarity on rights and responsibilities
- We consider how we manage **risk** but also how we explore **opportunities** and take bolder steps to do this.
- We move from having a wealth of **data** to a situation where we understand what this data is telling us and use this to make decisions (**intelligence**).

Services and their outcomes must be able to respond quickly to changing demand; take new opportunities, and manage budget pressures by improving efficiency, reducing waste, and increasing income wherever possible.

We must ensure the Council is the right size, with the right skills and structures to operate sustainably within our financial envelope. In addition, operational effectiveness must include the potential for **income generation in services**. This means taking a clear and honest look at how we organise ourselves, how we work, and where we prioritise our resources. To ensure alignment, our operational effectiveness must continually be tested against delivering our strategic goals – everything must make a clear contribution challenged through ongoing **end-to-end reviews**.

A core part of this will involve 'right-sizing' the organisation for affordability and aligning our structure to our strategic goals. Inevitably, this will mean we will have to consider costed options for potentially fewer staff in the future, although we do not yet know exactly what this will look like. Each Strategic Director will work closely with their management teams to develop proposals and consider what changes may be required to deliver operational effectiveness – aligned to strategic goals - to meet demand and affordability pressures. Defined levels of service will require collaborative working to balance inevitable trade-offs. This work will be undertaken under the auspices of the Target Operating Model (TOM).

Target Operating Model (TOM)

The Target Operating Model work defines and delivers how the Council will work in the future – what it will do, how it will be organised, who will do what, and how outcomes will be delivered – so

that it can meet its service delivery duties. To deliver better outcomes for citizens and to seize the opportunities.

- The TOM will underpin the re-wiring of the Council aligned to the needs of residents to 2030 and beyond.
- It considers fundamental redesign to remove the structural deficit within the MTFP.
- Our TOM (Target Operating Model) sets out how we will deliver our strategic goals and priorities across thematic areas.
- The TOM provides a framework to challenge conventional thinking and ensure that our structure follows our strategy and our ways of working add grip and pace to our delivery.

We have not yet allocated investment from our flexible use of capital receipts for projects in this workstream. Further work is underway and will be provided to Cabinet for approval in Q1 FY26/27 with a target for implementation in Q2 of FY 26/27.

WORKSTREAM 3: EARLY INTERVENTION AND PREVENTION

Early intervention and prevention are at the forefront of the Council's operating model, the point where we can make the greatest impact for residents and the organisation.

The principle is simple: if we get the basics right and step in early, before challenges escalate, we reduce long-term demand on services and help people thrive. This approach is smarter, more sustainable, and delivers better outcomes for individuals, families, and communities.

It is a strategic shift from reacting to crises to prioritising resources for services delivering early intervention. By spotting risks sooner and supporting people earlier, we can tackle root causes rather than symptoms. This means being trauma-informed, strengths-based, and asset-focused, changing the conversation from *what's wrong* to *what's strong*. It's about building resilience, reducing dependency on high-cost reactive interventions, and creating a system that works for everyone.

Early intervention and prevention are about doing the right thing at the right time. It underpins our ambition to rebalance services, reduce pressure on the organisation, and ensure Plymouth residents have the support they need to live well and independently. Successful early intervention is therefore better for our residents, better for our budgets and will support the growth of the city.
We recognise three distinct categories of prevention, each playing a vital role in reducing demand and improving outcomes:

Primary prevention

Primary prevention aims to stop problems before they start by addressing root causes and promoting well-being across the whole population. This universal approach builds resilience and embeds prevention into everyday life.

Examples include:

- Public health campaigns promoting healthy lifestyles.
- Supporting educational attainment to improve future employment prospects.
- Strengthening community networks to foster inclusion.
- Retrofitting homes for energy efficiency to reduce fuel poverty and improve health.

Secondary prevention (early intervention)

Secondary prevention focuses on people at risk, identifying vulnerabilities early and acting before issues escalate. It's a proactive approach to prevent crises and reduce long-term dependency.

Examples include:

- Identifying families at risk of poverty, eviction, or abuse to prevent poor outcomes like ill health or homelessness.
- Early intervention programmes for children and adults with complex needs (e.g., autism, learning difficulties) to avoid exclusion.
- Tailored mental health support for those showing early signs of distress.
- Promoting independence and reablement to delay or avoid formal care.
- Tackling anti-social behaviour through targeted youth engagement.

Tertiary prevention (recovery)

Tertiary prevention supports those already facing significant challenges, aiming to reduce severity and long-term impact. It focuses on recovery, rehabilitation, and reintegration.

Examples include:

- Comprehensive care and housing for people experiencing chronic homelessness.
- Recovery programmes for individuals overcoming substance misuse.
- Specialised education plans for children excluded from mainstream schools.
- Vocational training for long-term unemployed individuals to re-enter the workforce.

City Help and Support: setting the foundation for prevention

In its first nine months, the City Help & Support (CHS) programme has brought attention, focus and leadership to moving the Council from reacting to crises to preventing them. Service areas and the Health Determinants Research Collaborative (HDRC) have worked closely together to build a solid "Theory of Change", a practical map that links our daily work, strategic planning and transformation work to the demand pressures we face. This isn't just theory; it's about leadership.

We've brought different departments together to look at the challenges beyond traditional silos and started pulling in partners from across the city, including learning from pilots like Changing Futures. We have spent this time identifying what already works, setting clear best practices, and making sure our investment is rooted in evidence. This activity has created a foundation where we are in a much stronger position to measure the benefits of prevention, from stopping a crisis before it starts to reducing the massive costs of emergency placements.

Delivering tools that work and save money

We are now seeing the results of this groundwork through projects that are already live and making an impact. Our "Single Citizen View" tool is active in Children's Services and with partners, saving staff from the frustration of hunting for data across different systems. We are currently building the next version to help schools predict and identify children at risk of missing education and in need of support and to predict households that might become homeless. By working with Voluntary, Community, Faith, Social Enterprise (VCFSE) partners to step in early, we will deliver direct cost savings and reductions in wider costs every year just with this tool.

On the frontline, our "No Wrong Door" service will divert 24 young people away from the care system, which will save over £1.9 million annually. Beyond the numbers, CHS has led design work on addressing unmet needs in Domestic Violence and Short Breaks for children with SEND. It has led the discovery work for a new way of working in our neighbourhoods, aligning with the NHS to build community resilience. This includes redesigning how we provide advice online and moving toward a

new operating model for Children's Services through the Families First Partnership. Every piece of work we've started is focused on one thing: ensuring the council is spending its resources where they can do the best, before the costs escalate in response to a crisis.

CHS has made the case and built a framework that embeds prevention and early intervention in our transformation portfolio and business improvement plans.

Family Hubs

In Plymouth, our Family Hubs work with more than 120 partners to offer accessible, joined-up support for families. From early years development and parenting to mental health, housing, employment and domestic abuse, families can get the help they need quickly and in one place. A key part of our transformation has been expanding support into neighbourhoods through a network of satellite sites. These locations reduce access barriers, strengthen inclusion, and reach families who may not use traditional services. They also improve our ability to measure community reach and capture data across more delivery points. By March 2026, 22 satellite sites will be in operation.

Family Hubs now support families at scale through universal and targeted groups, including perinatal mental health sessions, multicultural groups, dads' groups and parenting programmes such as Solihull, Incredible Years and SEND-specific courses. Each month, around 1,400 families attend universal groups and more than 250 take part in targeted sessions.

Through strong partnerships, improved accessibility and a focus on early intervention, Plymouth's Family Hubs are delivering a genuinely preventative, integrated system of support from pregnancy through childhood. They are now a core component of our early help transformation and a trusted source of support for thousands of families across the city.

Other innovative programmes driving change include:

- **Community Reablement:** We've extended the proven hospital reablement model into the community, helping adults regain independence and avoid hospital admission. This approach keeps people safe, healthy, and independent in their own homes for longer.

- **Families First Partnership:** This National Social Care Reforms, driven by the Government's *Safer Homes Built on Love* strategy, represents the biggest shake-up of children's social care in a generation. Its aim is to rebalance the system towards early intervention and family help, ensuring vulnerable children are supported before needs escalate.

- **Changing Futures**: Tackles the most complex cases by supporting individuals facing multiple disadvantages (substance misuse, mental health issues, domestic abuse). It promotes trauma-informed practice and better service coordination, delivering long-term systemic change rather than short-term fixes.

- **The Alliance**: A pioneering, co-designed model that unites over 25 previously siloed contracts under a single agreement. This creates a unified, person-centred system offering flexible, comprehensive support for adults with multiple disadvantages, ensuring the right care at the right time for Plymouth's most vulnerable residents.

We have allocated £176k of investment from our flexible use of capital receipts for projects in this workstream to continue to drive early intervention and prevention activity across the Council and partner organisations in FY 26/27.

WORKSTREAM 4: INNOVATION AND TEST.

Innovation is central to how we deliver transformation; and it will evolve. As the portfolio develops, new projects and programmes will naturally emerge, and this workstream provides a structured way to identify, shape and progress them. Initiatives that have the potential for transformative impact will move through the Council's project lifecycle: starting with an initial concept, progressing to outline and full business cases, moving into delivery, and finally closing once benefits are realised.

Throughout this process, the CPMO provides support to ensure projects progress at pace while giving senior leaders and Members the opportunity to steer direction and shape the case for investment.

To turn promising ideas into well-formed proposals, early-stage funding is essential. This enables teams to dedicate time and resource to explore options, gather evidence and develop robust business cases. Wherever possible, this will follow the Government's test, learn and grow approach - involving frontline staff early to trial new solutions in real-world settings. By testing ideas at a small scale and low cost, we can quickly understand what works, refine what doesn't, and avoid committing significant investment to approaches that won't deliver. Successful pilots can then be scaled with confidence across the organisation.

This innovation workstream effectively acts as an incubator and in some cases will be undertaken with industry partners to provide front-end development costs. CMT will review funding options based on the potential impact and likelihood of benefits being achieved. Importantly, this is only for initiating and shaping projects - not for scaling or delivery. Once an innovation proposal has been tested and proven, any further investment will require full a business case appraisal.

This workstream isn't a defined project or set of projects; it is about providing funding to support testing and learning and growing projects. This is prior to being assessed, through gateway review, for inclusion in the major workstreams.

We will seek to maximise investment funding by grant or commercial 3rd parties to share the risk associated with innovation.

As a result of the above we haven't allocated investment from our flexible use of capital receipts for projects in this workstream as benefits are currently undefined. It remains essential to structure innovation and test as part of our delivery i.e. Test, Learn and Grow.

WORKSTREAM 5: CORPORATE ENABLERS

Our corporate services are fundamental to our organisational effectiveness; they underpin both the transformation described in the previous sections of this report and the smooth operation of service delivery across the Council. The enablers in our transformation portfolio are about making corporate services simpler and easier for residents and staff. The workstream also adds coherence to the impact of: (1) our data as an asset; (2) our information systems architecture as a seamless connector and integrator; and (3) our systems to support service level delivery.

In addition, the Operating Manual is the 'how to' guide on how to do everything in the Council that underpins our organisational effectiveness.

ENABLE programme

ENABLE is about turning data into insight and insight into action. This enabler will build the infrastructure, skills, and culture needed to make Plymouth an intelligence and insights-led organisation, unlocking the potential of data and AI to drive smarter, more efficient services.

ENABLE will break down data silos through better data architecture allowing Council and partner data to be utilised to develop proactive, targeted interventions and support evidence-based decision-making. It will also foster a culture of innovation, empowering staff, partners, and communities with skills and tools to ensure services continuously evolve to meet changing needs. This includes the Multiverse apprenticeships which are providing staff with skills and confidence around the use of AI.

ENABLE will deliver systems benefits by bringing frontline experience directly into policy and service design. Instead of relying on long, linear processes, we use iterative, user-led methods to trial ideas in real-world settings, understand how they work in practice, and quickly adjust based on what we learn. This creates a culture where experimentation is encouraged, risk is managed rather than avoided, and practical problem-solving takes priority over rigid procedures.

In practice, teams work with partners and communities to test new solutions on a small scale, learn from what the pilots tell us, and then grow successful approaches by scaling them across services. Dedicated teams, such as the CPMO, support this way of working and help spread learning across departments so that good ideas don't stay siloed. By embedding this mindset, we build a more agile, responsive Council - one that continually improves, adapts and delivers better outcomes for residents.

For example:

- The development of a 'single view' of a family for Children's Social Care and an adult for Adult Social Care which brings together all of the key information on one page for the relevant social worker to review, increasing efficiency. This has been achieved through use of an existing technical solution which was underutilised due to lack of capacity and skills.
- Reviewing and improving our data quality to ensure that we have complete data sets, which is particularly important when we look at combining data sets to gain insights
- The use of AI to support completion of forms where conversations with people can be converted into text which is automatically used to complete boxes on forms. This has been successfully used for EHCPs (focus is on the simpler ones)
- The use of complex data and insights to inform the use of the Household Support Fund and benefit support to identify vulnerable people who need support (Low Income Family Tracker)

Community Engagement

A clear corporate engagement model has been developed to equip the organisation with the tools to build trust, foster collaboration, and ensure community voices shape everything we do.

Our approach is rooted in Asset-Based Community Development (ABCD) resident-led, relationship-driven, and strengths-based. This means identifying and leveraging local insight, resources, and skills to co-create solutions and build partnerships that deliver sustainable benefits.

By actively involving local people in shaping services, we move away from reactive crisis management towards proactive, preventative delivery, strengthening resilience and ensuring interventions are relevant and effective. Our approach to engagement, will be embed in all change programmes.

Asset management

Our corporate estate and assets are critical to linking specific facilities to the outcomes we seek e.g. libraries, Family Hubs and Wellbeing Hubs. They create the social infrastructure to bringing intervention and prevention programmes closer to communities. The Asset Management programme will create a clear plan for these assets, ensuring they are used effectively to support prevention and early intervention. Key components are:

- Asset Management Strategy Document (vision, principles, governance) including principles in relation to compliance across the whole estate (commercial and corporate)
- Asset Management Plans for each asset category including growth and disposal strategy
- Capital Investment Plan linked to lifecycle renewals including building structure, fabric and Mechanical & Electrical components
- Facilities Management (FM) Service standards and PCC project handover protocols
- Performance Framework with Key Performance Indicators (KPI's) and reporting dashboards
- Stakeholder engagement to ensure the strategy meets diverse needs and expectations

This includes rationalising underused assets, exploring community transfers, and right sizing our estate to make it affordable and sustainable. We will move back to a funded model of preventative maintenance for a smaller, more efficient set of assets, generating capital receipts where necessary and ensuring our estate supports co-located, multidisciplinary teams delivering integrated services.

Customer Service and Experience

This enabler will fix fragmented service delivery and create a customer-centric approach across the Council. By designing a seamless customer journey, we will make it easy for people to access the right support at the right time, whether online, in libraries, or through community hubs.

The programme will support early intervention by developing digital tools such as AI-enabled chatbots and automated triage systems, alongside user-led design principles. Working closely with ENABLE and through collaborative community engagement, it will ensure all channels are effective, intuitive, and trusted, helping us shift from reactive to preventative service delivery. To put the customer voices at the centre of our service delivery.

People Strategy

A new People Strategy to outline how we will recruit the right staff, support our staff and train and develop our staff in the future. In the context of transformation, it also includes the expectations, mindset and training for 'the Plymouth leader and manager' within the Senior Leadership Team to drive positive change and the culture that makes it stick. The leadership values and behaviours that sustain organisational change at scale. These include the following principles for development:

- Prioritise culture – and the customer - as the core enabler of transformation.
- Lead with vision, purpose and strategic alignment.
- Wellbeing and people-centred change are at the heart of what we do.
- Model values-led behaviours.
- Build capability: develop people, teams, and organisational capacity
- Co-create change through collaboration, inclusion, and engagement
- Embrace innovation, learning and continuous Improvement
- Strengthen governance, accountability and evidence-based decision-making

It recognises the challenges facing the council and the city, including an ageing workforce, recruitment difficulties in key professions, and a forecast workforce deficit in the city. The strategy shows our dedication to creating a lively, caring, innovative, and inclusive organisation. This means we are not only handling today's challenges with flexibility and strength but also building strong foundations for a

successful future. Projects like our new Digital Academy, apprenticeship and management and leadership development programmes are designed to take advantage of technological progress, preparing our employees for the future while encouraging innovation across the city. It is vital to create the skills and capacity within our teams to undertake the transformational change required and sustain it.

IT Strategy

Our IT Strategy focuses investments in technology on 3 key priorities:

- Service availability (including cyber security)
- Exploiting our data
- Aligning capabilities and integrating them across the organisation (ensuring the right systems and transforming their integration and interoperability)
- Aligning capabilities with partners

The Council is highly dependent on systems and automation to provide almost all our services. The threat of disruption to these systems for a prolonged period would present significant challenges for ongoing service deliver with consequential impacts on our residents. To address this risk our IT strategy directs investment toward providing resilient systems including a preventative maintenance regime for hardware – replacing laptops every 5 years for example. It also provides direction to move more of our systems to cloud hosting, achieving a diversification in where our software is run from which will reduce the likelihood of a cyber-attack compromising all our services simultaneously.

The strategy sets out our intention to continue to exploit our data, through the expansion of our data warehouse capability – work being led from the ENABLE programme. This work alongside the potential to pilot "smart data" will allow us to target early intervention and prevention services more precisely.

The alignment of capabilities with partners will help contain our IT costs through Delt. The strategy set out our intention to rationalise and simplify the systems we use through a shared roadmap working closely with Delt's other clients. Where possible we will reduce the number of different systems Delt are required to maintain by migrating to common platforms. This will not only offer increased economies of scale, but it will also offer the potential for greater operational alignment and potentially even shared services, where appropriate.

In FY 25/26 investment from our flexible use of capital receipts for projects in this workstream to establish new programmes in ENABLE, Procurement and our Corporate Programme Management Office.

Although much of this workstream will be delivered by operational teams and through Business-as-Usual capacity, we have further allocated investment from our flexible use of capital receipts for projects in this workstream to deliver the outcomes as described in the section above.

FINANCIAL PRINCIPLES – STRATEGY FOR FLEXIBLE USE OF CAPITAL RECEIPTS

To support the delivery of major elements within the savings plans, it is proposed that the Council makes use of the flexibility to draw down up to £3.318m of capital receipts within FY26/27. These receipts will be allocated to the relevant Directorates to enable the implementation of agreed

transformation and cost-reduction initiatives. Further detail is set out within the Flexible Use of Capital Receipts Strategy at Appendix 2[2].

GOVERNANCE

As part of the introduction of the Corporate Programme Management Office (CPMO) the Transformation portfolio approach set out in this report will be directed and overseen by robust governance arrangements. These arrangements are summarised in the following list of principles/rules that will ensure the right balance of grip and pace is achieved:

- Projects will be accountable to Programme boards, who will be accountable to CMT (operating as the Change Board)
- Members will oversee and direct the work of the Portfolio through a new Corporate Delivery Review Group (comprising relevant Portfolio Holders), to meet on a quarterly basis
- All boards will operate to a documented terms of reference
- Change Board will approve the release and changes to any funding for all projects and programmes
- Accountability for projects will be delegated to as far down the governance hierarchy as possible – keeping decisions closest to those to understand the implications.

As part of the development of the Council's governance the Change Board will be developed further to incorporate oversight of both the Transformation portfolio and the Capital Programme.

Corporate Programme Management Office (CPMO)

Delivering a transformation portfolio of this scale, requires strong coordination, alignment with Corporate strategic objectives and leadership oversight. These initiatives are interconnected, with complex dependencies that must be managed to ensure benefits are realised.

The CPMO provides this critical function. It will create a single, integrated view of all programmes, enabling the Council to focus attention where it matters most, address risks early, and keep delivery on track. By embedding consistent project management disciplines and standards, the CPMO will give assurance to senior officers and Councillors that transformation is progressing as planned and benefits are realised over the short and long-term.

This approach was also recommended in the Armada Way Independent Learning Review (AWILR) and will extend to oversight of the Council's Capital Programme, ensuring robust governance across both transformation and major investments.

CONCLUSION

The position set out in this strategy represent more than a portfolio of projects and programmes, they are the foundation for a new way of working that will be underpinned by the Target Operating Model. The ultimate success criteria are the ability to deliver the necessary savings within the MTFP balanced with affordable levels of service delivery. To close the cumulative gap through BaU savings and additional measures in the transformative strategy. It requires whole Council change with the Plymouth resident at the centre of our delivery.

Our operating model requires a fundamental shift: from reacting when people reach crisis point to preventing problems earlier, and from doing everything for people to enabling them to do more for

[2] Reference Proposed Revenue and Capital Budget 2026/27, Cabinet Paper 9 February 2026.

themselves and within their communities. This is how we create capacity and reduce pressure and cost on the organisation over time - whilst helping residents thrive.

This change will affect every part of the Council, our finances, workforce, assets, systems, and insights and performance management. It will require new skills, new partnerships, and a culture that embraces prevention, co-creation, and innovation. It is not a simple change; it is a step change in how we operate and how we work with partners and communities.

With this transformation programme, Plymouth City Council moves into its next phase of delivering its ambition: building a modern, efficient, and sustainable organisation that delivers the right support at the right time, empowers residents, and secures a stronger future for our city.

Appendices:

Appendix 1: MTFP Summary Position
Appendix 2: Flexible Use of Capital Receipts Strategy

Appendix 1: Medium Term Financial Plan Summary dated 13 February 2026

	Multi-Year Settlement Period			*Post-Settlement Estimates*	
MTFP 2026/27 to 2029/30	**2026/27**	**2027/28**	**2028/29**	***2029/30***	***2030/31***
Core Resources	**£m**	**£m**	**£m**	***£m***	***£m***
Revenue Support Grant	(70.255)	(87.786)	(89.652)	*(91.445)*	*(93.274)*
Local Authority Better Care Grant	(15.955)	-	-	-	-
Recovery Grant Guarantee	(1.136)	-	-	-	-
Recovery Grant Uplift	(3.735)	(4.872)	(6.698)	*(6.698)*	*(6.698)*
Council Tax	(156.541)	(165.300)	(173.540)	*(182.743)*	*(192.431)*
Business Rates	(75.921)	(77.662)	(79.229)	*(80.814)*	*(82.430)*
Reserves	(2.752)	-	-	-	-
Total Core Resources	**(326.295)**	**(335.620)**	**(349.119)**	***(361.700)***	***(374.833)***
increase in Core Resources		(9.325)	(13.499)	*(12.581)*	*(13.133)*
brought forward budget requirement *(rebased)*	**253.418**	**326.295**	**335.620**	***349.119***	***361.700***
Specific Grants Rolled in to Core Resources	**58.568**	-	-	-	-
Right-sizing budget adjustments	**4.436**	**12.891**	**6.623**	**5.993**	**4.655**
Demand-Led Pressures	**24.899**	**18.630**	**18.978**	**14.765**	**17.540**
Adult Social Care Fee Uplifts (NLW & Inflation)	4.352	5.010	4.866	4.425	4.558
Adult Social Care Demand	6.823	3.655	3.669	3.655	3.765
Homelessness	0.797	0.600	0.643	0.221	0.228
Children's Social Care	9.479	5.996	6.407	6.030	6.211
Home to School Transport	2.094	3.003	2.746	2.698	2.779
SEND - DSG deficit financing cost	0.731	0.366	0.647	(2.264)	-
Short Breaks	0.623	-	-	-	-
Other Growth	**2.203**	**0.143**	**0.170**	**0.170**	**0.170**
Savings	**(17.228)**	**2.661**	**-**	**-**	**-**
Total Additional Costs/Savings	**72.877**	**34.325**	**25.771**	**20.928**	**22.365**
Total Budget Requirement	326.295	360.620	361.391	370.047	384.064
Total Core Resources	(326.295)	(335.620)	(349.119)	(361.700)	(374.833)
Indicative Gap	**0.000**	**25.000**	**12.272**	**8.347**	**9.232**
Cumulative Gap	**0.000**	**25.000**	**37.272**	**45.619**	**54.851**
Required Level of Mitigating Interventions*					
Target Operating Model Changes		(15.000)			
Prevention Strategy - Impact on Demand		(5.000)	(5.000)	(2.500)	
BAU Directorate Savings		(5.000)	(5.000)	(5.000)	(5.000)
Revised Indicative Gap	**0.000**	**0.000**	**2.272**	**0.847**	**4.232**
Revised Cumulative Gap	**0.000**	**0.000**	**2.272**	**3.119**	**7.351**

*Indicative figures of the target level of savings required to close gaps in 2027/28.

There are other options that could be considered alongside these targets as set out in the MTFP and 2026/27 Budget Report

Transformation Financing Summary	2025/26 Support £m	2026/27 Support £m	2026/27 Direct £m	2026/27 Savings £m	2026/27 Net Savings/Cost £m	Overall Net Savings/Costs £m
Enablers						
Transformation Mobilisation (see note 1)	0.569	0.413			0.413	0.982
Corporate Programme Management Office - Set Up	0.093	0.279			0.279	0.372
Safer Together (Domestic Abuse)			0.428		0.428	0.428
Creating an Excellent One Children's Service Portfolio	0.818					0.818
ENABLE	0.076	0.600			0.600	0.676
Project Specific						
No Wrong Door			0.771	(1.961)	(1.190)	(1.190)
Children's Residential Homes not funded by capital receipts)			1.391	(1.909)	(0.518)	(0.518)
In-House Therapies Team			0.827	(1.854)	(1.027)	(1.027)
Reablement (Adult Social Care)				(1.000)	(1.000)	(1.000)
Total Investment	**1.556**	**1.292**	**3.417**	**(6.724)**	**(2.015)**	**(0.459)**

Appendix 2: Flexible Use of Capital Receipts Strategy

BACKGROUND

Capital receipts can only be used for specific purposes as set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) Regulations 2003, under Section 11 of the Local Government Act 2003. The use of capital receipts to fund revenue expenditure is not allowed by the Regulations.

In the Spending Review 2015 the Chancellor announced that Local Authorities would be permitted to spend up to 100% of their capital receipts on the revenue costs of transformation projects, to support delivery of more efficient and sustainable services. In March 2016 a Direction was issued given Local Authorities greater freedoms to use capital receipts to finance revenue expenditure, up until 2018/19. This has since been extended multiple times.

In the 2025/26 Settlement Policy Statement the Government announced:

We will extend the flexible use of capital receipts to 2030. Since 2016, this direction has allowed local authorities to use the proceeds from asset sales to fund the revenue costs of projects that result in ongoing cost savings or improved efficiency. The government will also remove the restriction with respect to redundancy costs, imposed from April 2022, that limits the use of the flexibility to statutory redundancy costs only. This will support authorities in taking forward transformation and invest-to-save projects.

PROPOSED INVESTMENTS For 2026/27

The total planned funding under the flexibilities in 2026/27 is £3.618m. Projects identified in the Strategy can still be financed from other sources and inclusion in the strategy does not constitute a commitment to fund from capital receipts, this is still the case with revised proposals.