

MINUTES OF AN ORDINARY MEETING OF THE COUNCIL held at the Guildhall, Portsmouth on Tuesday 12 February 2013 at 3.00 pm.

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Frank Jonas (In the Chair)

Councillors

Adair, Margaret	New, Robert
Andrewes, Michael	Park, Mike
Bosher, Simon	Patey, Jim
Eddis, Peter	Purvis, Will
Ellcome, Ken	Sanders, Darren
Fazackarley, Jason	Scott, Caroline
Ferrett, John	Scott, Eleanor
Ferrett, Ken	Smith, Phil
Foster, Margaret	Stagg, Lynne
Fuller, David	Stevens, Les
Gray, Aiden	Stockdale, Sandra
Hall, Terry	Stubbs, Luke
Hancock, Jacqui	Vernon-Jackson, Gerald
Hancock, Mike CBE MP	Wemyss, Steve
Horne, David	Windebank, April
Hunt, Lee	Winnington, Matthew
Jones, Donna	Wood, Rob
Madden, Leo	Wylie, Steven
Mason, Hugh	Young, Neill
Mason, Lee	

12 Declarations of Members' Interests

Councillor Donna Jones declared a personal, non-prejudicial interest in agenda item 7 in that her husband and two sons are members of Portsmouth Rugby Club.

Councillor Steve Wemyss declared a personal, non-prejudicial interest in agenda item 4 - Deputations - as he is a member of Unison.

13 Minutes of the Council Meeting held on 22 January 2013

It was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Simon Bosher

That the minutes of the meeting held on 22 January 2013 be approved as a correct record and this was agreed.

14 Communications and Apologies

Apologies for absence were received from Councillors Darron Phillips and Alistair Thompson. Apologies for lateness were received from Councillor Mike Hancock and Councillor Peter Eddis.

The Lord Mayor welcomed everyone to the meeting which started at 3pm rather than at 2pm in order to give members and officers the opportunity to attend the funeral earlier today of the Council's Chauffeur, Robin Mitchell. The Lord Mayor said that this was obviously a very sad time for Robin's family and on behalf of the Council he wished to express his deepest sympathy and said that Robin will be sorely missed.

The Lord Mayor advised that Standing Order 25 precludes any questions from the public at budget meetings.

The Lord Mayor also advised members that at the conclusion of the council meeting, an informal closed meeting would be held to confirm the Lord Mayor Select and to select the Deputy Lord Mayor Select for the next municipal year (subject to a formal decision at the Annual Council Meeting.)

15 Deputations from the Public under Standing Order 24(b)(vi)

The City Solicitor advised that six deputations had been received from members of the public all in respect of agenda item 7, the revenue budget and against elements of it and one in support of an element of the capital programme. It was noted that a further deputation request against elements of the capital programme had been made by Muriel Deacon from Portsmouth Pensioners Association, but she was not able to be present to make her deputation.

Deputations against elements of the revenue budget were made by Ms Lindsay Williams representing Unison, Ms Kate Bushnell, Mr Jon Woods representing Portsmouth Against Cuts Together (PACT), Mr Richard White representing Unite. Mr Frank Minal representing GMB Union was also able to make a deputation as the Council waived standing orders to allow him to do so.

One deputation in favour of an element of the capital programme - the Kings Theatre capital grant - was made by Mr Sean Bowman.

16 Appointments

RESOLVED that the following changes to the Conservative group's representation on the Langstone Harbour Board be made for the remainder of the term (until May 2014) as follows:

- (i) Councillor Steve Wemyss to cease being a standing deputy.**

- (ii) **Councillor April Windebank to replace Councillor Wemyss as a standing deputy.**
- (iii) **Councillor Luke Stubbs to replace Councillor Windebank as a main member.**

17 Urgent Business

There was no urgent business.

18 Recommendations from Cabinet from its Meeting held on 11 February 2013

Minute 19 - Capital Programme 2012/13 to 2017/18

Minute 20 - Portsmouth City Council Budget 2012/13 to 2016/17

The Lord Mayor explained that it was proposed that the capital programme and revenue budget items be taken and debated together on the basis that each item impacts on the other and on the understanding that the capital programme would be voted on first followed by the revenue budget.

It was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Hugh Mason

That the process outlined above be adopted and this was agreed.

It was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Hugh Mason

That the recommendations contained in Cabinet minute 19 - Capital Programme 2012/13 to 2017/18 and Cabinet minute 20 - Portsmouth City Council Budget 2012/13 to 2016/17 be approved.

Councillor Gerald Vernon-Jackson gave a presentation on the budget proposals and commended the administration's budget.

As an amendment to the recommendations in relation to Cabinet minute 19 - Capital Programme, it was

Proposed by Councillor Simon Boshier
Seconded by Councillor Donna Jones

That the recommendations set out in Appendix 1 attached to these minutes (Conservative Capital Programme) be agreed.

Councillor Boshier then spoke to his group's proposed budget amendments and commended the proposed amended capital budget to the Council, but said the Conservative group could not support the Administration's revenue budget.

As an amendment to the recommendations in relation to Cabinet minutes 19 and 20, it was

Proposed by Councillor John Ferrett
Seconded by Councillor Jim Patey

That the recommendations set out in Appendix 2 attached to these minutes (Labour capital amendment) and the recommendations set out in Appendix 3 attached to these minutes (Labour revenue amendment) be adopted.

Councillor John Ferrett then spoke to his group's proposed budget amendments and commended them to the Council.

The Lord Mayor explained that in accordance with current practice, the six minute speaking limit that normally applies to each item will be extended to up to a total of ten minutes per member to reflect the fact that the two separate items have been combined. This was formally agreed by the council.

Part way through the debate, council adjourned at 5.25 pm. Council resumed at 5.35 pm.

Following debate, the Lord Mayor called upon the Leader of the Council, Councillor Gerald Vernon-Jackson to sum up the recommendations covered by the administration's report.

Councillor Gerald Vernon-Jackson said that he did not propose to accept the Conservative group or the Labour group amendments and outlined his reasons.

Upon the proposal standing in the name of Councillor John Ferrett, concerning Cabinet minute 19 - Capital Programme 2012/13 to 2017/18, being put to the vote, it was declared to be LOST.

Upon the proposal standing in the name of Councillor Simon Boshier, concerning Cabinet minute 19 - Capital Programme 2012/13 to 2017/18, being put to the vote, it was declared to be LOST.

Upon being put to the vote, the recommendations in Cabinet minute 19 - Capital Programme 2012/13 to 2017/18, were CARRIED.

RESOLVED that (1) the Revised Capital Programme 2012/13 to 2017/18 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and re-phasing described in Sections 6 and 8 be approved.

(2) the passported Capital Allocations (Ring-fenced Borrowing and Grants) as set out in Section 7 be noted.

(3) the Head of Finance and Section 151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council.

(4) for the purposes of the Local Authorities (Capital Finance) (Amendment) Regulations 2003 the City Council resolve to spend up to £20 million on affordable housing each year between 2012/13 and 2014/15. Furthermore, that the capital receipts arising in each year from the disposal of surplus HRA assets be used 100% for the provision of affordable housing or regeneration schemes

(5) given the impending changes to the Capital Financing Regulations, the Section 151 Officer has delegated authority to amend recommendation 4 in the event that it would no longer be in the best financial interests of the Council to allocate these specific resources to regeneration schemes.

(6) the Archive Store be declared surplus to requirements.

(7) the following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2012/13 to 2017/18 and be financed from the available corporate capital resources:

Recommended New Capital Schemes	Corporate Resources Required £	Total Scheme Value £
Children & Education:		
ICS Replacement – Reshaping Children’s Social Care	750,000	750,000
School Condition Projects	1,800,000	1,800,000
Supply of School Places	4,960,000	4,960,000
Culture, Leisure & Sport:		
Drayton Park – Refurbishment of Tennis Courts	135,000	135,000
ARTches Project	100,000	1,750,000
Lighting from Square Tower to Round Tower	50,000	50,000
Replacement of CCTV Cameras with night vision CCTV across Southsea seafront	20,000	20,000
New Library in Drayton	100,000	100,000

Southsea Seafront Investment (Exc. Pyramids Centre)	250,000	250,000
Re-location of Archive Store – Southsea Library 1st Floor	600,000	600,000
Kings Theatre Capital Grant	200,000	200,000
Environment & Community Safety:		
Horsea Island Country Park	154,000	184,200
Housing:		
Support For Vulnerable People	900,000	1,016,000
Planning, Regeneration & Economic Development:		
Tipner Land Remediation and Sea Defences	78,000	10,004,000
Cosham High Street	200,000	200,000
Commercial Port		
Berth Five Linkspan	100,000	100,000
Demolition of Floating Dock Jetty	500,000	2,500,000
Resources:		
Dunsbury Hill Farm – Access Road and Infrastructure Scheme	100,000	8,250,000
Landlords Maintenance	1,050,000	1,050,000
Landlords Maintenance – Capital Contingency	196,000	196,000
Replace Oldest Quay Tugs (MMD)	30,000	100,000
Traffic & Transportation:		
Local Transport Plan 3	600,000	935,000
Total Recommended Sum to be Approved	12,873,000	35,150,200

(8) as outlined in Section 10, the City Council note that none of the recommended new capital schemes are required to be approved as invest to save schemes to be funded from Prudential Borrowing.

(9) as outlined in Section 11, the following Capital schemes be approved as Invest to Save schemes and funded from the MTRS Reserve:

	Total MTRS Funding £
Automatic Line Handling Scheme	500,000
Replace Oldest Quay Tugs (MMD)	70,000
Purchase of Haulage Trailers (MMD)	63,000
Voltage Reduction & Power Cleaning (MMD)	130,000
Legal Case Management Software	96,000
Total Recommended Sum to be Approved	859,000

(10) the City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes as described in Section 12.

(11) the Prudential Indicators described in Section 12 and set out in Appendix 3 be approved.

Revenue Budget

The proposal standing in the name of Councillor John Ferrett, concerning Cabinet minute 20 - Portsmouth City Council Budget 2012/13 to 2016/17 could not be put as it was dependent on the capital amendment which was lost. Consequently Council moved straight to the Cabinet recommendations.

Upon being put to the vote, the recommendations in Cabinet minute 20 - Portsmouth City Council Budget 2012/13 to 2016/17, were CARRIED.

RESOLVED (1) that the following be approved:

- (a) The revised Revenue Estimates for the financial year 2012/13 and the Revenue Estimates for the financial year 2013/14 as set out in the General Fund Summary (Appendix A)**
- (b) The Portfolio Cash Limits for the Revised Budget for 2012/13 and Budget for 2013/14 as set out in Sections 6 and 8, respectively**
- (c) That net savings in 2012/13 of £3.2m (which exclude requests for carry forward) be transferred to the Medium Term Resource Strategy (MTRS) Reserve to support the achievement of efficiencies to alleviate deficits in future years**
- (d) That any further savings for 2012/13 arising within Portfolios and Service Units at the year end will be regarded as windfall savings and will accrue to either General Balances or the MTRS Reserve to support the achievement of savings to alleviate deficits in future years**
- (e) The budget savings proposals set out in Appendix B are proposals only for the purposes of setting Portfolio Cash Limits and the overall City Council Budget**
- (f) That following appropriate consultation, any savings proposal set out in Appendix B may be altered, amended or substituted with alternative proposals amounting to the same value and that the relevant Portfolio Holder be given delegated authority to make such changes accordingly**
- (g) The recommended budget pressures for 2013/14 and their ongoing effect in 2014/15 and 2015/16 as set out in Appendix C**

- (h) If, for any reason, any of the budget pressures detailed in Appendix C do not proceed, or underspend, the sum involved will revert to revenue balances
- (i) A further Budget report be brought back to the City Council in the Spring of 2013 which addresses the need to find a resolution to the “switch” of £2.4m of funding from non ring-fenced funds to ring-fenced funds and which also makes further savings proposals
- (j) The Head of Finance & Section 151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved budget and budget forecasts
- (k) Managers be authorised to incur routine expenditure against the Cash Limits for 2013/14 as set out in Section 8
- (l) The Revenue Forecast and the associated provisional Portfolio Cash Limits for 2014/15 onwards as set out in Section 9 and Appendices D and E respectively, be noted
- (m) In the event that an overall Savings Requirement of £26m is required that they be phased as follows:

Financial Year	In Year Target £m	Cumulative Saving £m
2014/15	9.0	9.0
2015/16	8.5	17.5
2016/17	8.5	26.0

- (n) In the event that an overall Savings Requirement of £23.6m is required following the resolution of the “switch” of £2.4m of funding from non ring-fenced funds to ring-fenced funds, that they be phased as follows:

Financial Year	In Year Target £m	Cumulative Saving £m
2014/15	8.0	8.0
2015/16	8.0	16.0
2016/17	8.0	24.0

- (o) Heads of Service be instructed to start planning how the City Council will achieve the savings requirements shown in Section 10 and that this be considered and incorporated into Service Business Plans

- (p) The City Council will retain 100% of the Port's annual surpluses in 2013/14 and future years in order to fund other City Council services**
- (q) In order to provide the surety of capital funding that the Port requires to enable it to plan and prosper over the short, medium and longer term, and in accordance with the approved Capital Strategy, in future years the City Council will seek to set aside a sum equivalent to 10% of the Port's turnover on an annual basis from Port surpluses**
- (r) Members note that the MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies holds a relatively modest uncommitted balance of £2.1m and will only be replenished from an approval to the transfer of any underspends at year end**
- (s) Authority be delegated to the Cabinet to make releases from the MTRS Reserve for Spend to Save or Spend to Avoid cost schemes only (both Revenue & Capital) and that any such scheme must meet the financial savings criteria determined by the Council's S151 Officer. As a minimum, those criteria must include the payback of any investment within a period not exceeding 4 years**
- (t) The minimum level of revenue balances as at 31 March 2014 be increased to £6.0m (from £5.5m in 2012/13) to reflect the perceived budget and financial risks to the Council**
- (u) Members have regard for the Statement of the Head of Finance & Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 16**
- (v) The Non Domestic Rates poundage for 2013/14 of 47.1p, and 46.2p for small businesses, be noted**
- (w) The Head of Finance & Section 151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Fire and Rescue Authority precepts**

(2) that it be noted that at its meeting on 7 January 2013 the Cabinet calculated the amount of 50,500.7 as its Council Tax Base for the financial year 2013/14 [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].

(3) that the following amounts be now calculated by the Council for the financial year 2013/14 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£563,961,320	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£504,798,235	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£59,163,085	Being the amount by which the aggregate at 3.3(a) above exceeds the aggregate at 3.3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	£1,171.53	Being the amount at 3.3(c) above (Item R), all divided by Item 3.2 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
781.02	911.19	1,041.36	1,171.53	1,431.87	1,692.21	1,952.55	2,343.06

Being the amounts given by multiplying the amount at 3.3(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

(4) that it be noted that for the financial year 2013/14 the Hampshire Police & Crime Commissioner has approved the following amounts in the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

(f) Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
100.83	117.64	134.44	151.25	184.86	218.47	252.08	302.50

(5) that it be noted that for the financial year 2013/14 Hampshire Fire and Rescue Authority are provisionally recommending the following amounts in the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

(g) Valuation Bands

A £	B £	C £	D £	E £	F £	G £	H £
40.92	47.74	54.56	61.38	75.02	88.66	102.30	122.76

(6) that having calculated the aggregate in each case of the amounts at 3.3(e), 3.4 and 3.5 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2013/14 for each of the categories of dwellings shown below:

(h) Valuation Bands

A £	B £	C £	D £	E £	F £	G £	H £
922.77	1,076.57	1,230.36	1,384.16	1,691.75	1,999.34	2,306.93	2,768.32

19 Questions from Members under Standing Order No 17

There were no questions from members.

The meeting concluded at 6.50 pm.

Lord Mayor

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APPENDIX 1

**AGENDA ITEM 7 - Portsmouth City Council's Capital Programme
2012/13 to 2017/18**

Amendment to Cabinet Recommendation (minute 19)

As per the attached.

Proposed by (Name) SIMON BOSHER

Signed _____

Seconded by (Name) DONNA JONES

Signed _____

Amendment proposed by the Conservative Group

Capital Programme 2012/13 to 2017/18

That the recommendations of the Cabinet of 11 February 2013 (Minute 6/13) on "Capital Programme 2012/13 to 2017/18" be amended as follows:-

Recommendation 3.1 (7) be replaced by:-

The following schemes as described in Section 9 and Appendix 2 and the additional scheme related to "Capital Grant for Bowling Greens" set out below be reflected within the recommended Capital Programme 2012/13 to 2017/18 and be financed from the available corporate capital resources:

Recommended New Capital Schemes	Corporate Resources Required £	Total Scheme Value £
Children & Education:		
ICS Replacement – Reshaping Children's Social Care	750,000	750,000
School Condition Projects	1,800,000	1,800,000
Supply of School Places	4,960,000	4,960,000
Culture, Leisure & Sport:		
Drayton Park – Refurbishment of Tennis Courts	135,000	135,000
ARTches Project	100,000	1,750,000
Replacement of CCTV Cameras with night vision CCTV across Southsea seafront	20,000	20,000
New Library in Drayton	100,000	100,000
Southsea Seafront Investment (Exc. Pyramids Centre)	250,000	250,000
Re-location of Archive Store – Southsea Library 1 st Floor	600,000	600,000
Kings Theatre Capital Grant	200,000	200,000
Capital Grant for Bowling Greens in the City	50,000	50,000
Environment & Community Safety:		
Horsea Island Country Park	154,000	184,200
Housing:		
Support For Vulnerable People	900,000	1,016,000
Planning, Regeneration & Economic Development:		
Tipner Land Remediation and Sea Defences	78,000	10,004,000
Cosham High Street	350,000	350,000
Commercial Port:		
Berth Five Linkspan	100,000	100,000
Demolition of Floating Dock Jetty	500,000	2,500,000

Resources:		
Dunsbury Hill Farm – Access Road and Infrastructure Scheme	100,000	8,250,000
Landlords Maintenance	1,050,000	1,050,000
Landlords Maintenance – Capital Contingency	196,000	196,000
Replace Oldest Quay Tugs (MMD)	30,000	100,000
Traffic & Transportation:		
Local Transport Plan 3	450,000	785,000
Total Recommended Sum to be Approved	12,873,000	35,150,200

Recommendation 3.1 (11) be replaced by:-

The Prudential Indicators as described in Section 12 and set out in the amended Appendix 3 be approved.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the recommendations as set out.

NOTES TO THE CONSERVATIVE CAPITAL PROGRAMME AMENDMENT

The following schemes have been amended from the Original Administration proposal:

Reductions to the Proposed Capital Programme:

Deletions / Reductions to Proposed New Capital Schemes	Corporate Resources Released £
Culture, Leisure & Sport:	
Deletion of Lighting from Square Tower to Round Tower	50,000
Traffic & Transportation:	
Reduction to Local Transport Plan 3	150,000
Total Recommended Reductions to the Capital Programme	200,000

Additions to the Proposed Capital Programme:

Additions / Increases to Proposed New Capital Schemes	Corporate Resources Required £
Culture, Leisure & Sport:	
Addition of Capital Grant for Bowling Greens in the City	50,000
Traffic & Transportation:	
Increase to Cosham High Street	150,000
Total Recommended Increases to the Capital Programme	200,000

The overall effect of this Amendment is financially neutral.

The proposal seeks to reduce Capital Expenditure by £200,000 and then reallocate the Capital Resources released.

APPENDIX 3

PRUDENTIAL INDICATORS

Capital Expenditure							
	2011/12 Actual £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
Children & Education	5,622	18,229	19,027	9,728	8,889	-	-
Culture & Leisure	2,232	984	4,283	1,987	630	630	-
Environment & Community Safety	3,570	284	636	3,090	22,340	22,340	14,000
Health & Social Care (Adults Services)	1,148	2,516	1,162	3,604	1,811	115	-
Planning, Regeneration & Economic Development	458	1,137	2,503	5,696	6,599	13,092	30,223
Commercial Port	2,760	5,833	1,379	600	-	-	-
Resources	3,763	6,289	7,770	685	3,500	4,500	-
Traffic & transportation	3,994	n	29,375	12,672	3,875	2,689	2,449
Millennium	28	295	812	90	-	-	-
Licensing Committee	2	-	-	-	-	-	-
Housing General Fund	2,803	2,691	2,810	2,948	2,850	2,868	2,988
Non HRA	26,380	38,258	69,757	41,100	50,494	46,234	49,660
HRA	110,905	21,005	34,723	34,510	26,763	26,367	29,787
Total	137,285	59,263	104,480	75,610	77,257	72,601	79,447

Ratio of financing costs to net revenue stream							
	2011/12 Actual	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Non - HRA	13.6%	12.4%	13.3%	13.3%	12.7%	12.5%	11.9%
HRA	4.4%	13.6%	12.4%	11.6%	10.4%	9.9%	9.4%

Capital Financing Requirement							
	2011/12 Actual £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
Non - HRA	282,371	287,710	290,697	291,799	294,407	288,721	280,148
HRA	144,350	141,741	141,744	141,269	138,477	135,523	132,569

HRA Limit on Indebtedness							
	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	
HRA	181,701	181,701	181,701	181,701	181,701	181,701	

Authorised Limit for External debt							
	2011/12 Actual £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
Borrowing	418,854	379,615	381,616	378,184	375,983	374,798	372,287
Other Long Term Liabilities (ie Credit Arrangements)	88,144	88,720	87,148	86,095	84,338	81,296	77,453
Total	506,998	468,335	468,764	464,280	460,320	456,095	449,741

Operational Boundary for external debt							
	2011/12 Actual £000	2012/13 Estimate £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
Borrowing	395,794	358,173	359,745	355,875	353,228	351,588	348,612
Other Long Term Liabilities (ie Credit Arrangements)	88,144	88,720	87,148	86,095	84,338	81,296	77,453
Total	483,938	446,893	446,894	441,970	437,565	432,885	426,066

Incremental impact of capital investment decisions on the council tax						
	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	
Revenue effect of existing capital programme	1,390	2,337	3,174	4,055	4,493	
Revenue effect of proposed capital programme	1,395	2,196	3,051	3,947	4,405	
Increase/(Reduction) in revenue effect	5	(141)	(123)	(108)	(88)	
Increase/(Reduction) in Council Tax Band D	£0.10	(£2.79)	(£2.43)	(£2.14)	(£1.74)	

Incremental impact of capital investment decisions on the housing rents					
	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000
Revenue effect of existing capital programme	26,117	26,181	26,747	23,267	28,851
Revenue effect of proposed capital programme	30,771	33,089	25,832	25,351	28,685
Increase/(Reduction) in revenue effect	4,654	6,908	(915)	2,084	(166)
Effect on average weekly rent	£5.89	£8.75	(£1.16)	£2.64	(£0.21)

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APPENDIX 2

**AGENDA ITEM 7 - Portsmouth City Council's Capital Programme
2012/13 to 2017/18**

Amendment to Cabinet Recommendation (minute 19)

As per the attached.

Proposed by (Name) JOHN FERRETT

Signed _____

Seconded by (Name) JIM PATEY

Signed _____

Amendment proposed by the Labour Group

Capital Programme 2012/13 to 2017/18

That the recommendations of the Cabinet of 11 February 2013 (Minute 6/13) on "Capital Programme 2012/13 to 2017/18" be amended as follows:-

Recommendation 3.1 (7) be replaced by:-

3.1 (7a) That the available corporate capital resources be reduced by £763,000 and that there is a corresponding reduction in the Revenue Contribution to Capital in order to provide the necessary **revenue budget provision** for the demolition of the Pyramids and making good of the site.

3.1 (7b) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2012/13 to 2017/18 and be financed from the available corporate capital resources:

Recommended New Capital Schemes	Corporate Resources Required £	Total Scheme Value £
Children & Education:		
ICS Replacement – Reshaping Children's Social Care	750,000	750,000
School Condition Projects	1,800,000	1,800,000
Supply of School Places	4,960,000	4,960,000
Culture, Leisure & Sport:		
Drayton Park – Refurbishment of Tennis Courts	135,000	135,000
ARTches Project	100,000	1,750,000
Re-location of Archive Store – Southsea Library 1 st Floor	600,000	600,000
Kings Theatre Capital Grant	57,000	57,000
Environment & Community Safety:		
Horsea Island Country Park	154,000	184,200
Housing:		
Support For Vulnerable People	900,000	1,016,000
Planning, Regeneration & Economic Development:		
Tipner Land Remediation and Sea Defences	78,000	10,004,000
Cosham High Street	200,000	200,000
Commercial Port:		
Berth Five Linkspan	100,000	100,000
Demolition of Floating Dock Jetty	500,000	2,500,000

Resources:			
	Dunsbury Hill Farm – Access Road and Infrastructure Scheme	100,000	8,250,000
	Landlords Maintenance	1,050,000	1,050,000
	Landlords Maintenance – Capital Contingency	196,000	196,000
	Replace Oldest Quay Tugs (MMD)	30,000	100,000
Traffic & Transportation:			
	Local Transport Plan 3	400,000	735,000
Total Recommended Sum to be Approved		12,110,000	34,387,200

3.1 (7c) That the Council notes that the recommendations in 3.1(7a) and 3.1 7(b) above are made as part of an overall proposal involving the withdrawal of all ongoing financial support and other budget provisions in relation to the Pyramids Centre. This is to enable the savings made to be re-invested into maintaining, as far as possible, Children's Centres across the City.

Recommendation 3.1 (11) be replaced by:-

The Prudential Indicators as described in Section 12 and set out in the amended Appendix 3 be approved.

HEAD OF FINANCIAL SERVICES AND SECTION 151 OFFICER'S COMMENTS

The Head of Financial Services & S151 Officer advises that the "Revenue Budget 2012/13 to 2016/17 Amendment" proposed by the Labour Group is dependent upon the approval of this amendment to the proposed Capital Programme. Should this amendment not be approved, then the "Revenue Budget 2012/13 to 2016/17 Amendment" proposed by the Labour Group would be invalid.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the recommendations as set out, and supports the advice of the Section 151 Officer given above.

NOTES TO THE LABOUR CAPITAL PROGRAMME AMENDMENT

The following schemes have been amended from the Original Administration proposal:

Reductions to the Proposed Capital Programme:

Deletions / Reductions to Proposed New Capital Schemes	Corporate Resources Released £
Culture, Leisure & Sport:	
Deletion of Lighting from Square Tower to Round Tower	50,000
Deletion of Replacement of CCTV Cameras with night vision CCTV across Southsea seafront	20,000
Deferral of New Library in Drayton	100,000
Deferral of Southsea Seafront Investment (Exc. Pyramids Centre)	250,000
Deferral of Kings Theatre Capital Grant	143,000
Traffic & Transportation:	
Reduction to Local Transport Plan 3	200,000
Total Recommended Reductions to the Capital Programme	763,000

The overall effect of this Amendment is to reduce proposed Capital Expenditure by £763,000 and therefore release an equivalent level of funding.

This Amendment makes no proposal for allocating the available £763,000 of Capital Resources.

APPENDIX 3

PRUDENTIAL INDICATORS
(Amendment proposed by the Labour Group)

Capital Expenditure							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000	£000
Children & Education	5,622	18,229	19,027	9,728	8,889	-	-
Culture & Leisure	2,232	984	3,720	1,987	630	630	-
Environment & Community Safety	3,570	284	636	3,090	22,340	22,340	14,000
Health & Social Care (Adults Services)	1,148	2,516	1,162	3,604	1,811	115	-
Planning, Regeneration & Economic Development	458	1,137	2,503	5,696	6,599	13,092	30,223
Commercial Port	2,760	5,833	1,379	600	-	-	-
Resources	3,763	6,289	7,770	685	3,500	4,500	-
Traffic & transportation	3,994	22,484	29,175	12,672	3,875	2,689	2,449
Millennium	28	295	812	90	-	-	-
Licensing Committee	2	-	-	-	-	-	-
Housing General Fund	2,803	2,691	2,810	2,948	2,850	2,868	2,988
Non HRA	26,380	60,742	68,994	41,100	50,494	46,234	49,660
HRA	110,905	21,005	34,723	34,510	26,763	26,367	29,787
Total	137,285	81,747	103,717	75,610	77,257	72,601	79,447

Ratio of financing costs to net revenue stream							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Non - HRA	13.6%	12.4%	13.3%	13.3%	12.7%	12.5%	11.9%
HRA	4.4%	13.6%	12.4%	11.6%	10.4%	9.9%	9.4%

Capital Financing Requirement							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000	£000
Non - HRA	282,371	287,710	290,697	291,799	294,407	288,721	280,148
HRA	144,350	141,741	141,744	141,269	138,477	135,523	132,569

HRA Limit on Indebtedness							
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	
	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	
	£000	£000	£000	£000	£000	£000	
HRA	181,701	181,701	181,701	181,701	181,701	181,701	

Authorised Limit for External debt							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000	£000
Borrowing	418,854	379,615	381,616	378,184	375,983	374,798	372,287
Other Long Term Liabilities (ie Credit Arrangements)	88,144	88,720	87,148	86,095	84,338	81,296	77,453
Total	506,998	468,335	468,764	464,280	460,320	456,095	449,741

Operational boundary for external debt							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000	£000	£000
Borrowing	395,794	358,173	359,745	355,875	353,228	351,588	348,612
Other Long Term Liabilities (ie Credit Arrangements)	88,144	88,720	87,148	86,095	84,338	81,296	77,453
Total	483,938	446,893	446,894	441,970	437,565	432,885	426,066

Incremental impact of capital investment decisions on the council tax						
	2013/14	2014/15	2015/16	2016/17	2017/18	
	Estimate	Estimate	Estimate	Estimate	Estimate	
	£000	£000	£000	£000	£000	
Revenue effect of existing capital programme	1,388	2,334	3,170	4,051	4,489	
Revenue effect of proposed capital programme	1,393	2,193	3,047	3,944	4,401	
Increase in revenue effect	5	(141)	(123)	(108)	(88)	
Increase in Council Tax Band D	£0.10	(£2.79)	(£2.43)	(£2.14)	(£1.74)	

Incremental impact of capital investment decisions on the housing rents					
	2013/14	2014/15	2015/16	2016/17	2017/18
	Estimate	Estimate	Estimate	Estimate	Estimate
	£000	£000	£000	£000	£000
Revenue effect of existing capital programme	26,117	26,181	26,747	23,267	28,851
Revenue effect of proposed capital programme	30,771	33,089	25,832	25,351	28,685
Increase in revenue effect	4,654	6,908	(915)	2,084	(166)
Effect on average weekly rent	£5.89	£8.75	(£1.16)	£2.64	(£0.21)

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APPENDIX 3

**AGENDA ITEM 7 - Portsmouth City Council's Revenue Budget
2012/13 to 2016/17**

Amendment to Cabinet Recommendation (minute 20)

As per the attached.

Proposed by (Name) JOHN FERRETT

Signed _____

Seconded by (Name) JIM PATEY

Signed _____

Amendment proposed by the Labour Group

Revenue Budget 2012/13 to 2016/17

That the recommendations of the Cabinet of 11 February 2013 (Minute 7/13) on "Portsmouth City Council Budget 2012/13 to 2016/17" be amended as follows:-

Recommendation 3.1 (a) be amended to

3.1 (a) the revised Revenue Estimates for the financial year 2012/13 and the Revenue Estimates for the financial year 2013/14 as amended by paragraphs (x), (y) and (ab) below:-

- (x) the following increases be made to Cash Limits for 2013/14 and 2014/15 to reinstate savings previously approved by the City Council on 11th December 2012:-

	2013/14 £	2014/15 £
<u>Children and Education Portfolio</u>		
Review and re-configuration of service delivery arrangements through Children's Centres	344,000	586,000
Total	344,000	586,000

- (y) the following reductions be made to Cash Limits for 2013/14 and 2014/15 in respect of additional savings:-

	2013/14 £	2014/15 £
<u>Culture, Leisure & Sport Portfolio</u>		
Withdrawal of all financial support for the operation of the Pyramids (with the likely outcome of closure). Savings arise from deleting the provisions for any management fee payable, maintenance liabilities, loan repayment liabilities and other risk based provisions contained within the budget. A £20,000 provision remains for Grounds Maintenance for the site (post demolition)	(681,000)	(586,000)
<u>Other Expenditure</u>		
Reduction in the Revenue Contribution to Capital with the following amendments to the Capital Programme:	(763,000)	0
- Delete "Lighting from Square Tower to Round Tower (£50,000)"		
- Delete "Rock Gardens – Replacement of CCTV Cameras (£20,000)"		
- Delete "Drayton Library (£100,000)" and defer for a future year when further capital resources become available		
- Delete "Southsea Seafront Investment Exc. Pyramids Centre (£250,000)" and defer for a future year when further capital resources become available		
- Reduce "Kings Theatre Capital Grant" by £143,000 to £57,000 and defer any further support for a future year when further capital resources become available		
- Reduce "Local Transport Plan 3" by £200,000 to £400,000 being the minimum level in order to fulfil the Council's statutory responsibilities		
Total	<u>(1,444,000)</u>	<u>(586,000)</u>

- (z) The budget savings proposals set out in (y) above are proposals only for the purposes of setting Portfolio Cash Limits and the overall City Council Budget.
- (aa) That following appropriate consultation, any savings proposal set out above may be altered, amended or substituted with alternative proposals amounting to the same value and that the relevant Portfolio Holder be given delegated authority to make such changes accordingly.
- (ab) The following increases be made to Cash Limits for 2013/14 and 2014/15 to meet budget pressures:-

	2013/14 £	2014/15 £
<u>Culture, Leisure & Sport Portfolio</u>		
Provision for demolition and making good the Pyramids site in the event that an operator / alternative use cannot be found to run the building at nil cost (incl. the repayment of loan liabilities and ongoing maintenance liabilities)	1,100,000	0
	<u>1,100,000</u>	<u>0</u>

- (ac) if the schemes detailed in (x) and (ab) do not proceed for any reason, the sums involved cannot be used for any other purpose and will revert to revenue balances.
- (ad) General Fund Summary - (Appendix A) be amended as follows:-

	2013/14 £	2014/15 £
1. Reinstate savings approved by the City Council on 11 th December 2012 as listed in recommendation 3.1(x) above and amend Portfolio Cash Limits accordingly	344,000	586,000
2. Reduction in Cash Limits for 2013/14 and 2014/15 for additional savings as recommended in 3.1(y) above	(1,444,000)	(586,000)
3. Increase in Cash Limits for 2013/14 and 2014/15 for budget pressures approved as recommended in 3.1(ab) above	1,100,000	0
4. Contribution to Revenue Reserves		
Total	<u>0</u>	<u>0</u>

Recommendation 3.1 (b) be amended to

3.1 (b) the Portfolio Cash Limits for the Revised Budget for 2012/13 and Budget for 2013/14 as set out in Sections 6 and 8 , respectively as amended by paragraphs (x), (y) and (ab) above.

Recommendation 3.1 (l) be amended to

3.1 (l) the Revenue Forecast and associated provisional Portfolio Cash Limits for 2014/15 onwards as set out in Section 9 and Appendices D and E respectively as amended by paragraphs (x), (y) and (ab) above be noted.

HEAD OF FINANCIAL SERVICES AND SECTION 151 OFFICER'S COMMENTS

Under Recommendation 3.1(u), the Head of Financial Services and Section 151 Officer advises as follows:-

The proposals contained within this amendment do not alter the statements made by the Head of Finance and Section 151 Officer in Section 16 of this report.

CITY SOLICITOR'S COMMENTS

The City Solicitor is satisfied that it is within the City Council's powers to approve the recommendations as set out, and supports the advice of the Section 151 Officer given above.

GENERAL FUND SUMMARY

APPENDIX A

BUDGET 2012/13 TO 2016/17 - LABOUR GROUP AMENDMENT

Original Estimate 2012/13 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Estimate 2012/13 £	Estimate 2013/14 £	Estimate 2014/15 £	Estimate 2015/16 £	Estimate 2016/17 £
52,979,061	Children & Education	52,353,154	51,367,354	51,792,927	52,618,154	53,711,954
12,886,645	Culture, Leisure & Sport	12,515,628	12,915,428	11,656,528	12,047,928	12,273,128
19,173,609	Environment & Community Safety	19,177,976	19,177,976	19,150,376	19,583,276	20,028,076
51,829,841	Health & Social Care	56,335,584	55,444,884	53,819,284	54,079,184	55,843,584
13,833,488	Housing	6,773,188	6,366,688	6,227,488	6,269,288	6,312,188
321,816	Leader	323,116	294,916	247,616	273,216	259,616
5,381,515	Planning Regeneration Economic Development	7,212,604	4,704,404	4,391,004	4,399,704	4,399,704
28,362,552	Resources	28,468,275	27,139,075	27,768,975	27,969,375	28,586,575
15,584,635	Traffic & Transportation	16,275,627	16,085,027	17,401,027	17,280,427	16,446,307
514,200	Governance & Audit Committee	411,100	294,900	401,600	419,300	437,500
(43,395)	Licensing Committee	(91,195)	(99,695)	(115,795)	(119,095)	(115,695)
200,823,967	Portfolio Expenditure	199,852,957	194,475,657	193,254,430	194,812,057	198,184,937
	Other Expenditure					
122,200	Precepts	122,200	90,300	93,400	96,600	99,900
(150,000)	Portchester Crematorium - Share of Dividend	(150,000)	(150,000)	(152,500)	(155,000)	(157,500)
5,336,000	Pension Costs	5,336,000	5,336,000	5,803,400	5,803,400	5,803,400
6,301,550	Contingency Provision	3,392,300	6,965,250	3,246,300	3,246,300	3,246,300
3,382,300	Revenue Contributions to Capital Reserve	3,640,300	182,200	1,500,000	65,500	65,500
333,900	Transfer to / (from) Other Reserves	6,172,500	(180,100)	(541,700)	(541,700)	(541,700)
(21,544,267)	Asset Management Revenue Account	(24,797,432)	(23,332,732)	(23,118,105)	(23,113,532)	(21,758,612)
1,906,700	Other Expenditure	2,013,500	2,677,500	3,172,600	4,172,600	5,172,600
(4,311,617)	Other Expenditure	(4,270,632)	(8,421,582)	(10,696,605)	(10,425,832)	(8,070,112)
196,512,350	TOTAL NET EXPENDITURE	195,582,325	186,054,075	182,557,825	184,386,225	190,114,825
	FINANCED BY:					
7,847,349	Contribution (to) from Balances and Reserves	5,803,892	313,044	6,574,372	15,765,251	26,249,694
84,426,986	Revenue Support Grant	84,881,677	63,714,654	51,689,885	42,372,870	34,329,453
0	Business Rates Retention	0	42,572,403	44,492,271	45,711,145	47,148,378
35,641,316	Other General Grants	36,300,057	20,460,282	19,454,950	18,983,685	19,602,961
68,596,699	Collection Fund	68,596,699	58,993,692	60,346,347	61,553,274	62,784,339
196,512,350		195,582,325	186,054,075	182,557,825	184,386,225	190,114,825
	BALANCES & RESERVES					
19,657,267	Balance brought forward at 1 April	24,141,000	18,337,108	18,024,064	11,449,692	(4,315,559)
(7,847,349)	Transfers to / (from) General Reserves	(5,803,892)	(313,044)	(6,574,372)	(15,765,251)	(26,249,694)
	Deduct (Deficit) / Add Surplus for Year					
12,009,918	Balance carried forward at 31 March	18,337,108	18,024,064	11,449,692	(4,315,559)	(30,566,253)
5,500,000	Minimum Level of Balances	5,500,000	6,000,000	7,400,000	8,400,000	8,400,000
7,847,349	Underlying Budget Deficit / (Surplus)	5,803,892	313,044	6,574,372	15,765,251	26,249,694