

Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 10 February 2015 at 2.00 pm and all members of the council are hereby summoned to attend to consider and resolve upon the following business:-

Agenda

- 1 **Members' Interests**
- 2 **To approve as a correct record the Minutes of the Meeting of the Council held on 20 January 2015 (attached) (Pages 1 - 14)**
- 3 **To receive such communications as the Lord Mayor may desire to lay before the Council, including apologies for absence.**
- 4 **Deputations from the Public under Standing Order No 24.**
- 5 **Any Appointments**
- 6 **Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26.**

It is proposed that the following two items, Capital Programme and the Budget and Tax Setting reports and recommendations, be taken and debated together on the basis that each item impacts on the other and on the understanding that the Capital Programme will be voted on first, followed by the Tax Setting Item.

- 7 **Capital Programme 2014/15 to 2019/20 (Pages 15 - 92)**
Cabinet Recommendations - To receive and consider the recommendations of the Cabinet meeting to be held on 5 February (to follow) in respect of the above matter, the report for which is attached.
- 8 **Portsmouth City Council Budget & Council Tax 2015/16 & Medium Term Budget Forecast 2016/17 to 2018/19 (Pages 93 - 148)**
Cabinet Recommendations - To receive and consider the recommendations of the Cabinet meeting to be held on 5 February (to follow) in respect of the above matter, the report for which is attached.
- 9 **Notice of Motion**
Zhuhai - Friendship Agreement

Proposed by Councillor Hugh Mason
Seconded by Councillor Lynne Stagg

That the City Council ratifies the Friendship Agreement signed by Cllr Lynne Stagg, the then Lord Mayor, between the City of Portsmouth and the City of Zhuhai, Province of Guangdong, Peoples Republic of China, in March 2014.

That the City Council records its appreciation of the work of the Chinese community of Portsmouth in developing the friendship of the two cities to the benefit of the people of both.

10 Questions from Members under Standing Order No 17 (Pages 149 - 150)

David Williams
Chief Executive

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Full Council meetings are digitally recorded, audio only.

Civic Offices
Guildhall Square
PORTSMOUTH
2 February 2015

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall
Portsmouth on Tuesday, 20 January 2015 at 2.00 pm

Council Members Present

The Right Worshipful The Deputy Lord Mayor
Councillor David Horne (in the Chair)

Councillors

Margaret Adair	Leo Madden
Michael Andrewes	Hugh Mason
Simon Boshier	Lee Mason
Alicia Denny	Stuart Potter
Ben Dowling	Will Purvis
Ken Ellcome	Darren Sanders
John Ferrett	Eleanor Scott
Ken Ferrett	Phil Smith
Margaret Foster	Lynn Stagg
David Fuller	Sandra Stockdale
Colin Galloway	Luke Stubbs
Paul Godier	Julie Swan
Aiden Gray	Linda Symes
Terry Hall	Alistair Thompson
Stephen Hastings	Gerald Vernon-Jackson
Hannah Hockaday	Steve Wemyss
Lee Hunt	Matthew Winnington
Frank Jonas	Rob Wood
Donna Jones	Neill Young

1. Declarations of Interests under Standing Order 13(2)(b)

Councillor Luke Stubbs declared a prejudicial, pecuniary interest in agenda item 11, question number 5 concerning South Parade Pier as he lives near it and would leave the chamber for that item.

Later in the meeting Councillor Stubbs declared a pecuniary interest in the Savoy building site as he lives near it but did not have the opportunity to leave the chamber as discussion on this occurred without warning during a debate on notice of motion (b) Planning Inspectorate.

Councillor Will Purvis declared a pecuniary interest in agenda item 10(b) - Abolition of the Planning Inspectorate - in that he is employed by McCarthy and Stone. He said he would leave the chamber for that item.

2. Minutes of the Ordinary Meeting of the Council held on 9 December 2014

It was

Proposed by Councillor Donna Jones

2 20 January 2015

Seconded by Councillor Gerald Vernon-Jackson

That the minutes of the meeting held on 9 December 2014 be approved as a correct record and this was agreed.

RESOLVED that the minutes of the meeting of the Council held on 9 December 2014 be confirmed and signed as a correct record.

3. Communications including apologies for absence.

Apologies for absence were received from the Lord Mayor, Councillor Steve Wylie, Councillor Rob New and Councillor Les Stevens (who was unwell). Apologies for lateness were received on behalf of Councillor Neill Young.

The Deputy Lord Mayor said that there was a change in the seating arrangements with effect from this meeting following the recent change in the UKIP Group membership with Councillor Godier becoming a non-aligned independent member. The Deputy Lord Mayor advised that the implications of this change in terms of a consequent review of the political proportionality on committees would be dealt with under Urgent Business. The Deputy Lord Mayor said that he was chairing today's meeting as the Lord Mayor is on paternity leave following the arrival of his second son, Dylan Ian Alfred Wylie. The Deputy Lord Mayor passed on the Council's congratulations to both the Lord Mayor and the Lady Mayoress. The Deputy Lord Mayor read out two letters from the Lord Mayor;- one to advise members of the birth of his second son, Dylan and to advise that he had accepted on behalf of the office of Lord Mayor, the patronage of the King's Theatre; the second concerning the sad death of Felicity Sparshatt.

The Deputy Lord Mayor expressed heartfelt condolences to Honorary Alderman Robin Sparshatt following the extremely sad loss of his wife, the former Lady Mayoress, Felicity.

He also announced the death of former Fareham councillor John Thompson whose funeral would take place on 29 January at 2.00 pm.

Council stood for a moment's reflection.

4. Deputations from the Public under Standing Order No 24

The City Solicitor reminded the person making a deputation today that if he did not wish to be filmed, photographed or recorded when making his deputation he should indicate, in order that all present who may be intending to film, photograph or record proceedings could accede to his wishes.

The City Solicitor advised that one deputation request had been received in respect of agenda item 8, Budget and Performance Monitoring from Mr Les Cummings.

Mr Cummings made his deputation. The Deputy Lord Mayor thanked him for his deputation.

5. Questions from the Public under Standing Order 25

There were no questions from the public.

6. Appointments

The Deputy Lord Mayor advised that Councillor Hastings had been nominated to replace Councillor Godier as the UKIP spokesperson for the Cabinet Member for Children & Education portfolio. He also advised that Councillors Galloway and Hastings would become the UKIP standing deputies on the Transport, Environment & Community Safety Scrutiny Panel subject to the outcome of item 7. This was accepted.

7. Urgent Business - To receive and consider any urgent and important business from Members of the Cabinet in accordance with Standing Order No 26

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Linda Symes

That the proposal on proportionality on committees and panels be adopted.

Upon being put to the vote, this was CARRIED.

RESOLVED

To adopt the overall political balance and allocation of seats schedule previously circulated under cover of report and letter dated 15 January, subject to and reflecting the inclusion of the following changes containing the expressed wishes of the relevant Group Leader where applicable.

That the UKIP seat on the Licensing Committee held by councillor Swan be replaced by Councillor Godier in his non-aligned independent Member capacity

That the UKIP seat on the Education, Children and Young People Scrutiny Panel held by Councillor Godier be retained by Councillor Godier in his non-aligned independent member capacity.

8. Cabinet Recommendations - To receive and consider the recommendations of the Cabinet meeting held on 4 December 2014

Minute 99 - Budget and Performance Monitoring 2014/15 (2nd Quarter) to end September 2014.

This was opposed to allow for a short discussion on the Port.

4 20 January 2015

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Luke Stubbs

That the recommendations contained in Cabinet minute 99 be adopted.

Upon being put to the vote this was CARRIED.

RESOLVED that

- (i) **The contents of this report be noted, in particular the overall forecast overspend of £1,501,500 representing a variance of 0.9% against the City Council Budget (as adjusted) of £175,030,000.**
 - (ii) **To enable the Children's & Education Portfolio to address the deficit against the Council approved cash limit, the Children's Social Care & Safeguarding savings proposals for 2015/16 totalling £1,917,000 outlined in Table 1 be noted.**
 - (iii) **To remedy the historic underlying budget deficit relating to Parking within the Traffic & Transportation Portfolio, it be noted that an annual appropriation from the Parking Reserve in the amount of £400,000 per annum has been made.**
 - (iv) **That the Council Leader works with the relevant portfolio holder to consider measures necessary to significantly reduce or eliminate the adverse budget position presently being forecast within Children & Education and Health & Social Care Portfolios and any necessary decisions presented to a future meeting of the relevant portfolio.**
- 9. Licensing Committee Recommendations - To receive and consider the recommendations of the Licensing Committee held on 13 January 2015**

The following minute was approved unopposed.

Minute 5 - Local Government (Miscellaneous Provisions) Act 1982 and Highways Act 1980 - Provision of Highway Amenities - Delegation of Powers to the Licensing Committee and appropriate Head of Service in respect of Highway Amenity Matters.

10. Notices of Motion

Notice of Motion (a) - Volunteer Snow Wardens

It was

Proposed by Councillor Michael Andrewes
Seconded by Councillor Lynne Stagg

That this notice of motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Michael Andrewes
Seconded by Councillor Lynne Stagg

That notice of motion (a) as set out on the agenda be adopted.

Following debate, upon being put to the vote this was CARRIED.

RESOLVED that

The council notes:

Many areas such as Lambeth, Waltham Forest, Edinburgh and Telford and Wrekin now operate a scheme for “snow angels” or snow volunteer wardens. This provides basic equipment and training to enable people to clear their pavements and help in times of snow and bad weather

This would give the city added resilience in times of bad weather and harness people’s desire to help out in these times and help reduce deaths during winter months when vulnerable and older people are at risk.

The costs for this are likely to fairly minimal and mostly capital expenditure in equipment and it would help prevent other costs to the council and public services.

The council therefore resolves:

To ask the Scrutiny Management Panel to undertake a short “task and finish” review of the idea and make a recommendation on whether and how to implement it and report to cabinet as quickly as possible given that there might be bad weather soon.

Notice of Motion (b) - Abolition of the Planning Inspectorate

It was

Proposed by Councillor Michael Andrewes
Seconded by Councillor Darren Sanders

That this notice of motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Michael Andrewes
Seconded by Councillor Darren Sanders

That the notice of motion as set out on the agenda be adopted.

As an amendment to the notice of motion it was

Proposed by Councillor Luke Stubbs
Seconded by Councillor Stephen Hastings

To add last paragraph before "the council therefore resolves"

"Council further notes that provisions within National Planning Policy Framework, particularly the requirement to have a five year land supply, have weakened protections against poor quality or unwanted development, particularly on Greenfield sites. It also notes that recent changes to Permitted Development rights are undermining efforts to protect employment space and local commercial centres."

Add new paragraph after '...curtailing the power of the Planning Inspectorate.'

"To support efforts to reform the National Planning Policy Framework rules on land supply rules and permitted development."

Add new paragraphs at the end of the motion

"The Council requests the Leader of the Council to write to Brandon Lewis MP, Minister of State responsible for Housing and Planning, inviting him to visit the City to observe the St James' Milton development. Additionally, the Leader of the Council be requested to write to the relevant Government Minister requesting a national list be compiled of former industrial sites that could potentially be suitable for residential development."

Councillor Andrewes (as the original mover of the motion) agreed to accept this amendment which therefore became the substantive motion. Following debate, upon the substantive motion being put to the vote this was CARRIED.

RESOLVED that

The council notes:

Nick Herbert, MP has said that he will table amendments to legislation going through Parliament to abolish, or at the very least curtail, the power of the Planning Inspectorate, to prevent it from making didactic interventions in the planning process, ensuring communities have tighter control over development.

The planning appeal process is "one-sided" in that only applicants can appeal a decision made by a local Planning Authority and not objectors

There is widespread cross-party consensus for decisions to be taken as close to local communities as possible.

**The coalition Government's localism agenda to devolve power
The vast majority of planning decisions are taken locally both in
Portsmouth and across the country.**

Local councils and councillors are best placed to have first-hand knowledge of their local communities. Local councils have in planning decisions to make decisions that are both in line with planning law and regulations and local policies and plan and also that are "reasonable".

Individual decisions by planning inspectors seem sometimes to be contradictory.

Council further notes that provisions within National Planning Policy Framework, particularly the requirement to have a five year land supply, have weakened protections against poor quality or unwanted development, particularly on Greenfield sites. It also notes that recent changes to Permitted Development rights are undermining efforts to protect employment space and local commercial centres.

The council therefore resolves:

To support the spirit of those amendments that Nick Herbert, MP has outlined he will introduce of abolishing or curtailing the power of the Planning Inspectorate.

To support efforts to reform the National Planning Policy Framework rules on land supply rules and permitted development.

That Portsmouth City Council encourages other councils to take a similar position

The Chief Executive writes to the Secretary of State for Communities and Local Government stating its support for this policy

And the Council requests that a letter is sent from the Leader of the Council and other group leaders and councillors should they so wish to the Secretary of State for Communities and Local Government outlining the council's support for such a policy

That the Local Government Association is asked to lobby for such a policy

That the Chief Executive writes to local MPs asking them to support such a policy and any amendments introduced in Parliament to abolish or curtail the power of the Planning Inspectorate.

The Council requests the Leader of the Council to write to Brandon Lewis MP, Minister of State responsible for Housing and Planning, inviting him to visit the City to observe the St James' Milton development

Additionally, the Leader of the Council be requested to write to the relevant Government Minister requesting a national list be compiled of

former industrial sites that could potentially be suitable for residential development

Notice of Motion (c) - Combined Authority

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Michael Andrewes

That this notice of motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Michael Andrewes

That the notice of motion as set out on the agenda be adopted.

As an amendment it was

Proposed by Councillor Matthew Winnington
Seconded by Councillor Leo Madden

That the final paragraph be amended to read "and finally if the city council is unable to get an assurance that Portsmouth would be able to obtain a veto over Portsmouth decisions, and it still wishes to enter into a combined authority, then subject to a report back to full council, the matter of whether or not the City Council enters into a Combined Authority is put to the people of Portsmouth in a non-binding referendum at an approximate cost of £108,000 and that the Cabinet Member for Resources be requested to fund the cost from a release from the Portfolio Reserve."

As an amendment to the notice of motion it was

Proposed by Councillor Donna Jones
Seconded by Councillor John Ferrett

That the fifth and sixth paragraphs be amended by the insertion of the highlighted words and deletion of the words in the sixth paragraph that have been lined through.

The City Council recommends to the Cabinet that decision making about services in Portsmouth should be decided within Portsmouth. So Portsmouth decisions are made by Portsmouth people. Any sharing of decision making within a Solent Combined Authority on issues such as transport, planning, housing numbers and economic development should **if at all possible** always include an ability for Portsmouth City Council to veto any decision made by any Combined Authority with which it does not agree and that **the Council explore the viability and lawfulness of vetoes being applied for**

combined authorities and that as part of this we lobby the Secretary of State to give councils this power . Irrespective of the outcome the City Council also recommends to Cabinet that all decisions relating to Portsmouth and decisions of the combined authority are reported to Full Council.

And finally if the City Council is unable to get an assurance that Portsmouth would be able to obtain a veto over Portsmouth decisions, the City Council **asks the Cabinet to review its position on joining a combined authority.** ~~takes the view that it is not in favour of joining a combined authority and would recommend to the Cabinet that that we do not proceed.~~

Following debate, Councillor Darren Sanders (as the original mover of the motion) agreed to accept the amendment standing in the name of Councillor Winnington.

Upon the amendment standing in the name of Councillor Donna Jones being put to the vote this was CARRIED. Upon the substantive motion (incorporating the amendment from Councillor Jones) being put to the vote this was CARRIED.

RESOLVED that

"The City Council recognises that there are several areas where Portsmouth City Council works with other councils on a voluntary basis. These organisations, such as the Partnership for Urban South Hampshire, the Solent Local Economic Partnership and Solent Transport have helped Portsmouth work with our neighbouring councils, but on a voluntary basis.

The City Council notes the enthusiasm of the Government and the current Administration at Portsmouth City Council for Combined Authorities to include Portsmouth, Southampton and the councils in the surrounding areas.

The City Council welcomes any move from Government to pass down powers, responsibilities and funding from Whitehall down to local councils. The UK has the most centralised system of Government in western Europe and this causes many poor decisions, and much waste of public resource.

The City Council is also aware that the restoration in 1997 of full powers to Portsmouth City Council and the removal of decision making about Portsmouth from Hampshire County Council in Winchester has been welcomed by almost all Portsmouth citizens. It means local people know where decisions about Portsmouth are made.

The City Council recommends to the Cabinet that decision making about services in Portsmouth should be decided within Portsmouth. So Portsmouth decisions are made by Portsmouth people. Any sharing of decision making within a Solent Combined Authority on issues such as transport, planning, housing numbers and economic development

should if at all possible always include an ability for Portsmouth City Council to veto any decision made by any Combined Authority with which it does not agree and that the Council explore the viability and lawfulness of vetoes being applied for combined authorities and that as part of this we lobby the Secretary of State to give councils this power. Irrespective of the outcome the City Council also recommends to Cabinet that all decisions relating to Portsmouth and decisions of the combined authority are reported to Full Council.

And finally if the City Council is unable to get an assurance that Portsmouth would be able to obtain a veto over Portsmouth decisions, the City Council asks the Cabinet to review its position on joining a combined authority".

Notion of Motion (d) - Committee System

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Hugh Mason

That this notice of motion be debated today. Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Hugh Mason

That the notice of motion as set out on the agenda be adopted.

As an amendment to the notice of motion it was

Proposed by Councillor Donna Jones
Seconded by Councillor John Ferrett

After the words "look at" in the first line of the first paragraph insert

" how other authorities decision making processes work on a without commitment basis to see if any best practices could potentially be applied to improve further the Council's -governance arrangements and asks the officers to report to the Governance and Audit and Standards Committee in due course if following this research, any such practices are deemed worthy and suitable for consideration on the basis that they are at least cost neutral.

Such an approach and research will have regard to and be mindful of the fact that a committee system of governance is an inherently more expensive form of decision making and would therefore lead to an increase in the cost of democracy at a time when the council is taking steps to reduce such costs".

Delete the remainder of paragraph one from the words "moving towards" and all the subsequent paragraphs, so that the amended motion reads

"The City Council wishes to look at how other authorities decision making processes work on a without commitment basis to see if any best practices could potentially be applied to improve further the Council's governance arrangements and asks the officers to report to the Governance and Audit and Standards Committee in due course if following this research, any such practices are deemed worthy and suitable for consideration on the basis that they are at least cost neutral.

Such an approach and research will have regard to and be mindful of the fact that a committee system of governance is an inherently more expensive form of decision making and would therefore lead to an increase in the cost of democracy at a time when the council is taking steps to reduce such costs".

Following debate, upon the amendment standing in the name of Councillor Jones being put to the vote this was LOST. Upon the original notice of motion as set out on the agenda being put to the vote, this was CARRIED.

RESOLVED that

The City Council wishes to look at moving towards a committee system of decision making in Portsmouth City Council. Governance and Audit and Standards are asked to work up a cost neutral way of bringing in a committee system in the future, learning from the experience both in Portsmouth and other authorities who have made the transition.

In the event that Council in due course decides to move to a new committee system and to enable this to be done in a timely fashion and to be able to learn from experience, the City Council resolves to move to a system of shadow committees for the municipal year 2015-2016, the shadow system should also be cost neutral.

The shadow committees would shadow each cabinet member and meetings would take place with the same agenda as for cabinet members' individual portfolio meetings but before that meeting. Cabinet members would be invited to attend and can be part of the shadow committees. The formal decision making would take place after the shadow committee has met. Shadow committees be cross party and proportionate, but the cabinet member would retain the formal decision making power during the transitional year. There will also be a shadow committee for full cabinet, which in a full committee system would become a policy and resources committee.

Governance and Audit to report back on a shadow system for 2015-16 at the March 2015 Council Meeting.

11. Questions from Members under Standing Order No 17

There were nine questions before council.

Question No 1 was from Councillor Alicia Denny

"Now that the Centros development project for the Northern Quarter has been abandoned, can the Cabinet Member for Culture, Leisure and Sport tell the people of Portsmouth how, where and when the Richard Lancelyn Green bequest of Sherlock Holmes and Conan Doyle memorabilia will be put on suitable public display? Does she agree that this extremely valuable collection should be available for all to appreciate and as a priceless addition to the tourist attractions of our historic city?"

This and supplementary questions were answered by the Cabinet Member for Culture, Leisure and Sport, Councillor Linda Symes.

Question No 2 was from Councillor Lynne Stagg

I would like to put a question to the Leader of the Council at the next full council meeting. The question is "When is the leader of the council going to apologise for erroneously claiming to the media that the new Mountbatten Centre pool was 2 ins. short of the 50 metres needed for an Olympic pool?"

This and supplementary questions were answered by the Leader of the Council, Councillor Donna Jones.

Question No 3 was from Councillor Gerald Vernon-Jackson

"What will the arrangements from April be for people who have bulky items to get rid but who cannot afford the council's charge for removal of these items?"

This and supplementary questions were answered by the Leader of the Council, Councillor Donna Jones (as the Cabinet Member for Environment & Community Safety had given apologies for this meeting).

Question No 4 was from Councillor Stephen Hastings

"Could the Leader please give us an update on what is happening with regard to the banning of Legal High's since letters were sent by herself and UKIP to ministers and how soon we can expect these substances to be off our streets for good."

This was answered by the Leader of the Council, Councillor Donna Jones.

The Deputy Lord Mayor advised that the 45 minutes allowed for questions expired before questions 5, 6, 7, 8 and 9 could be put and so in accordance with Standing Order 17(h) written replies to these questions would be circulated to members.

The meeting concluded at 8.00 pm.

Lord Mayor

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Agenda item:



Decision maker: Cabinet
City Council

Subject: Capital Programme 2014/15 to 2019/20

Date of decision: 5th February 2015 (Cabinet)
10th February 2015 (City Council)

Report by: Head of Finance and Section 151 Officer

Wards affected: All

Key decision: Yes

Budget & policy framework decision: Yes

1. Executive Summary

- 1.1 In accordance with the Council's Capital Strategy and Medium Term Financial Strategy the Administration, through these proposals, have prioritised those schemes that meet the Council's statutory responsibilities that are most likely to drive regeneration across the City.
- 1.2 The programme has been designed to provide sufficient school places for the rising population and also support educational attainment by investing £15.7m into school buildings, targeting those resources at schools with the most acute needs.
- 1.3 Significant investment continues to be made into core City transport and building infrastructure in order to protect the City's seafront assets and enhance the City's attractiveness to business. Alongside investment for jobs and growth, are proposals to invest in local community led schemes to benefit residents.
- 1.4 Future plans are also proposed for a significant capital injection to the Portsmouth International Ferry Port so that it is positioned well to respond to a changing climate in shipping and has flexible facilities to accommodate passenger, freight and cruise trade.
- 1.5 Finally, there are a range of proposals that seek to increase the income generating capacity of the Council itself and also to improve overall efficiency so that the Council is well positioned to meet its future savings requirements of £31m for the period 2016/17 to 2018/19.
- 1.6 To deliver these necessary schemes, the Administration proposes to "stretch" the Capital Resources available by relying on future years' capital grant allocations and future years' Community Infrastructure Levy contributions. The consequence of this is to reduce the resources that would otherwise be available in future years. The Administration considers that this is the best way of utilising capital resources

in accordance with the Council's Capital Strategy and Medium Term Financial Strategy.

2. Purpose

2.1 The purpose of this report is to:

- Summarise the key features of the Capital Strategy approved by the City Council on 4th February 2009 and the revised Capital Investment Priorities of the City Council, approved by City Council on 24th January 2012
- Highlight the inter-relationship between the capital programme, the revenue budget and the Medium Term Financial Strategy
- Determine the corporate capital resources available including:
 - Adjustments for under and overspendings to the existing approved Capital Programme
 - Update the capital resources available for all new and changed grants, capital receipts, revenue contributions and other contributions
 - The identification of additional assets which the Administration wishes to declare surplus to requirements
- Seek approval of the overall Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2014/15 and future years in accordance with the Capital Strategy
- Describe and approve the Prudential Indicators arising from the revised Capital Programme 2014/15 to 2019/20
- Delegate authority to the Head of Finance and Section 151 Officer to alter the mix of capital funding to make best use of City Council resources

3. Recommendations

3.1 It is recommended that:

- 1) The Revised Capital Programme 2014/15 to 2019/20 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 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) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2014/15 to 2019/20 and be financed from the available corporate capital resources:

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Children & Education:			
	School Condition Projects (including Vanguard Centre and Mayfield East Playing Field)	3,950,000	3,950,000
	Primary School Places Expansion	11,706,000	11,706,000
	Adaptations to Foster Carers Properties (Grants)	150,000	150,000
Culture, Leisure & Sport:			
	Loan Advance for the Fitting Out of The New Theatre Royal	150,000	150,000
Environment & Community Safety:			
	Long Curtain Moat Detailed Design	277,000	277,000
Housing:			
	Support For Vulnerable People	200,000	1,212,600
	Grosvenor House Refurbishment	100,000	3,188,000
Planning, Regeneration & Economic Development:			
	Limberline Road Phase 3 (subject to a satisfactory financial appraisal to be approved by the Head of Finance & S151 Officer)	762,000	4,242,000
	City Centre Public Realm Improvements	500,000	500,000
	District Shopping Centre Improvements	100,000	100,000
	Improvements to Community Facilities (Fratton Area)	100,000	100,000
	Seafront Development	100,000	100,000
Resources:			
	Landlord's Maintenance	1,000,000	1,000,000
	Business Intelligence & Electronic Document Management System Requirement Specifications & Implementation of one option	850,000	850,000
	Web Phase 2 & Channel Shift	635,000	635,000
Traffic & Transportation:			
	Local Transport Plan 3 (including Eastern Road Waterbridge and Anglesea Road Footbridge)	1,865,000	2,362,900
	Verge Hardening	100,000	100,000
	St. Mary's Road & Milton Road Crossings	60,000	60,000
Total Recommended Sum to be Approved		22,605,000	30,683,500

- 5) It be noted that the Improvements to Community Facilities (Fratton Area) of £100,000 in recommendation 4) above is available for the community to use to enhance the overall community provision but is conditional upon the scheme demonstrating that it will lead to the City Council realising savings in future years.
- 6) The following schemes as described in Section 10 and Appendix 2 be approved as Invest To Save Schemes and funded from Prudential Borrowing (subject to the approval of a detailed financial appraisal by the Head of Finance & S.151 Officer) up to the limit shown:

	Prudential Borrowing Required £
Demolition of Floating Dock Jetty and Lengthening of Berth 2	16,985,000
Limberline Road Phase 3	3,480,000
Utility Management & Consumption Reduction	1,080,000
Total Recommended Sum to be Approved	21,545,000

- 7) The Harbour School Fratton located in Penhale Road is declared surplus to requirements and disposed.
- 8) The following Schemes as described in Section 13 be included within the "Reserve List" of Capital Schemes to be considered once additional capital resources are identified.

Future Priority Capital Schemes – Not in Priority Order
Early Years School Places
Seafront Improvements
Port Development
Dunsbury Hill Farm Development
Provision of Sites For Student Accommodation

- 9) As outlined in Section 12 and Appendix 2 the City Council note the use of Portfolio Specific Reserves to fund the following scheme:

	Total Portfolio Reserve Funding £
Environment & Community Safety:	
Surface Water Separation	65,000
Total Use of Portfolio Reserves	65,000

- 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 14.

- 11) The Prudential Indicators described in Section 14 and set out in Appendix 4 be approved.

4. Background

4.1 On the 4th February 2009 the City Council approved the Capital Strategy 2008 - 2018. The key features of that strategy, which have been considered in the development of the Administration's Capital Programme proposals, are as follows:

- Contribution to the Corporate Plan & Vision for Portsmouth for non commercial activities
- Rate of return and payback for commercial activities
- Retention of Community Assets
- Retention and maintenance of Heritage Assets
- The extent and level of surety of external funding
- The use of Capital Investment Options Appraisal
- A whole life cost approach to Capital Investment
- Delivery of Value for Money
- The approach to risk - the expected benefits must outweigh the risk
- Any overspendings on approved Capital Schemes being the first consideration for the use of any available capital resources

4.2 On 24th January 2012 the City Council approved the "Capital Investment Aspirations and Priorities 2011/12 and the Future". This update report to the Capital Strategy 2008 – 2018 revised the Capital Investment Priorities, as the Capital Strategy was in its 3rd year, and proposed the following categories of Capital Schemes that are the priorities for attracting Corporate Capital Funding:

- **Category 1** - Programmes of a recurring nature that are essential to maintain operational effectiveness
- **Category 2** - Specific schemes that:
 - Have a significant catalytic potential to unlock the regeneration of the City
 - Are significant in terms of the Council strategies that they serve
 - Are significantly efficiency generating
 - If not implemented would cause severe disruption to Service delivery

- 4.3 The Capital Programme for 2015/16 will be the sixth year that fully embraces the revised financial framework for allocating capital resources to new capital schemes. The financial framework approved within the Capital Strategy has evolved from the previous framework based on passporting of funding, to one that is based on pooling resources designed to offer Members greater choice and transparency with the overall aim of delivering better outcomes from the resources available. It seeks to strike the correct balance of allocating capital resources between short and medium term needs and priorities and longer term aspirations, in order to support the delivery of the 10 year Capital Strategy.
- 4.4 The Administration have focussed their available Capital Resources primarily towards improving the condition of school buildings and increasing the number of pupil places within primary schools to meet forecast increases in demand.
- 4.5 The next large physical regeneration project planned by the City Council over the next 5 - 10 years is the seafront development, which includes improvement of sea defences and key sites identified in the seafront master plan. Consistent with this plan, the Council was recently awarded capital funding of £43m by The Environment Agency to complete improvements to the sea defences at North Portsea. The award of this funding was predicated on the Council having developed the proposal to the detailed design stage, which necessitated the Council incurring expenditure in advance of the award at its own risk. Had the detailed design not been completed in advance, it is unlikely the Council would have been as successful in its funding bid. As a result the Administration's proposals include further "seed" funding for detailed design proposals of sea defences at Long Curtain Moat Southsea in preparation for a further funding bid to The Environment Agency of circa £50m.
- 4.6 Other regeneration schemes in the pipeline include housing and employment space developments at Port Solent, Tipner and Horsea under the City Deal Programme and the development of a Science and Technology Business Park at Dunsbury Hill Farm.

5. Considerations in Formulating the Revised & Future Capital Programme

- 5.1 In considering the revised Capital Programme for 2014/15 and the future Capital Programme for 2015/16 to 2019/20, the following factors have been taken into account:
- The outline Medium Term Financial Strategy with its bias towards driving regeneration
 - The Council's Capital Strategy, which informs the capital investment needs, priorities and aspirations of the Council
 - Any over or underspendings against approved capital schemes
 - The priority and immediacy of new capital schemes and the revenue impacts of those capital schemes

- The availability of capital resources and the potential risks associated with those capital resources being realised
- The inter-relationship with the Revenue Budget, in particular the additional revenue costs associated with the proposed new capital schemes
- The effective exclusion of the use of Prudential Borrowing, except for Invest to Save Schemes, arising from the unaffordability of its associated borrowing costs

5.2 To determine the capital resources available, all capital funding sources have been reviewed. This review covered all of the resources anticipated to be available over the medium term. In assessing the level of anticipated capital resources available, a prudent and responsible approach has been taken and only those resources that have a high degree of certainty and that are likely to be available within a reasonable time frame have been included.

6. **Revised Capital Programme – 2014/15 to 2019/20**

6.1 Since the revised Capital Programme 2013/14 to 2018/19 was approved in November 2013, other schemes that have not required corporate capital resources have been added to the recommended Capital Programme shown in Appendix 1. These schemes have been funded from sources such as Specific Grants, Contributions or other scheme specific capital resources.

6.2 The Capital Programme approved in November 2013 (incorporating the Housing Investment Programme) has been further revised to reflect additions, changes, under and overspendings, slippage and revised phasing of capital schemes. Further details of these changes are set out in Section 8. The revised capital programme for 2014/15 and beyond is attached at Appendix 1 and is recommended for approval.

7. **Passported Capital Allocations (Grants)**

7.1 Set out below is the current position on all new ring-fenced Grant Allocations for 2015/16. The allocation is passported directly to the relevant Portfolio/Board so that they can be applied in accordance with the conditions for their use.

Grant	Grant Description	Allocation
Children's & Education Services:		
Devolved Formula (indicative allocation)	Devolved Formula Capital Grant (DFCG) is a Standards Fund grant that allocates capital funding to schools. The grant is used to fund capital improvements/maintenance, remodelling and/or new build.	440,000
Health & Wellbeing Board:		
Disabled Facilities Grant (indicative allocation)	To be allocated in accordance with the arrangements for the distribution of the Better Care Fund	748,000
Department of Health Grant (indicative allocation)	To be allocated in accordance with the arrangements for the distribution of the Better Care Fund	496,000
Total Ring Fenced Grant Allocations		1,684,000

8. **Forecast of Corporate Capital Resources (Non Passported) 2015/16 & Beyond**

8.1 The forecast of corporate capital resources (i.e. non passported sources of finance) available to the City Council for new capital schemes comprise the following and are described in more detail in the paragraphs below:

- Contributions to the "Corporate Pool" of all non ring-fenced capital grants from Government, commonly referred to as the "Single Capital Pot" allocations
- The anticipated balance on the Revenue Reserve for Capital
- Changes to the existing Capital Programme - additions or deductions for any changes in the costs or funding requirements associated with the existing capital programme
- Any allowances for Prudential Borrowing (unsupported borrowing)
- The forecast value of additional capital receipts taking into account:
 - New assets declared surplus to requirements

- Any increase or decrease in the estimated value of existing assets to be disposed of
- Any requirements to provide for affordable housing, parking or any other conditions which could have a significant impact on the disposal value and other costs associated with disposal
- Other Corporate Capital Grants & Contributions e.g. Community Infrastructure Levy
- Any Revenue Contributions to Capital

Contributions to the Corporate Pool including the “Single Capital Pot” allocations

- 8.2 The Council receives allocations of capital funding each year under the guise of the “Single Capital Pot”. The “Single Capital Pot” is not a grant or capital allocation in itself but is a term used to define all non ring-fenced Government Supported Capital Expenditure (either Grant or Supported Borrowing).
- 8.3 Government Supported capital expenditure is a combination of bid based and formula based allocations. These allocations take the form of a direct Capital Grant.
- 8.4 The Single Capital Pot is intended to be a non ring-fenced source of finance and available for directing towards the priorities of the Authority. In practice however, the Single Capital Pot allocations are notified to individual Authorities in terms of the amounts that each Government Department has contributed. Furthermore, those Government Departments have an expectation that the amounts that they have allocated to each Authority will be directed towards their services. If these sums are not spent in the areas to which they are allocated, it is possible that future allocations could be jeopardised. This practice is contradictory to the principles of both the Single Capital Pot and the Council’s Capital Strategy that is now in place.
- 8.5 In addition, there are other non ring-fenced sources of capital funding that are Corporately Pooled such as:
- Capital Receipts from the Sale of Council Houses
 - Capital Receipts from the Sale of other HRA Assets
 - Section 106 Contributions

- 8.6 The allocations which were previously passported directly to Portfolios and which now contribute towards the “Corporate Pool” as part of the overall sum of Capital Resources available are as follows:

Contributions to Corporately Pooled Resources		Full Year Allocation	Allocated in Previous Years	Net
		£000	£000	£000
Culture, Leisure & Sport:				
	S106 (Open Spaces)	163		163
Education:				
	LA Basic Need - 2015/16	6,112	(791)	5,321
	- 2016/17	6,418		6,418
	DfE - Capital Maintenance			
	- 2014/15	2,247	(1,629)	618
	- 2015/16	1,173		1,173
	S106 (Education)	1,122		1,122
Housing:				
	Capital Receipts - Sale of Council Houses	1,230		1,230
Traffic & Transportation:				
	LTP - IT Block - 2014/15	1,851	(2,226)	(375)
	- 2015/16	1,851		1,851
	S106 (Sustainable Transport)	135		135
	Community Infrastructure Levy	1,422		1,422
	Total Contributions to Corporate Pool	23,724	(4,646)	19,078

- 8.7 It should be noted that the maintenance element of the Local Transport Plan (LTP) has not been pooled and is earmarked to fund part of the Unitary Charge paid to Ensign under the Highways PFI contract. This amounts to £1.43m in 2015/16 inclusive of increased funding to tackle pot holes.
- 8.8 It should also be noted that the Administration has relied on all of the LA Basic Need Grant for the years 2015/16 and 2016/17 to fund scheme proposals scheduled to commence in 2015/16 for additional school places required over the medium term.
- 8.9 The impact of committing future capital resources to schemes commencing in 2015/16 (completing in 2016/17) is to significantly reduce the Corporate Capital Resources that will be available in 2016/17 with the consequence that the number and/or size of category 1 or category 2 new scheme starts in 2016/17 will be significantly reduced.

Revenue Reserve for Capital & Revenue Contributions to Capital

- 8.10 The Revenue Reserve for Capital has been built up over a number of years from Revenue Contributions to finance capital schemes and as at 31st March 2014 stood at £22.1m. Sums are transferred into this reserve in advance and then drawn from the reserve once the capital expenditure is incurred.
- 8.11 The balance on the Revenue Reserve for Capital and the "in year" (2014/15) Revenue Contributions from/to this reserve have been taken into account in arriving at the overall level of capital resources available.

Changes to the Existing Capital Programme

- 8.12 In arriving at the overall level of capital resources available, the current approved Capital Programme has been reviewed and amended, in accordance with the approved Capital Strategy, for under and overspending plus any adjustments for additions to or shortfalls in estimated funding. These adjustments are reflected in the proposed Capital Programme at Appendix 1. The more significant amendments to the existing Capital Programme are set out below:

Underspendings:

- Seafront Heritage Lottery Fund Bid
- Canoe Lake
- 4 Sites Project
- Northern Road Bridge
- Grants to Registered Social Landlords
- Arthur Pope House

Overspendings / Funding Shortfalls:

- The Hard Public Transport Interchange

In Year Additions:

- Pyramids LED Lighting
- Hampshire Community Bank
- Superconnected Cities
- Guildhall Internal Works
- Municipal Bonds Agency Investment
- IS Server and Database Upgrades
- Data Centre Phase II
- Clean Vehicle Technology
- Green Deal Communities
- Universal Infant Free School Meal Provision

- 8.13 The funding required to finance the overall recommended Capital Programme attached at Appendix 1 plus the changes described in this Section and Sections 6 and 7 have been fully taken into account in arriving at the capital resources available.

Prudential Borrowing

- 8.14 Prudential Borrowing is what is termed “unsupported borrowing” and means that the Government does not provide any revenue support through Government Grant for the repayment of that debt (neither principal nor interest). The City Council therefore, must fund all of the repayments associated with this type of borrowing. There are strict rules governing the use of Prudential Borrowing around the concepts of Affordability, Sustainability and Prudence. Thus far, the City Council has only been able to utilise Prudential Borrowing for Invest to Save Schemes where there is a demonstrable case that the capital expenditure incurred will result in savings that at least cover either the cost of borrowing or, alternatively, where other savings can be made to cover those borrowing costs.

Capital Receipts

- 8.15 In forecasting the level of Capital Resources available to the City Council over the medium term, the following core assumptions have been made:

- Capital receipts have only been assumed for the disposal of assets that have been approved by Members
- Capital receipts are only assumed where they are expected to be realised within a reasonable timeframe since there are inherent risks associated with changing circumstances over longer time periods
- Some of the more significant capital receipts being relied upon to fund the current capital programme include:
 - Sale of Council Houses
 - Anson Road
 - Archive Store
 - Corben Lodge
 - Derby House
 - Edinburgh Lodge
 - Greetham Street Car Park & Drummond House
 - Highland Road Public Toilets
 - Hilsea Lodge
 - Limberline Unit
- Revisions to reflect the current financial conditions in the property market

- 8.16 As part of the Capital Investment proposals set out in this report, the Administration are planning to re-locate the current Harbour School, Fratton in Penhale Road to the Vanguard Centre. This will also involve a comprehensive re-configuration and refurbishment of the centre to ensure that it meets the specific needs of the children. As a consequence, the Administration declares this site "Surplus to Requirements" and recommends its disposal.

Corporate (Non ring-fenced Capital Grants)

8.17 The Capital Programme also relies upon other non ring fenced Capital Grants

Summary of Total Available Capital Resources

8.18 Taking all of the above factors into account, as well as making some contingency provision for contractual disputes and other potential costs, the Capital Resources available at this time are as follows:

CORPORATE CAPITAL RESOURCES AVAILABLE	£000
Corporate Capital Resources (including "Pooled Resources")	22,605
Add: Funds Released from Uncommitted Schemes	Nil
Total Corporate Capital Resources Available	22,605

9. Priority Capital Schemes – 2015/16 & Beyond (Corporate Resources)

9.1 The programme has also been designed to support schools in improving educational attainment by investing £15.656m into school buildings and targeting those resources at schools with the most acute needs for new places and repair works.

9.2 The Administration plan to support the economic growth of the City by creating industrial units, improving the attractiveness of the City Centre and District Shopping Centres and commencing the detailed design of sea defences at Long Curtain Moat Southsea in order to protect the City's seafront assets. Significant investment also continues to be made into other core services such as Transportation to enhance the City's attractiveness to businesses and residents alike.

9.3 As described elsewhere in this report, the Administration's proposals also provide for the investment into community facilities in Fratton.

9.4 As described in Section 8, the Administration have "stretched" the Capital Resources available by relying on future years' capital grant allocations and future years' Community Infrastructure Levy contributions. The consequence therefore of delivering these high impact schemes is to reduce the resources that would otherwise be available in future years. The Administration considers that this is the best way of utilising capital resources in accordance with the Capital Strategy.

9.5 At this time the Administration is recommending the allocation of £22.605m to the following capital schemes which it deems to be of particular importance to the delivery of its Capital Strategy:

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) or Long Term Aspiration (Portsmouth Vision)	Corporate Resource Allocation £	Total Scheme Value £
School Condition Projects (including Vanguard Centre and Mayfield East Playing Field)	Category 1 - Short / Medium Term Need & Priority - Raise Standards in English & Maths through maintenance and enhancement of the learning environment. Ensuring that buildings are in the right condition and are suitable for learning needs	3,950,000	3,950,000
Primary School Places Expansion	Category 2 - Short / Medium Term Need & Priority – Raise Standards in English & Maths Ensuring adequate class room capacity in the medium term and are suitable for learning needs	11,706,000	11,706,000
Adaptations to Foster Carers Properties (Grants)	Category 1 - Short / Medium Term Need & priority - Improve the availability, affordability and quality of housing	150,000	150,000
Loan Advance for the Fitting Out of The New Theatre Royal	Category 2 - Short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	150,000	150,000
Long Curtain Moat Detailed Design	Category 2 - Short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	277,000	277,000
Support For Vulnerable People	Category 1 - Short / Medium Term Need & priority - Improve the availability, affordability and quality of housing	200,000	1,212,600

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) or Long Term Aspiration (Portsmouth Vision)	Corporate Resource Allocation £	Total Scheme Value £
Grosvenor House Refurbishment	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	100,000	3,188,000
Limberline Road Phase 3	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for businesses to settle	762,000	4,242,000
City Centre Public Realm Improvements	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for businesses to settle	500,000	500,000
District Shopping Centre Improvements	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for businesses to settle	100,000	100,000
Improvements to Community Facilities (Fratton Area)	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for businesses to settle	100,000	100,000
Seafront Development	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for businesses to settle	100,000	100,000
Landlords Maintenance	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	1,000,000	1,000,000

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) or Long Term Aspiration (Portsmouth Vision)	Corporate Resource Allocation £	Total Scheme Value £
Business Intelligence & Electronic Document Management System Requirement Specifications & Implementation of one option	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose	850,000	850,000
Web Phase 2 & Channel Shift	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose	635,000	635,000
Local Transport Plan 3 (including Eastern Road Waterbridge and Anglesea Road Footbridge)	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	1,865,000	2,362,900
Verge Hardening	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	100,000	100,000

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) or Long Term Aspiration (Portsmouth Vision)	Corporate Resource Allocation £	Total Scheme Value £
St. Mary's Road & Milton Road Crossings	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities via the comprehensive management of the asset base and provide buildings for all services that are in the right place, condition and are suitable for their purpose	60,000	60,000
Total Corporate Capital Resources Allocated		22,605,000	30,683,500

- 9.6 Of the 18 schemes above recommended for approval, 10 are explicitly outlined within the Capital Strategy. Future additions to the Strategy will be made using this Capital Programme Review exercise as its annual re-fresh.
- 9.7 The proposed Capital Schemes recommended for approval are described in more detail in Appendix 2 and set out:
- Description of the Scheme and its key aims
 - The total cost of the scheme including funding from other sources
 - The net cost of the scheme to be funded from Corporate Capital Resources
 - Any additional on-going revenue costs/savings associated with the scheme
- 9.8 The allocation to the Improvements to Community Facilities (Fratton Area) is conditional upon the scheme demonstrating that it will lead to the City Council realising savings in future years.
- 9.9 The indicative 2015/16 Local Transport Plan (LTP) is set out in Appendix 3.

10. New Capital Schemes To Be Funded From Prudential Borrowing

10.1 The following schemes meet the Prudential Borrowing Criteria outlined at Paragraph 8.14 and it is recommended that prudential borrowing up to the limit shown for each scheme is approved.

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) or Long Term Aspiration (Portsmouth Vision)	Prudential Borrowing Required £
Limberline Road Phase 3	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for businesses to settle	3,480,000
Utility Management & Consumption Reduction	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency.	1,080,000

10.2 The City derives significant economic benefits from the Port and for many years the Council and its residents have received a direct financial benefit from the surpluses that it produces. The future success of the Port is dependent on a continued pipeline of capital investment into its infrastructure to ensure that it remains a facility that is attractive for trade.

10.3 The Administration has plans for, and proposes, a significant investment in the Portsmouth International Port. The plans involve the removal of "Asia Pontoon", a Naval Base facility which serves as an obstacle for larger vessels being accommodated at the Port. Similarly with the trend of larger ships, the Port will require longer berths. To accommodate this trade and both retain and have the opportunity to secure new business, the Port will require investment to accommodate both. At this early stage, it is estimated that a capital investment of £17m will be required.

10.4 It is recommended that this investment in the Port be approved and funded by Prudential Borrowing but subject to a satisfactory business plan, backed by commitments from customers for new trade, and supported by a detailed financial appraisal which satisfies the Head of Finance & S.151 Officer. This appraisal must demonstrate that any borrowing costs can be met from cost savings and additional income directly associated with the investment. The investment is set out below:

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) or Long Term Aspiration (Portsmouth Vision)	Prudential Borrowing Required £
Demolition of Floating Dock Jetty, Lengthening of Berth 2 and additional passenger facilities	Category 1 - Short / Medium Term Need & Priority – Regenerate the City by securing the existing trade through the Ferry Port and attracting new business	16,985,000

11. New Capital Schemes To Be Funded From The MTRS Reserve

- 11.1 No new capital schemes have been added which require funding from the MTRS Reserve.

12. New Capital Schemes To Be Funded From Portfolio Specific Reserves

- 12.1 The City Council note the use of the Environment & Community Safety Portfolio Specific Reserve to fund the following scheme

Surface Water Separation

It is proposed that a programme to remove highway run-off from the combined sewer system, reducing flood risk across the city is implemented at a cost of £65,000.

13. Future Priority Capital Schemes

- 13.1 In addition to the Capital Investment proposals described above, the Administration is keen to plan a path ahead in accordance with the Capital Strategy and set out their future proposals for Capital Investment once further Capital Resources become available. The Administration's proposals are set out below.

Future Priority Capital Schemes – Not in Priority Order
Early Years School Places
Seafront Improvements
Port Development
Dunsbury Hill Farm Development
Provision of Sites For Student Accommodation

14. Prudential Borrowing and Prudential Indicators

- 14.1 Prudential Borrowing is a potential source of capital finance under the Local Government Act 2003. This requires that Local Authorities comply with the Prudential Code for Capital Finance. The key objective of the Prudential Code is to ensure that the capital investment plans of local authorities are Affordable, Prudent and Sustainable. The Prudential Code sets out a clear governance procedure for those matters that the Authority must have regard to as follows:
- **Affordability** e.g. implications for Council Tax and Council housing rents
 - **Prudence and Sustainability** e.g. implications of external borrowing
 - **Value for money** e.g. options appraisal
 - **Stewardship of assets** e.g. asset management planning
 - **Service objectives** e.g. strategic planning for the authority
 - **Practicality** e.g. achievability of the forward plan
- 14.2 Prudential Borrowing requires that the capital investment of the Authority remains within sustainable limits and that the revenue consequences, including both debt financing and other revenue costs, are affordable over the long term. In considering the affordability of its Capital plans, the Authority must consider all of the resources currently available to it and estimated for the future, together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the following two years as a minimum. The Authority is also required to consider known significant variations beyond this timeframe and pay due regard to risk and uncertainty.
- 14.3 Whilst the City Council is able to set a balanced budget in 2015/16, this is only by drawing on Revenue Balances of £1,150,000. Furthermore, current forecast revenue deficits amount to £13.2m in 2016/17, £21.1m in 2017/18 and £31.2m in 2018/19. **This means that until such time as the Council is able to balance its budget over the medium term, it is unable to demonstrate that it can afford any additional borrowing costs over that period and therefore cannot demonstrate compliance with the affordability test of the Prudential Code. Prudential Borrowing is available however, for Invest to Save Schemes.**
- 14.4 The Secretary of State has reserve powers to impose regulations on Local Authorities if it feels that an Authority is either not compliant with the code or if it is in the national economic interest. These reserve powers include:
- National Borrowing Limits – if there are national economic reasons
 - Borrowing Limits for an individual Authority
 - Limits set either nationally or locally for different kinds of borrowing
 - Any headroom that a Local Authority has under National Borrowing Limits that may be transferred between Authorities
- 14.5 The Prudential Indicators of the Council are determined largely from its Capital Investment decisions and are presented in Appendix 4. In summary, the Council's indicators illustrate that its current Capital Programme is affordable. The ratio of

financing costs to net revenue stream for the General Fund are estimated to be 9.8% in 2014/15, rising to 15.1% by 2019/20. For the Housing Revenue Account, fixed borrowing costs range from 12.1% in 2014/15 falling to 11.4% by 2019/20. The forecast HRA balance for the next 5 years remains in surplus indicating that this is a sustainable level of borrowing.

- 14.6 Represented in terms of the effect on a Band D taxpayer, the revenue effect (i.e. additional costs/savings against the revenue budget) of the recommended capital programme is expected to be a reduction of £1.21 per annum per taxpayer in 2016/17 or a 0.1% reduction in the Council Tax.
- 14.7 The Council's underlying need to borrow to finance its current and future capital expenditure (i.e. its Capital Financing Requirement) is falling. The Council's 2014/15 revised Operational Boundary is £483.5m and is forecast to fall to £449.1m over the period to 2019/20.
- 14.8 The Council's Limit for External Debt, recommended at £503.2m for 2015/16, should be broadly equivalent to its underlying need to borrow (described above) but should allow for a little headroom in excess of it. This has been set accordingly. Furthermore, the Operational Boundary for external debt serves as a limit/early warning tool to highlight whether the External Limit is nearing a breach. This therefore, is set at the level to which external debt is more likely to be.

15. Conclusion

- 15.1 The Capital Programme and new capital schemes recommended as part of this report attempt to strike the right balance between meeting the short and medium term needs and priorities of the Council and the longer term aspirational vision for the City.
- 15.2 In particular, the proposals seek to meet the Council's statutory obligations to provide sufficient school places and to support schools in their pursuit of improved educational attainment. As a whole, the Capital Programme is designed to drive economic growth, support schools in their pursuit of improved educational attainment, generate savings and income for the Council in order to protect services from cuts and continue to protect the vulnerable in society. The programme is clearly aligned with the Medium Term Financial Strategy and the approved Capital Strategy.
- 15.3 This programme sets out the future Capital Investment agenda for the Council. It looks beyond the coming year and uses a financial framework for allocating capital resources based on the concept of pooling non-ring fenced resources so that there is greater transparency and choice for new capital investment with greater opportunity for enhanced outcomes for residents.

16. Comments of the City Solicitor

16.1 The City Solicitor has confirmed that it is within the City Council's powers to approve the recommendations set out above.

17. Equality Impact Assessment

17.1 This Capital Programme earmarks sums for future capital schemes. Prior to the commencement of any capital scheme, a report and financial appraisal on that scheme will be approved either by the Portfolio Holder, the Cabinet or the City Council and at that time an Equalities Impact Assessment will be undertaken.

Chris Ward
Head of Finance and Section 151 Officer

Background List of documents –

Section 100D of the Local Government Act 1972

The following documents disclose facts or matters which have been relied upon to a material extent by the author in preparing this report –

<i>Title of document</i>	<i>Location</i>
Capital 2015/16	Office of Deputy Head of Finance
Capital Strategy 2008 – 2018	Council's Web Site
Capital Investment Aspirations & Priorities 2011/12 and the Future	Council's Web Site

The recommendations set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 10th February 2015

Signed: -----

**CAPITAL
PROGRAMME
&
FINANCING**

2014/15 – 2019/20

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Summary of Capital Programme (All Services)	Expenditure to 31 March 14 £	Revised Estimate 2014/15 £	Estimate 2015/16 £	Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Expenditure in Subsequent Years £	Final Cost £
Children & Education	48,194,857	10,229,610	11,904,753	8,093,000	738,000	70,000	0	0	79,230,220
Culture, Leisure & Sport	23,467,112	1,552,436	4,354,535	2,533,089	169,400	100,000	0	0	32,176,572
Environment & Community Safety	1,893,467	807,276	12,320,800	10,040,000	14,831,000	12,000,000	4,400,000	23,290,000	79,582,543
Health & Social Care (Adults Services)	3,080,118	1,388,654	5,243,317	178,999	0	0	0	0	9,891,088
Planning Regeneration & Economic Development	12,196,412	46,933,332	71,497,564	60,375,430	25,252,000	25,351,000	0	3,029,255	244,634,993
Commercial Port	22,619,081	1,196,827	6,432,106	4,530,000	7,030,000	0	0	0	41,808,014
Resources	16,651,148	10,126,499	5,798,047	1,223,760	20,800	24,900	0	0	33,845,154
Traffic & Transportation	65,433,463	15,030,259	17,593,909	5,064,920	3,720,747	3,434,820	3,030,930	33,300,072	146,609,120
Millennium	37,844,109	5,900	0	0	0	0	0	0	37,850,009
Total Capital Programme (Excluding Housing Investment Programme)	231,379,767	87,270,793	135,145,031	92,039,198	51,761,947	40,980,720	7,430,930	59,619,327	705,627,713
Housing Investment Programme	95,547,295	34,581,395	43,578,841	33,887,620	24,529,706	28,292,296	34,481,800	38,815,767	333,714,720
Total Capital Programme	326,927,062	121,852,188	178,723,872	125,926,818	76,291,653	69,273,016	41,912,730	98,435,094	1,039,342,433
Analysis of Programme by Source of Finance									
Borrowing		1,234,520	91,797	569,341	0	0	0	0	1,895,658
Unsupported Borrowing		11,757,470	26,813,495	15,429,243	7,055,870	0	0	0	61,056,078
Corporate Reserves (Including Capital Receipts)		15,609,982	19,797,573	5,000,689	6,565,274	6,534,255	4,073,824	7,231,662	64,813,259
Revenue & Reserves		33,964,908	31,158,365	26,632,041	21,771,953	27,496,163	30,810,422	65,233,997	237,067,849
Grants		37,701,451	34,028,238	24,010,591	15,500,200	12,760,980	4,400,000	23,290,000	151,691,460
Contributions		21,583,857	66,834,404	54,284,913	25,398,356	22,481,618	2,628,484	2,679,435	195,891,067
Total Financing		121,852,188	178,723,872	125,926,818	76,291,653	69,273,016	41,912,730	98,435,094	712,415,371

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RESOURCES AVAILABLE

Specific Resources

Borrowing
Unsupported Borrowing
Other Capital Receipts
Other Capital Reserves
Other Contributions
Government Grants
Other Grants
Sub Total - Specific Resources

Specific Resources Used

Specific Resources Available

Corporate Resources

Corporate Capital Receipts
Corporate Capital Reserves
Corporate S106 Contributions & CIL
Capital Settlement - Non Ring Fenced Grants
Corporate Grants
Sub Total - Corporate Resources

Corporate Resources Used

Corporate Resources Available

Total Resources Available

Total Resources Used

Total Remaining Resources Available

Revised Estimate 2014/15	Estimate 2015/16	Estimate 2016/17	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Expenditure in Subsequent Years	Final Cost
£	£	£	£	£	£	£	£
1,234,520	91,797	569,341	0	0	0	0	1,895,658
11,757,470	26,813,495	15,429,243	7,055,870	0	0	0	61,056,078
2,046,406	7,676,543	4,183,711	3,829,557	3,949,590	4,073,824	4,202,407	29,962,038
33,080,908	30,999,765	26,627,841	21,771,953	27,496,163	30,810,422	65,233,997	236,021,049
17,736,596	60,736,507	46,964,169	23,782,556	22,441,618	2,628,484	2,679,435	176,969,365
2,386,420	1,882,359	0	0	0	0	0	4,268,779
25,043,160	14,684,170	10,867,764	13,469,400	12,000,000	4,400,000	23,290,000	103,754,494
93,285,480	142,884,636	104,642,069	69,909,336	65,887,371	41,912,730	95,405,839	613,927,461
93,285,480	142,884,636	104,642,069	69,909,336	65,887,371	41,912,730	95,405,839	613,927,461
0	0	0	0	0	0	0	0
8,182,231	3,603,861	700,051					12,486,142
23,561,862	(75,000)	(75,000)					23,411,862
4,597,775	2,068,221	1,757,256	3,500,000	2,350,000			14,273,252
24,101,726	10,565,699	7,728,745	1,272,000				43,668,170
4,648,484	0	0	0				4,648,484
65,092,078	16,162,781	10,111,052	4,772,000	2,350,000	0	0	98,487,910
28,566,708	35,839,236	21,284,749	6,382,317	3,385,645	0	3,029,255	98,487,910
36,525,370	16,848,915	5,675,217	4,064,900	3,029,255	3,029,255	0	0
158,377,558	159,047,417	114,753,121	74,681,336	68,237,371	41,912,730	95,405,839	712,415,371
121,852,188	178,723,872	125,926,818	76,291,653	69,273,016	41,912,730	98,435,094	712,415,371
36,525,370	16,848,915	5,675,217	4,064,900	3,029,255	3,029,255	0	0

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Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
GENERAL SURE START CAPITAL SCHEMES											
1	Meredith Lodge	GGR(DCSF)SSEYC GGNR(DCSF)ES	265,854 35,000								265,854 35,000
	Sub Total		300,854	0	0	0	0	0	0	0	300,854
2	Revitalisation & Improvement - Beechside	GGR(DCSF)SSEYC CP(DH)CG	117,709 70,200								117,709 70,200
	Sub Total		187,909	0	0	0	0	0	0	0	187,909
OTHER SCHEMES											
3	North End Adult Learning Centre	LSC CP(DCSF)CM CorpRsv	883,800 (200) 206,004								883,800 (200) 206,004
	Sub Total		1,089,604	0	0	0	0	0	0	0	1,089,604
4	Mary Rose Special School	GGR(DCSF)DF UB B CorpRsv OG(DCLG)CD SRCCO	174,600 2,394,200 2,828,800 6,849,206 22,042 166,100								174,600 2,394,200 2,828,800 6,849,206 22,042 166,100
	Sub Total		12,434,948	0	0	0	0	0	0	0	12,434,948
5	Victory School	GGR(DCSF)DF GGNR(DCSF)LAM GGR(DCSF)TC GGR(DCSF)PC B OG(DCLG)CD CorpRsv	161,200 3,043,300 2,005,481 4,579,448 115,000 98,502 94,074	161,244							161,200 3,043,300 2,005,481 4,579,448 115,000 98,502 255,318
	Sub Total		10,097,005	161,244	0	0	0	0	0	0	10,258,249

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<u>PRIMARY CAPITAL PROGRAMME</u>											
6	Building Project Costs	CP(DCSF)BN	0	61,000							61,000
7	Somers Park Primary	GGR(DCSF)DF	106,343								106,343
		GGR(DCSF)PC	1,823,431								1,823,431
		GGNR(DCSF)LAM	220,831	70,338							291,169
		B	35,000								35,000
		GGR(DCSF)DSG	100,000								100,000
		CRGG	20,000								20,000
	Sub Total		2,305,605	70,338	0	0	0	0	0	0	2,375,943
8	Flying Bull Primary	GGR(DCSF)DF	38,000		88,000						126,000
		GGR(DCSF)PC	414,674								414,674
		GGR(DCSF)DSG	116,617								116,617
		OG(DCLG)CD	1,801,748								1,801,748
		CP(DCSF)BN	534,164								534,164
		OC	146,383								146,383
		B	40,000								40,000
		CorpRsv	0	226,214	100,000						326,214
	Sub Total		3,091,586	226,214	188,000	0	0	0	0	0	3,505,800
9	Milton Park Primary	GGR(DCSF)PC	994,927								994,927
		GGNR(DCSF)LAM	941,938	674,228	300,000						1,916,166
		CRGG	395,720								395,720
		GGR(DCSF)SSEYC	439,840								439,840
		B	100,000								100,000
		GGR(DCSF)DSG	0	133,895							133,895
		OC	70,000								70,000
		CP(DCSF)CM	0	4,149							4,149
	Sub Total		2,942,425	812,272	300,000	0	0	0	0	0	4,054,697

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10	St George's Primary	B	812,648	782,730							1,595,378
		GGR(DCSF)TC	121,151								121,151
		CorpRsv	16,500	100,213							116,713
		OG(DCLG)CD	421,121								421,121
		GGR(DCSF)DF	40,000		41,366						81,366
		CP(DCSF)CM			52,702						52,702
		GGNR(DCSF)LAM			14,587						14,587
		GGR(DCSF)SSEYC	200,000								200,000
	Sub Total		1,611,420	882,943	108,655	0	0	0	0	0	2,603,018
ASSET MANAGEMENT PLAN / ACCESS INITIATIVE SCHEMES IN SCHOOLS											
11	Goldsmith Infant - Land Purchase	B	74,385								74,385
		GGNR(DCSF)LAM	70,000								70,000
	Sub Total		144,385	0	0	0	0	0	0	0	144,385
12	Harbour Tipner - Sports Barn (SEBD Review)	GGNR(DCSF)LAM	1,645,517								1,645,517
		GGNR(DCSF)ES	65,000								65,000
	Sub Total		1,710,517	0	0	0	0	0	0	0	1,710,517
13	Schools AMP Programme Uncommitted	CP(DCSF)CM	0	254,649							254,649
		CP(DCSF)BN	0	42,472							42,472
		CorpRsv	0	32,013							32,013
	Sub Total		0	329,134	0	0	0	0	0	0	329,134
14	Langstone Infant Conversion of Office/Reception to SEN Area	CRGG	70,000								70,000
		GGR(DCSF)DF	28,024								28,024
	Sub Total		98,024	0	0	0	0	0	0	0	98,024
15	City Boys - Science Block Windows	B	1,000								1,000
		GGNR(DCSF)LAM	53,000								53,000
		GGR(DCSF)DF	35,241								35,241
		CP(DCSF)CM	193,460								193,460
	Sub Total		282,701	0	0	0	0	0	0	0	282,701

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16	Prory - Condition Issues	B GGR(DCSF)DF CP(DCSF)CM	1,000 28,600 188,129								1,000 28,600 188,129
	Sub Total		217,729	0	0	0	0	0	0	0	217,729
17	King Richard - Contingency re Condition Issues	B CP(DCSF)CM CP(DCSF)BN	3,801 171,037 44,600	459							3,801 171,496 44,600
	Sub Total		219,438	459	0	0	0	0	0	0	219,897
18	Westover - Roof Repairs	B CP(DCSF)CM	1,000 72,366	11,634							1,000 84,000
	Sub Total		73,366	11,634	0	0	0	0	0	0	85,000
19	Newbridge Junior - Roof, Windows, Brickwork	B CP(DCSF)CM	500 45,944								500 45,944
	Sub Total		46,444	0	0	0	0	0	0	0	46,444
20	Stamshaw Infants - Roof Repairs	B	62,915								62,915
21	Electrical Distribution Boards - Various Schools	B CP(DCSF)CM OG(DCLG)CD	19,094 55,254	25,652 10,000							44,746 10,000 55,254
	Sub Total		74,348	35,652	0	0	0	0	0	0	110,000
22	Cliffdale - Boilers/Heating System	B CP(DCSF)CM CRGG	100,054 180,458 60,000								100,054 180,458 60,000
	Sub Total		340,512	0	0	0	0	0	0	0	340,512
23	Access SEN Pupils	B OG(DCLG)CD CP(DCSF)CM	37,629 85,409 61,704	54,758							92,387 85,409 61,704
	Sub Total		184,742	54,758	0	0	0	0	0	0	239,500

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24	Goldsmith Infant Extension/Remodelling	CP(DCSF)BN	0		1,347,007						1,347,007
		CP(DCSF)CM	0		67,370						67,370
		B	0	232,880							232,880
		OG(DCLG)CD	61,993								61,993
		GGR(DCSF)DF	13,698	39,052	200,000						252,750
	Sub Total		75,691	271,932	1,614,377	0	0	0	0	0	1,962,000
25	Schools Devolved Formula Capital 2010-13	GGR(DCSF)DF	1,595,541	830,170	1,131,499						3,557,210
		GGR(DCSF)DSG	3,727,500								3,727,500
		GGNR(DCSF)LAM	249,442	86,156							335,598
	Sub Total		5,572,483	916,326	1,131,499	0	0	0	0	0	7,620,308
26	ALN Lift Repairs	CP(DCSF)BN	41,162								41,162
		OG(DCLG)CD	1,028								1,028
	Sub Total		42,190	0	0	0	0	0	0	0	42,190
27	Fluorescent Light	CP(DCSF)CM	109,811								109,811
		OG(DCLG)CD	84,189								84,189
		GGR(DCSF)DF	42,039	2,086							44,125
	Sub Total		236,039	2,086	0	0	0	0	0	0	238,125
28	Fire Safety Issues Springfield	CP(DCSF)CM	7,725	59,561							67,286
		OG(DCLG)CD	127,714								127,714
	Sub Total		135,439	59,561	0	0	0	0	0	0	195,000
29	City Girls Boilers	CP(DCSF)CM	638								638
		OG(DCLG)CD	85,218								85,218
	Sub Total		85,856	0	0	0	0	0	0	0	85,856
30	King Richard Legionella Control	CP(DCSF)CM	6,160	2,322							8,482
		OG(DCLG)CD	103,518								103,518
		GGR(DCSF)DSG	30,000								30,000
		GGR(DCSF)DF	28,000								28,000
	Sub Total		167,678	2,322	0	0	0	0	0	0	170,000

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31	City Boys Legionella Control	CP(DCSF)CM OG(DCLG)CD	2,646 34,036	(237)							2,409 34,036
	Sub Total		36,682	(237)	0	0	0	0	0	0	36,445
32	Highbury Primary Legionella, Boilers & Structural	CP(DCSF)CM GGR(DCSF)DF	114,714 3,914								114,714 3,914
	Sub Total		118,628	0	0	0	0	0	0	0	118,628
33	City Boys ASC Provision	CP(DCSF)CM OG(DCLG)CD	0 17,000								0 17,000
	Sub Total		17,000	0	0	0	0	0	0	0	17,000
	St Edmunds SI Provision	CP(DCSF)CM OC OG(DCLG)CD	0 0 11,470	225,530 50,000	200,000 50,000						425,530 100,000 11,470
	Sub Total		11,470	275,530	250,000	0	0	0	0	0	537,000
35	Isambard Brunel Windows, Roof & Bell Tower	CP(DCSF)CM GGR(DCSF)DF	138,800 7,361	5,839							138,800 13,200
	Sub Total		146,161	5,839	0	0	0	0	0	0	152,000
36	Arundel Court Federation Roof & Structural	CP(DCSF)CM GGR(DCSF)DF	134,600 10,733								134,600 10,733
	Sub Total		145,333	0	0	0	0	0	0	0	145,333
37	Craneswater Junior Bell Tower	CP(DCSF)CM CP(DCSF)BN GGR(DCSF)DF	51,233 1,952 7,500								51,233 1,952 7,500
	Sub Total		60,685	0	0	0	0	0	0	0	60,685

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38	Wimborne Junior Boilers & Heating System	CP(DCSF)CM OG(DCLG)CD GGR(DCSF)DF	4,752 364,510 0	12,038 22,200							16,790 364,510 22,200
	Sub Total		369,262	34,238	0	0	0	0	0	0	403,500
39	Lyndhurst Junior Windows	CP(DCSF)CM GGR(DCSF)DF	96,600 (1,088)	7,488							96,600 6,400
	Sub Total		95,512	7,488	0	0	0	0	0	0	103,000
40	Portsmouth Primary Windows	CP(DCSF)CM OG(DCLG)CD GGR(DCSF)DF	81,534 6,402 350	464 14,250							81,998 6,402 14,600
	Sub Total		88,286	14,714	0	0	0	0	0	0	103,000
	Paulsgrove Primary Structural Repairs	CP(DCSF)CM OG(DCLG)CD	22,339 20,193	518							22,857 20,193
	Sub Total		42,532	518	0	0	0	0	0	0	43,050
42	St Judes Primary Capital Programme	CP(DCSF)BN CP(DCSF)CM GGR(DCSF)DF OG(DCLG)CD	17,126 0 0 61,341	271,533 195,859 55,241	400,000						688,659 195,859 55,241 61,341
	Sub Total		78,467	522,633	400,000	0	0	0	0	0	1,001,100
43	Manor Infants Fire Alarms and Emergency Lighting	CP(DCSF)CM OG(DCLG)CD	34,548 25,032	20,420							54,968 25,032
	Sub Total		59,580	20,420	0	0	0	0	0	0	80,000
44	Meon Junior Emergency Lighting	CP(DCSF)CM OG(DCLG)CD	6,259 38,964	11,527							17,786 38,964
	Sub Total		45,223	11,527	0	0	0	0	0	0	56,750
45	School Condition Projects	CP(DCSF)CM	0	9,054							9,054

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46	College Park Boiler Replacement	B CorpRsv	20,000 (1,549)								20,000 (1,549)
	Sub Total		18,451	0	0	0	0	0	0	0	18,451
47	Cottage Grove Sufficiency	CP(DCSF)BN OG(DCLG)CD CP(DCSF)CM S106(EC)	14,819 377,137 0 120,338	17,706							14,819 377,137 17,706 120,338
	Sub Total		512,294	17,706	0	0	0	0	0	0	530,000
48	Portsmouth Primary Sufficiency	CP(DCSF)BN OG(DCLG)CD	0 66,868								0 66,868
	Sub Total		66,868	0	0	0	0	0	0	0	66,868
49	Somers Park Primary Sufficiency	CP(DCSF)BN OG(DCLG)CD CP(DCSF)CM	0 66,338 0	244,748 328,414							244,748 66,338 328,414
	Sub Total		66,338	573,162	0	0	0	0	0	0	639,500
50	Mayfield Sufficiency	EEA CorpRsv GGR(DCSF)DF OG(DCLG)CD CP(DCSF)CM	90,806 0 34,249 91,751 0	1,000,000 59,942 20,943	649,252						1,740,058 59,942 55,192 91,751 29,057
	Sub Total		216,806	1,109,942	649,252	0	0	0	0	0	1,976,000
51	Stamshaw Junior Sufficiency	CP(DCSF)BN OG(DCLG)CD	129 234,847	24,672							24,801 234,847
	Sub Total		234,976	24,672	0	0	0	0	0	0	259,648
52	Harbour Sufficiency	OG(DCLG)CD	30,138								30,138

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53	Westover Primary Sufficiency	CP(DCSF)BN OG(DCLG)CD	0 176,278	314,222							314,222 176,278
	Sub Total		176,278	314,222	0	0	0	0	0	0	490,500
54	Highbury Primary Sufficiency	CP(DCSF)BN OG(DCLG)CD	0 147,310	847,690							847,690 147,310
	Sub Total		147,310	847,690	0	0	0	0	0	0	995,000
55	Moorings Way Sufficiency	CP(DCSF)BN OG(DCLG)CD	241 118,993	3,112							3,353 118,993
	Sub Total		119,234	3,112	0	0	0	0	0	0	122,346
56	Medina Fire Risk	GGNR(DCSF)LAM OG(DCLG)CD	1,766 5,000								1,766 5,000
	Sub Total		6,766	0	0	0	0	0	0	0	6,766
57	Various Schools Fire Alarm Upgrade	CP(DCSF)CM	1,060	54,940							56,000
58	City Boys Concrete Panel Replacement	GGR(DCSF)DF OG(DCLG)CD CP(DCSF)CM	14,436 319,752 0	21,612 20,000							36,048 319,752 20,000
	Sub Total		334,188	41,612	0	0	0	0	0	0	375,800
59	Court Lane Junior Legionella Works	GGR(DCSF)DF OG(DCLG)CD CP(DCSF)CM	28,233 118,833 0	102,934							28,233 118,833 102,934
	Sub Total		147,066	102,934	0	0	0	0	0	0	250,000
60	Gatcombe Park Primary Window Replacement	GGR(DCSF)DF OG(DCLG)CD CP(DCSF)CM	231 34,659 0	6,132 8,978							6,363 34,659 8,978
	Sub Total		34,890	15,110	0	0	0	0	0	0	50,000

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61	Highbury Primary Replacement Boiler & Heating (Design Only)	CP(DCSF)CM OG(DCLG)CD	0 9,530	20,470							20,470 9,530
	Sub Total		9,530	20,470	0	0	0	0	0	0	30,000
62	Manor Infant School Roof Replacement	GGR(DCSF)DF OG(DCLG)CD CP(DCSF)CM	13,018 101,647 0	25,335							13,018 101,647 25,335
	Sub Total		114,665	25,335	0	0	0	0	0	0	140,000
63	Arundel Court Federation Legionella	GGR(DCSF)DF CP(DCSF)CM	1,060 0		24,446 49,494						25,506 49,494
	Sub Total		1,060	0	73,940	0	0	0	0	0	75,000
64	Brambles Nursery Roofing Works (Design Only)	GGR(DCSF)DF OG(DCLG)CD	0 5,100								0 5,100
	Sub Total		5,100	0	0	0	0	0	0	0	5,100
65	Cottage Grove Flat Roof Replacement	GGR(DCSF)DF OG(DCLG)CD CP(DCSF)CM	14,796 64,455 0	9,749							14,796 64,455 9,749
	Sub Total		79,251	9,749	0	0	0	0	0	0	89,000
66	Court Lane Junior Electrical Distribution Boards	GGR(DCSF)DF	6,993								6,993
67	Cumberland Infant Installation of Emergency Lighting	GGR(DCSF)DF CP(DCSF)CM	100 0	15,784 31,436							15,884 31,436
	Sub Total		100	47,220	0	0	0	0	0	0	47,320
68	Harbour @ Fratton Installation of Emergency Lighting	GGR(DCSF)DF CP(DCSF)CM	100 0	3,775 11,625							3,875 11,625
	Sub Total		100	15,400	0	0	0	0	0	0	15,500

CHILDREN & EDUCATION PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
69	Meon Junior Roof & Windows	GGR(DCSF)DF	21,800								21,800
		CP(DCSF)CM	0	801							801
		OG(DCLG)CD	395,399								395,399
		OG	0	18,400							18,400
	Sub Total		417,199	19,201	0	0	0	0	0	0	436,400
70	Meon Junior Replacement of Electrical Boards	CP(DCSF)CM	100	(100)							0
71	Langstone Infant Asbestos in Boiler Room	GGR(DCSF)DF	330	2,070							2,400
72	Mayfield Secondary Structural Repairs	GGR(DCSF)DF	34,250								34,250
		OG(DCLG)CD	75,819								75,819
	Sub Total		110,069	0	0	0	0	0	0	0	110,069
	Moorings Way Emergency Lighting	CP(DCSF)CM	100	(100)							0
	Moorings Way Replacement of Electrical Distribution	GGR(DCSF)DF	0	4,855							4,855
		CP(DCSF)CM	100	55,945							56,045
	Sub Total		100	60,800	0	0	0	0	0	0	60,900
75	Arundel Court Foyer	CP(DCSF)CM	0	8,766							8,766
		OG(DCLG)CD	71,722								71,722
	Sub Total		71,722	8,766	0	0	0	0	0	0	80,488
76	Langstone Junior Fencing (Urgent H&S)	CP(DCSF)CM	3,522								3,522
77	Meredith Annexe (Urgent H&S)	OG(DCLG)CD	7,041								7,041
78	Newbridge School Servery (Urgent H&S)	GGR(DCSF)DF	0	2,205							2,205
		OG(DCLG)CD	22,976								22,976
	Sub Total		22,976	2,205	0	0	0	0	0	0	25,181

CHILDREN & EDUCATION PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
79	Moorings Way Staff Room/Reception	OG(DCLG)CD	16,006								16,006
80	School Condition Projects 2014/15	CP(DCSF)CM	0	29,779							29,779
81	Portsmouth College Sufficiency Post 16	CP(DCSF)CM	0	100,000	140,000						240,000
82	Meredith Infant Structure and Windows	CP(DCSF)CM	0	60,000	10,000						70,000
83	Highbury Children's Centre	GGR(DCSF)SSEYC	(71)								(71)
84	Havelock Children's Centre	GGR(DCSF)SSEYC	(464)								(464)
85	Cottage Grove Roof Repairs	CP(DCSF)CM	854								854
86	College Park Drainage Repairs	CP(DCSF)CM	3,888	500							4,388
87	Isambard Brunel Junior Repairs to Hall Floor	OG(DCLG)CD	9,764								9,764
88	Solent Infant Temporary Boiler	OG(DCLG)CD	33,155								33,155
89	Universal Infant Free School Meal Provision	CRGG	0	442,057							442,057
		OC	0	176,388							176,388
		OG(DCLG)CD	8,540								8,540
Sub Total			8,540	618,445	0	0	0	0	0	0	626,985

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Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
90	Harbour @ Fratton Condition Works	CP(DCSF)CM OG(DCLG)CD	0 13,790	(5,859)							(5,859) 13,790
	Sub Total		13,790	(5,859)	0	0	0	0	0	0	7,931
91	Highbury Primary Boiler Replacement	CP(DCSF)CM CP(EFA)2YR GGR(DCSF)DF	0 0 0	300,000	41,631 17,291 21,078						341,631 17,291 21,078
	Sub Total		0	300,000	80,000	0	0	0	0	0	380,000
92	City Boys Science Block Roof Replacement	CP(EFA)2YR GGR(DCSF)DF	0 0	85,530 14,470	10,000						85,530 24,470
	Sub Total		0	100,000	10,000	0	0	0	0	0	110,000
93	Various Schools - Remove Friable Asbestos	CP(EFA)2YR	0	80,000	10,000						90,000
94	Charles Dickens Primary Replace Flat Roofs	CP(EFA)2YR GGR(DCSF)DF	0 0	120,000 37,197	14,040						134,040 37,197
	Sub Total		0	157,197	14,040	0	0	0	0	0	171,237
95	Moorings Way Replace Flat Roofs	CP(EFA)2YR GGR(DCSF)DF	0 0	55,210 10,790	10,000						65,210 10,790
	Sub Total		0	66,000	10,000	0	0	0	0	0	76,000
96	Wimborne Infants Slate Roof Replacement	CP(EFA)2YR GGR(DCSF)DF	0 0	60,000 12,546	7,490						67,490 12,546
	Sub Total		0	72,546	7,490	0	0	0	0	0	80,036
97	Manor Infant Classroom remodel	CP(DCSF)BN	0	15,000							15,000
98	Mayfield School Kitchen Feasibility Study	CP(DCSF)CM	0	5,000							5,000
99	Harbour School Relocation Feasibility Study	CP(DCSF)CM	0	10,000							10,000
100	Southsea Infant Boiler Replacement	B	0	22,500	2,500						25,000

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101	Newbridge Junior Clinic Roof	CP(DCSF)CM GGR(DCSF)DF	0 0	3,075 5,000							3,075 5,000
	Sub Total		0	8,075	0	0	0	0	0	0	8,075
102	Stamshaw Junior Fencing and Security Improvements	GGR(DCSF)DF	0	30,000							30,000
103	Portsmouth Primary Emergency Lighting	CP(DCSF)CM B GGR(DCSF)DF	0 0 0	7,000 16,000 7,000							7,000 16,000 7,000
	Sub Total		0	30,000	0	0	0	0	0	0	30,000
104	Cliffdale School Extension	CP(DCSF)CM GGNR(DCSF)LAM	0 0	282,000 20,000							282,000 20,000
	Sub Total		0	302,000	0	0	0	0	0	0	302,000
105	Meredith Infant Boiler Controls	CorpRsv GGR(DCSF)DF	0 0	12,000 4,000							12,000 4,000
	Sub Total		0	16,000	0	0	0	0	0	0	16,000
106	Redwood Park Water Main Replacement	CorpRsv	0	33,410							33,410
107	College Park Boiler Controls	CorpRsv GGR(DCSF)DF	0 0	5,550 1,850							5,550 1,850
	Sub Total		0	7,400	0	0	0	0	0	0	7,400
108	Westover School Water Ingress	CorpRsv GGR(DCSF)DF	0 0	8,250 2,750							8,250 2,750
	Sub Total		0	11,000	0	0	0	0	0	0	11,000
109	Adaptations/Loans to Foster Carers	RCCO	0	45,000							45,000

CHILDREN & EDUCATION PORTFOLIO
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Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
110	Schools Conditions Project - Vanguard Centre	CP(DCSF)BN	0		1,033,200						1,033,200
		CorpRsv	0		407,300	126,100					533,400
		CIL	0		434,500						434,500
		CP(DCSF)CM	0			338,000					338,000
		S106(EC)	0			121,900					121,900
		CP(DCLG)DFG	0			39,000					39,000
	Sub Total		0	0	1,875,000	625,000	0	0	0	0	2,500,000
111	Mayfield East Field	CP(DCSF)CM	0		100,000						100,000
112	Schools Conditions Project	CP(DCSF)CM	0		1,350,000						1,350,000
113	Mayfield & Westover Conditions	S106(EC)	0		550,000						550,000
114	Temporary Accommodation	S106(EC)	0		300,000						300,000
115	Secondary School Feasibility Study	S106(EC)	0		150,000						150,000
116	Primary School Places Expansion 2 - 3% Surplus	CP(DCSF)BN	0		2,430,000	7,468,000	738,000	70,000			10,706,000
117	Adaptations to Foster Carer Properties	CROC	0		150,000						150,000
Grand Total			48,194,857	10,229,610	11,904,753	8,093,000	738,000	70,000	0	0	79,230,220

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1	Mountbatten Centre Redevelopment	CorpRsv	3,478,891	308,131							3,787,022
		OG(DCLG)CD	25,728								25,728
		UB	10,795,382								10,795,382
		OG	5,490,000								5,490,000
		S106(OS)	42,768								42,768
	Sub Total		19,832,769	308,131	0	0	0	0	0	0	20,140,900
2	Seafront Improvements	CorpRsv	56,474	50,000	40,613						147,087
3	Re-provision of Wymering and Hillside Centres	CorpRsv	56,554	6,931							63,485
		OG(DCLG)CD	371,515								371,515
		OC	1,000,000								1,000,000
		CMR	60,000								60,000
	Sub Total		1,488,069	6,931	0	0	0	0	0	0	1,495,000
4	Indoor Tennis Centre	CorpRsv	42,355	814							43,169
		OG(DCLG)CD	251,831								251,831
		OC	834,387								834,387
		OR	38,000								38,000
		UBS	0	39,400							39,400
	Sub Total		1,166,573	40,214	0	0	0	0	0	0	1,206,787
5	Green Flag Bids	S106(OS)	0	10,000							10,000
6	Hilsea Splashpool	CorpRsv	74,200								74,200
		S106(OS)	264,866	60,934							325,800
	Sub Total		339,066	60,934	0	0	0	0	0	0	400,000
7	Lights at the Land Side of the Hot Walls	CorpRsv	66,251		33,749						100,000
8	Library RFID Self Service	MTRS	330,001	36,500							366,501
9	Southsea Seafront Beachhuts	UB	300		299,700						300,000

CULTURE LEISURE AND SPORT PORTFOLIO
CAPITAL PROGRAMME

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10	Coastal Communities Bid (ARTches)	CorpRsv	7,461	44,972	80,528						132,961
		RCCO	0		18,600	4,200					22,800
		CP(DFT)IT	0		38,875	61,125					100,000
		OG	44,972	(44,972)	1,200,870	367,764					1,568,634
		PUSH		40,000							40,000
	Sub Total		52,433	40,000	1,338,873	433,089	0	0	0	0	1,864,395
11	Milton Tennis Courts' Resurfacing	OC	61,310	1,572							62,882
12	Drayton Park - Tennis Court Conversion	S106(OS)	0	100,000	35,000						135,000
13	Lighting for Square Tower and Round Tower	S106(OS)	0	50,000							50,000
14	Rock Gardens - Replacement of CCTV	S106(OS)	0	20,000							20,000
	Mobile Library	CorpRsv	0	80,336							80,336
		OG(DCLG)CD	19,664								19,664
	Sub Total		19,664	80,336	0	0	0	0	0	0	100,000
16	Southsea Seafront Investment - D Day 75	CorpRsv	0		83,100	75,000	75,000	75,000			308,100
		LOT	0	59,600	1,940,400	2,000,000	69,400				4,069,400
		OC		52,000	273,100	25,000	25,000	25,000			400,100
	Sub Total		0	111,600	2,296,600	2,100,000	169,400	100,000	0	0	4,777,600
17	Relocation of Archive Store to Southsea Library	CorpRsv	0	575,798							575,798
		OG(DCLG)CD	24,202								24,202
	Sub Total		24,202	575,798	0	0	0	0	0	0	600,000
18	Kings Theatre - Capital Grant	CRGG	0	10,000	160,000						170,000
		OG(DCLG)CD	30,000								30,000
	Sub Total		30,000	10,000	160,000	0	0	0	0	0	200,000
19	Pyramids LED Lighting	UBS	0	50,420							50,420
20	New Theatre Royal (Loan)	CROC	0		150,000						150,000
	Grand Total		23,467,112	1,552,436	4,354,535	2,533,089	169,400	100,000	0	0	32,176,572

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1	Portsea Island Coastal Strategy Study	B OGENV	180,136 344,929								180,136 344,929
	Sub Total		525,065	0	0	0	0	0	0	0	525,065
2	Portsea Island - Flood Cell 1: Southsea - Coastal Flood and Erosion Risk Management Preliminary Study	OGENV	319,628	180,372							500,000
3	Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management Preliminary Study	OGENV CorpRsv	355,866 0	144,134 223,000							500,000 223,000
	Sub Total		355,866	367,134	0	0	0	0	0	0	723,000
	Portsea Island - Flood Cell 1: Southsea - Coastal Flood and Erosion Risk Management Scheme	OGENV	0		5,000,000	5,000,000	10,000,000	9,000,000	100,000		29,100,000
5	Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management Scheme	OGENV	0		5,510,000	3,500,000	3,400,000	3,000,000	4,300,000	23,290,000	43,000,000
6	Air Quality Action plan 2010/11	GGR(DEFRA)AQME	150,080	21,701							171,781
7	Horsea Island Country Park - Fencing	CorpRsv S106(OS) CP(DFI)IT OC	0 0 0 0				5,200 118,800 11,200	15,800			5,200 134,600 14,200 30,200
	Sub Total		0	13,200	20,000	130,000	21,000	0	0	0	184,200
8	East West Sewers - Drayton to Budds Farm	OC	0		1,430,000	1,410,000	1,410,000				4,250,000
9	CCTV Upgrades	GGNR(HO)SSC CorpRsv	65,200 0	4,300 11,200	18,800						69,500 30,000
	Sub Total		65,200	15,500	18,800	0	0	0	0	0	99,500

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO
CAPITAL PROGRAMME

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10	CCTV Control Room Improvements	GGNR(DEFRA)WI CorpRsv	34,740 62,257								34,740 62,257
	Sub Total		96,997	0	0	0	0	0	0	0	96,997
11	CCTV Systems and Control Room Infrastructure	CorpRsv	0	150,000							150,000
12	Public Conveniences - Charging Mechanisms	CorpRsv OG(DCLG)CD	0 35,750	24,250							24,250 35,750
	Sub Total		35,750	24,250	0	0	0	0	0	0	60,000
13	Weekly Waste Collection Support Scheme	CorpRsv OG(DCLG)CD	0 344,881	35,119							35,119 344,881
	Sub Total		344,881	35,119	0	0	0	0	0	0	380,000
14	Long Curtain Moat Detailed Design	S106(OS)	0		277,000						277,000
15	Surface Water Separation	OR	0		65,000						65,000
Grand Total			1,893,467	807,276	12,320,800	10,040,000	14,831,000	12,000,000	4,400,000	23,290,000	79,582,543

HEALTH AND SOCIAL CARE PORTFOLIO
CAPITAL PROGRAMME

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1	Mental Health Supported Capital Expenditure - Various	B GGNR(DH)MH	176,084 63,900	50,000							226,084 63,900
	Sub Total		239,984	50,000	0	0	0	0	0	0	289,984
2	4 Sites Project	CorpRsv OG(DCLG)CD MTRS UB	951,808 1,016,137 0 247,295		52,934 164,831	8,718 6,808					1,013,460 1,016,137 400,000 247,295
	Sub Total		2,215,240	228,361	217,765	15,526	0	0	0	0	2,676,892
3	CAF Infrastructure	GGR(DH)CAF	41,029	19,000	51,383						111,412
4	Transforming Social Care	CRGG GGR(DH)CAF	8,500 37,305	24,873 23,452	18,670						52,043 60,757
	Sub Total		45,805	48,325	18,670	0	0	0	0	0	112,800
5	Health & Social Care Partnership Mgmt of Data	CRGG	45,000	13,000	42,000						100,000
6	New & Improved Models of Care	CP(DH)CG OG(DCLG)CD CorpRsv UB	60,807 429,077 3,176 0	510,116	850,972	4,062,527	163,473				570,923 429,077 1,374,000 4,226,000
	Sub Total		493,060	1,029,968	4,913,499	163,473	0	0	0	0	6,600,000
Grand Total			3,080,118	1,388,654	5,243,317	178,999	0	0	0	0	9,891,088

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

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1	City Centre Regeneration - Environmental Enhancements	CorpRsv OC	430,551 243,037		30,193						430,551 273,230
	Sub Total		673,588	0	30,193	0	0	0	0	0	703,781
2	City Centre Regeneration - Branding & Marketing	OC	5,772		14,228						20,000
3	City Centre Interim Works	CorpRsv	129,379	19,000							148,379
4	Southsea Shopping Centre	CorpRsv UB	602,870 7,000	30,254 18,000							633,124 25,000
	Sub Total		609,870	48,254	0	0	0	0	0	0	658,124
5	North End Shopping Centre Regeneration	CorpRsv OG(DCLG)CD	370,399 21,020								370,399 21,020
	Sub Total		391,419	0	0	0	0	0	0	0	391,419
6	Palmerston Road Improvements	CorpRsv	318,130	181,870							500,000
7	Land Purchase - Unit H16 Limberline Road	CorpRsv	3,284		96,716						100,000
8	Commercial Road Fountain Refurbishment	CorpRsv OC	96,765 73,525	(52,475) 52,475							44,290 126,000
	Sub Total		170,290	0	0	0	0	0	0	0	170,290
9	Relocation of TIC (nr Blue Reef) to D Day Museum	CorpRsv	61,321		36,679						98,000
10	City Centre Development - Road	CorpRsv CP(DFI)IT UB OG(DCLG)CD CIL S106(ST) S106(EW)	0 0 8,291 723,022 0 0 0	2,689,707 568,467 268,687	1,612,955 3,000,000		4,000,000 1,500,000				4,302,662 568,467 3,276,978 723,022 6,000,000 161,386 392,485
	Sub Total		731,313	3,693,687	5,500,000	4,000,000	1,500,000	0	0	0	15,425,000

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

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11	City Centre Development - Other	CROC	0	180,000	10,000	120,000	100,000	40,000			450,000
12	Enterprise Centre Dilapidations	CorpRsv	0	40,000							40,000
13	Cosham High Street	CP(DFI)IT OG(DCLG)CD	0 32,007	167,993							167,993 32,007
	Sub Total		32,007	167,993	0	0	0	0	0	0	200,000
14	Dunsbury Hill Farm - Access Road	CorpRsv OG(DCLG)CD CP(DFI)IT S106(OS) OC UB	0 280,294 0 0 0 0	181,046 183,145 105,515	4,540,000	2,041,178	350,000				181,046 280,294 183,145 105,515 4,540,000 4,400,000
	Sub Total		280,294	2,478,528	6,581,178	350,000	0	0	0	0	9,690,000
	City Deal	OG(DCLG)CD CorpRsv OC UB CorpRsv CP(DCSF)CM CP(DCSF)BN CP(DH)CG CP(DFI)IT CP(DFI)HM CP(DCLG)DFG CIL CRGG CROC B MTRS ORCD	92,745 0 22,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	18,213,430 759,000 1,867,570		691,356	2,655,517	2,509,665		3,029,255	18,306,175 2,200,000 22,000 2,558,926 8,194,437 3,212,119 1,908,823 429,077 2,957,016 1,309,000 666,080 1,087,905 430,357 1,422,139 569,341 775,705 4,922,900
	Sub Total		114,745	20,840,000	7,949,570	9,772,430	3,817,000	5,449,000	0	3,029,255	50,972,000

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
16	Hampshire Community Bank	UB MTRS	0	5,000,000 50,000							5,000,000 50,000
	Sub Total		0	5,050,000	0	0	0	0	0	0	5,050,000
17	Limberline Phase III	CorpRsv UB	0		762,000 978,000	2,502,000					762,000 3,480,000
	Sub Total		0	0	1,740,000	2,502,000	0	0	0	0	4,242,000
18	City Centre Public Realm Improvements	S106(OS) CorpRsv CROC CP(DFT)IT	0		800 374,500 121,600 3,100						800 374,500 121,600 3,100
	Sub Total		0	0	500,000	0	0	0	0	0	500,000
	District Shopping Centre Improvement	CorpRsv	0		100,000						100,000
	Seafront Developments	CorpRsv CROC	0		61,600 38,400						61,600 38,400
	Sub Total		0	0	100,000	0	0	0	0	0	100,000
21	Improvements to Community Facilities (Fratton)	CROC	0		100,000						100,000
22	Local Enterprise Partnership	OC	8,675,000	14,234,000	48,739,000	43,631,000	19,835,000	19,862,000			154,976,000
Grand Total			12,196,412	46,933,332	71,497,564	60,375,430	25,252,000	25,351,000	0	3,029,255	244,634,993

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1	New Terminal Building	UB	15,900,350	17,119							15,917,469
		OG(DCLG)CD	111,040								111,040
		EUG	421,058								421,058
		CorpRsv	0	73,227							73,227
	Sub Total		16,432,448	90,346	0	0	0	0	0	0	16,522,794
2	Signage Electronic Upgrade	UB	686,798	9,232							696,030
		OG(DCLG)CD	50,090								50,090
	Sub Total		736,888	9,232	0	0	0	0	0	0	746,120
3	Water Regulations Upgrade	CorpRsv	79,527	50,473							130,000
4	Dredging - Albert Johnson & Flathouse Quays	B	238,500								238,500
		CorpRsv	2,833,780	391,662							3,225,442
		OG(DCLG)CD	84,058								84,058
	Sub Total		3,156,338	391,662	0	0	0	0	0	0	3,548,000
5	Berth 2 Extension	UB	1,471,639								1,471,639
		OG(DCLG)CD	21,261								21,261
	Sub Total		1,492,900	0	0	0	0	0	0	0	1,492,900
6	Port Infrastructure	CorpRsv	0		345,746						345,746
7	Berth 1 Pontoon Refurbishment	OG(DFT)LSTFSec31	28,500								28,500
		CorpRsv	654								654
	Sub Total		29,154	0	0	0	0	0	0	0	29,154
8	Port Master System	CorpRsv	0	8,000	165,026						173,026
		OG(DCLG)CD	24,274								24,274
	Sub Total		24,274	8,000	165,026	0	0	0	0	0	197,300
9	Berth 5 Linkspan	CRGG	0	100,000							100,000
		CorpRsv	0	175,000							175,000
	Sub Total		0	275,000	0	0	0	0	0	0	275,000

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
10	Floating Dock Jetty, Berth Ext & Passengar Facilities	CRGG	0		496,334						496,334
		OG(DCLG)CD	3,666								3,666
		UB			5,425,000	4,530,000	7,030,000				16,985,000
	Sub Total		3,666	0	5,921,334	4,530,000	7,030,000	0	0	0	17,485,000
11	Automatic Line Handling Equipment	MTRS	0	72,208							72,208
		OG(DCLG)CD	427,792								427,792
	Sub Total		427,792	72,208	0	0	0	0	0	0	500,000
12	Check-in Canopies	CorpRsv	0	299,906							299,906
		OG(DCLG)CD	106,094								106,094
	Sub Total		106,094	299,906	0	0	0	0	0	0	406,000
13	Mobile Crane	OG(DCLG)CD	130,000								130,000
	Grand Total		22,619,081	1,196,827	6,432,106	4,530,000	7,030,000	0	0	0	41,808,014

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1	E-Government	CorpRsv OG(DCLG)CD	29,708 27,342								29,708 27,342
	Sub Total		57,050	0	0	0	0	0	0	0	57,050
2	Landlord's Maintenance - Capitalised Repairs	CorpRsv OG(DCLG)CD CMR	1,279,090 23,986 44,000	96,967	4,500						1,380,557 23,986 44,000
	Sub Total		1,347,076	96,967	4,500	0	0	0	0	0	1,448,543
3	Project Management	CorpRsv	0		44,900						44,900
4	ICT Security	CorpRsv OG(DCLG)CD	301,737 40,556								301,737 40,556
	Sub Total		342,293	0	0	0	0	0	0	0	342,293
	Landlord's Maintenance	CorpRsv CP(DCSF)CM CP(DFI)IT OG(DCLG)CD CorpRsv CMR RCCO	814,276 331,301 0 1,322,441 0 0 0	270,597 175,504	1,000,000 112,815	16,600	20,800	24,900			2,084,873 331,301 350,619 1,322,441 67,000 21,750 109,000
	Sub Total		2,468,018	643,851	1,112,815	16,600	20,800	24,900	0	0	4,286,984
6	Landlord's Maintenance - Capital Contingency	CorpRsv CRGG	0 0	215,000 196,000							215,000 196,000
	Sub Total		0	411,000	0	0	0	0	0	0	411,000
7	MMD - Capital Advances	UB OG(DCLG)CD	5,534,000 250,000	1,760,000	640,000	1,100,000					9,034,000 250,000
	Sub Total		5,784,000	1,760,000	640,000	1,100,000	0	0	0	0	9,284,000

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
8	Asset Management System	B OG(DCLG)CD	102,133 58,587	50,000	89,297						241,430 58,587
	Sub Total		160,720	50,000	89,297	0	0	0	0	0	300,017
9	Major Repairs to Corporate Property Portfolio	CorpRsv OG(DCLG)CD CROC CRGG MTRS CMR OC	424,912 225,024 11,500 229,900 200,000 0 10,000	48,034 65,000							472,946 225,024 11,500 229,900 200,000 65,000 10,000
	Sub Total		1,101,336	113,034	0	0	0	0	0	0	1,214,370
11	Merefield House Relocation & Customer Access Refurb.	CorpRsv OG(DCLG)CD	516,009 10,056	121,302							637,311 10,056
	Sub Total		526,065	121,302	0	0	0	0	0	0	647,367
17	Dame Judith Prof. Centre - Relocation of Services	CorpRsv CP(DCSF)CM OG(DCLG)CD	56,600 41,076 28,017	41,307							56,600 82,383 28,017
	Sub Total		125,693	41,307	0	0	0	0	0	0	167,000
12	Replacement of Cash Handling System	CorpRsv OG(DCLG)CD	37,089 88,025	66,486	9,400						112,975 88,025
	Sub Total		125,114	66,486	9,400	0	0	0	0	0	201,000
13	Civic Offices Catering - Coffee Shop	CorpRsv	61,293	7,959							69,252
14	IS Data Centre	CorpRsv OG(DCLG)CD	944,011 39,453	(78,164)							865,847 39,453
	Sub Total		983,464	(78,164)	0	0	0	0	0	0	905,300
15	IS Data Centre Chillers	CMR	0	134,400							134,400

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
16	Update of Oracle E-Business Suite Software to R12	ODR OG(DCLG)CD	355,543 98,564	20,897							376,440 98,564
	Sub Total		454,107	20,897	0	0	0	0	0	0	475,004
17	Transformation Programme - Customer Management	UB OG(DCLG)CD	15,592 68,533	60,000	40,875						116,467 68,533
	Sub Total		84,125	60,000	40,875	0	0	0	0	0	185,000
18	IS Road Map	CorpRsv OG(DCLG)CD	0 101,940	509,500	316,400	107,160					933,060 101,940
	Sub Total		101,940	509,500	316,400	107,160	0	0	0	0	1,035,000
19	Central Library & Southsea Library Photovoltaic Panels	CMR	111,935								111,935
20	Review of Business Software (Windows 7)	CorpRsv OG(DCLG)CD ITR	623,675 145,211 49,500	422,214	343,400						1,389,289 145,211 49,500
	Sub Total		818,386	422,214	343,400	0	0	0	0	0	1,584,000
21	HR Self Serve & I Expenses	OR MTRS OG(DCLG)CD	137,677 373,000 96,583	5,740 50,000							143,417 423,000 96,583
	Sub Total		607,260	55,740	0	0	0	0	0	0	663,000
22	Legal Case Management Software	MTRS OG(DCLG)CD	0 84,913	11,087							11,087 84,913
	Sub Total		84,913	11,087	0	0	0	0	0	0	96,000
23	Replace Oldest Quay Tugs (MMD)	CorpRsv OG(DCLG)CD	0 93,000								0 93,000
	Sub Total		93,000	0	0	0	0	0	0	0	93,000

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
24	Purchase of Haulage Trailers (MMD)	MTRS OG(DCLG)CD	0 63,000								0 63,000
	Sub Total		63,000	0	0	0	0	0	0	0	63,000
25	Voltage Reduction & Power Cleaning (MMD)	OG(DCLG)CD	137,000								137,000
26	Guildhall Capital Works	CorpRsv OG(DCLG)CD RCCO	687,065 234,857 0	222,818		20,000					909,883 234,857 400,000
	Sub Total		921,922	602,818	20,000	0	0	0	0	0	1,544,740
27	Revenue and Benefits EDMS replacement	CorpRsv OG(DCLG)CD	0 27,792	67,208							67,208 27,792
	Sub Total		27,792	67,208	0	0	0	0	0	0	95,000
28	Call Recording System	CorpRsv	0	90,000							90,000
29	Working Anywhere	CorpRsv CP(DH)CG	0 0	879,456 67,344	33,200						912,656 67,344
	Sub Total		0	946,800	33,200	0	0	0	0	0	980,000
30	Commercial Letting of Brunel Wing	CorpRsv CP(DCSF)CM	0 0	491,227 8,773	100,000						591,227 8,773
	Sub Total		0	500,000	100,000	0	0	0	0	0	600,000
31	World War 2 Memorial Guildhall Square	CorpRsv OC	0 0	27,000 70,000							27,000 70,000
	Sub Total		0	97,000	0	0	0	0	0	0	97,000
32	PSN CoCo Compliance	CorpRsv	0	192,000							192,000

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
33	Replacement Emergency Generator	CP(DCSF)CM	0	141,700	3,300						145,000
34	Civic Office Ducting	CP(DCSF)CM	0	60,485							60,485
		CorpRsv	0	30,000							30,000
		OG(DCLG)CD	29,515								29,515
	Sub Total		29,515	90,485	0	0	0	0	0	0	120,000
35	IS Data Centre Phase 2	CorpRsv	0	314,300	274,960						589,260
		OG(DCLG)CD	740								740
		RCCO	0		120,000						120,000
	Sub Total		740	314,300	394,960	0	0	0	0	0	710,000
36	Superconnected Cities	OG	33,392	2,286,608							2,320,000
37	Guildhall Internal Works	CorpRsv	0		80,000						80,000
38	Municipal Bonds Agency	RCCO	0	150,000							150,000
39	IS - Server & Database	RCCO	0	200,000							200,000
40	Requirements Specs for BI & EDMS	CorpRsv	0		850,000						850,000
41	Web Phase 2 / Channel Shift	CorpRsv	0		635,000						635,000
42	Utilities Management	UB	0		1,080,000						1,080,000
Grand Total			16,651,148	10,126,499	5,798,047	1,223,760	20,800	24,900	0	0	33,845,154

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TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1	Healthy Towns Routes to Cycling Improvements	UB	30,751	5,275							36,026
2	Congestion Monitoring (ANPR)	UB GGNR(DFT)LTPIT	31,681 109,501	2,818							34,499 109,501
	Sub Total		141,182	2,818	0	0	0	0	0	0	144,000
3	Verge Hardening	CorpRsv	55,333	9,819							65,152
4	Contribution to PFI	HwayPFI OG(DCLG)CD EUG OG UB CP(DFT)HM	9,517,678 2,069,743 (10,427) 145,167 2,306,379 2,225,000	3,303,230	3,874,757	2,688,920	2,448,747	3,434,820	3,030,930	33,300,072	61,599,154 2,069,743 (10,427) 145,167 2,306,379 7,344,897
	Sub Total		16,253,540	4,410,127	5,304,757	3,999,920	3,720,747	3,434,820	3,030,930	33,300,072	73,454,913
5	Tipner Interchange Bridges	OG(DFT)Sec31 OC	2,484,353 315,030								2,484,353 315,030
	Sub Total		2,799,383	0	0	0	0	0	0	0	2,799,383
6	Tipner Motorway Junction & Park & Ride	OG(DFT)Sec31 OG(DCLG)CD CorpRsv S106(ST) S106(EW) CIL CP(DCLG)DFG PUSH(NGP) OC	19,487,001 5,883,986 1,998,942 226,143 381,412 0 0 1,460,000 520,000	1,414,330 135,700	2,580,000						19,487,001 5,883,986 1,998,942 226,143 381,412 1,414,330 135,700 1,460,000 3,100,000
	Sub Total		29,957,484	4,130,030	0	0	0	0	0	0	34,087,514

TRAFFIC AND TRANSPORTATION PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
7	Northern Road Bridge	UB	331,688								331,688
		OC	105,010								105,010
		GGNR(DFT)LTPIT	529,810								529,810
		OG(DFT)Sec31	10,918,950	176,050							11,095,000
		CP(DFT)IT	60	12,907							12,967
		CROC	0	567,093							567,093
	Sub Total		11,885,518	756,050	0	0	0	0	0	0	12,641,568
8	Safer Routes to School Minor Improvements (School Crossing Patrols)	UB	5,258	7,935							13,193
		OG(DCLG)CD	7,961								7,961
	Sub Total		13,219	7,935	0	0	0	0	0	0	21,154
9	Seafront Cycle Route - Remedial Works	UB	10,527	5,073							15,600
	Local Transport Plan & Road Safety 3	UB	0	70,000							70,000
		CorpRsv	0	454,839							454,839
		S278	21,800	1,844							23,644
		CP(DFT)IT	1,729,270	965,230	914,000						3,608,500
		S106(ST)	346,348	50,719	134,900						531,967
		OG(DFT)LSTFSec31	1,677,883	1,601,798							3,279,681
		OG(DFT)TFSHSec31	488,121	935,359							1,423,480
		OG	0	80,000							80,000
	Sub Total		4,263,422	4,159,789	1,048,900	0	0	0	0	0	9,472,111
11	City Wide Bus Shelters	S106(ST)	23,104								23,104
12	The Hard Public Transport Interchange	CIL	0		2,000,000						2,000,000
		OC	0		5,130,000						5,130,000
		OG(DFT)LSTFSec31	0	506,350							506,350
		CorpRsv	0	863,512	609,252						1,472,764
	Sub Total		0	1,369,862	7,739,252	0	0	0	0	0	9,109,114
13	Replace Residential Street Lighting With LED	UB	0		2,000,000	1,040,000					3,040,000
14	Copnor Bridge	CorpRsv	0	48,000							48,000

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
15	Clean Vehicle Technology	OG	0	125,481							125,481
16	Eastern Rd Waterbridge	CorpRsv	0		257,200						257,200
		CP(DFT)IT	0		4,900						4,900
		OG(DFT)Sec31	0		377,900						377,900
		OC	0		100,000						100,000
	Sub Total		0	0	740,000	0	0	0	0	0	740,000
17	Angelsea Road Footbridge	CP(DFT)IT	0		581,000	25,000					606,000
		OC	0		20,000						20,000
	Sub Total		0	0	601,000	25,000	0	0	0	0	626,000
18	Verge Hardening	CorpRsv	0		100,000						100,000
	St Mary's Road & Milton Road Crossings	CorpRsv	0		60,000						60,000
	Grand Total		65,433,463	15,030,259	17,593,909	5,064,920	3,720,747	3,434,820	3,030,930	33,300,072	146,609,120

MILLENNIUM

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1	Spinnaker Tower	CorpRsv	7,796,126								7,796,126
		OR	5,566,404	5,900							5,572,304
		OC	9,624,000								9,624,000
		OG	15,073,600								15,073,600
	Sub Total		38,060,130	5,900	0	0	0	0	0	0	38,066,030
2	Millennium Parade	CorpRsv	(216,021)								(216,021)
Grand Total			37,844,109	5,900	0	0	0	0	0	0	37,850,009

HOUSING PORTFOLIO (GF)

CAPITAL PROGRAMME

Item Description of Scheme No.	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1 Support For Vulnerable People	CorpRsv	541,474	575,256	198,600	300,000					1,615,330
	S106(Hsg)	0		1,400						1,400
	CP(DCLG)DFG	1,124,300	777,566							1,901,866
	CP(DCSF)BN	250,729								250,729
	CP(DH)CG	762,300								762,300
	CRGG	0	2,320							2,320
	GGR(DCLG)PSR	25,481	154,045							179,526
	GGR(DCLG)DF	634,100								634,100
	OC	799,046	238,292	117,600	120,363	123,122	125,950	128,849	131,820	1,785,042
	LR(HIP)	455,667	285,591	250,000	214,080					1,205,338
	BCF(HWB)DFG			645,000						645,000
	OC	0			1,449,020	2,042,428	2,062,988	2,114,813	2,143,171	9,812,420
	OG(DCLG)CD	1,318,131								1,318,131
Sub Total		5,911,228	2,033,070	1,212,600	2,083,463	2,165,550	2,188,938	2,243,662	2,274,991	20,113,502
Removal of Hazards & Risks within the Home	GGR(DCLG)PSR	372,963								372,963
	LR(HIP)	623,608	525,000	538,125	200,000	400,000	400,000	400,000	400,000	3,486,733
	OC	0			46,516	57,679	69,120	80,848	92,870	347,033
	CorpRsv	0			200,000					200,000
Sub Total		996,571	525,000	538,125	446,516	457,679	469,120	480,848	492,870	4,406,729
3 Grants to Registered Social Landlords	S106(Hsg)	97,000	120,000	108,000	450,000					775,000
	CorpRsv	1,994	35,337							37,331
Sub Total		98,994	155,337	108,000	450,000	0	0	0	0	812,331
4 Green Deal Communities	OG	0	720,550							720,550
Grand Total		7,006,793	3,433,957	1,858,725	2,979,979	2,623,229	2,658,058	2,724,510	2,767,861	26,053,112

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
1	Somerstown Hub	B(HRA)	75,979								75,979
		CorpRsv	947,080								947,080
		OG(DCLG)CD	2,024,500								2,024,500
		PUSH	1,639,411								1,639,411
		RCCO(HRA)	4,141,667	1,568,986	170,000						5,880,653
		UB(HRA)	2,541,431								2,541,431
	Sub Total		11,370,068	1,568,986	170,000	0	0	0	0	0	13,109,054
2	Somerstown Tipton House Site 7 Houses	OC	440,000								440,000
		PUSH	311,187								311,187
		UB(HRA)	226,921								226,921
		RCCO(HRA)	33,503								33,503
	Sub Total		1,011,611	0	0	0	0	0	0	0	1,011,611
	Somerstown Wellington Street Site 16 Houses	OC	1,200,000								1,200,000
		PUSH	1,101,741								1,101,741
		RCCO(HRA)	(26,820)	7,000							(19,820)
		S106(Hsg)	180,000								180,000
		UB(HRA)	568,987								568,987
	Sub Total		3,023,908	7,000	0	0	0	0	0	0	3,030,908
4	Purchase Properties for Supported Living	B(HRA)	350								350
		RCCO(HRA)	1,218,936								1,218,936
		UB(HRA)	148,392								148,392
	Sub Total		1,367,678	0	0	0	0	0	0	0	1,367,678
5	Eastern Rd New Properties	CorpRsv	0		140,000						140,000
		RCCO(HRA)	81,298								81,298
		CRec(HRA)	0		413,280	9,000					422,280
		UB(HRA)	0		824,320	21,000					845,320
	Sub Total		81,298	0	1,377,600	30,000	0	0	0	0	1,488,898

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
6	Doyle Avenue	RCCO(HRA)	334								334
		UB(HRA)	0		377,213	810,390	25,870				1,213,473
		CRec(HRA)	143		161,663	347,310	11,087				520,203
	Sub Total		477	0	538,876	1,157,700	36,957	0	0	0	1,734,010
7	Old London Road	RCCO(HRA)	502,702								502,702
		CRec(HRA)	90,356								90,356
	Sub Total		593,058	0	0	0	0	0	0	0	593,058
8	Replacement Homes	CRec(HRA)	0								0
9	HRA Assets (Non Dwelling)	B(HRA)	3,714,358								3,714,358
		CorpRsv	0		300,000						300,000
		RCCO(HRA)	5,842,312	3,362,098	766,250	766,250	612,500	612,500	612,500	612,500	13,186,910
		UB(HRA)	246,614								246,614
		OG(DFT)LSTFSec31	30,000								30,000
	Sub Total		9,833,284	3,362,098	1,066,250	766,250	612,500	612,500	612,500	612,500	17,477,882
10	Total Major Repairs Specific Contracts (Dwellings)	B(HRA)	2,417								2,417
		OC	1,201,278								1,201,278
		RCCO(HRA)	3,974,446								3,974,446
		UB(HRA)	2,152								2,152
	Sub Total		5,180,293	0	0	0	0	0	0	0	5,180,293
11	Total Major Repairs Dwellings	B(HRA)	134,210								134,210
		OC	414,348	268,669	275,386	282,270	289,327	296,560	303,974	311,574	2,442,108
		RCCO(HRA)	39,552,971	24,137,751	22,475,847	21,037,076	17,549,223	21,175,588	27,166,992	31,321,425	204,416,873
		OG	1,044,584		10,000						1,054,584
		UB(HRA)	11,841,361								11,841,361
		CRec(HRA)	0		3,508,216	1,005,726	2,538,209	2,672,768	2,800,562	2,932,829	15,458,310
		OCRec(HRA)	0	992,763	51,796	48,585	880,261	876,822	873,262	869,578	4,593,067
	Sub Total		52,987,474	25,399,183	26,321,245	22,373,657	21,257,020	25,021,738	31,144,790	35,435,406	239,940,513

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
12	King William Street	UB(HRA)	0	77,000	424,200	70,000					571,200
		CRec(HRA)	5,851	33,000	181,800	30,000					250,651
		OCRec(HRA)	13,651								13,651
	Sub Total		19,502	110,000	606,000	100,000	0	0	0	0	835,502
13	Millgate House	UB(HRA)	0								0
		RCCO(HRA)	853								853
	Sub Total		853	0	0	0	0	0	0	0	853
14	Southsea Community Centre	UB(HRA)	0	71,707	932,195	466,098					1,470,000
		CRec(HRA)	275	30,732	399,512	199,756					630,275
		RCCO(HRA)	641								641
	Sub Total		916	102,439	1,331,707	665,854	0	0	0	0	2,100,916
15	Brook Club	UB(HRA)	0								0
		CRec(HRA)	230								230
		RCCO(HRA)	535								535
	Sub Total		765	0	0	0	0	0	0	0	765
16	Plot 2 Wellington Street	UB(HRA)	0	201,025	1,306,667	452,308					1,960,000
		CRec(HRA)	3,191	86,154	560,000	193,846					843,191
		RCCO(HRA)	7,445								7,445
	Sub Total		10,636	287,179	1,866,667	646,154	0	0	0	0	2,810,636
17	Arthur Pope House	UB(HRA)	0	189,259	2,549,351	2,460,371					5,198,981
		CRec(HRA)	743	81,111	705,464	1,054,445					1,841,763
		RCCO(HRA)	1,732		260,000						261,732
	Sub Total		2,475	270,370	3,514,815	3,514,816	0	0	0	0	7,302,476
18	Grove Road North	UB(HRA)	0								0
		OCRec(HRA)	1,786,214								1,786,214
	Sub Total		1,786,214	0	0	0	0	0	0	0	1,786,214

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2014	Revised Estimate for 2014/15	Estimate for 2015/16	Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Exp. in Subsequent Years	Final Cost
19	Cromwell Road	UB(HRA)	801,587								801,587
		CRec(HRA)	446,980								446,980
		OCRec(HRA)	241,366								241,366
	Sub Total		1,489,933	0	0	0	0	0	0	0	1,489,933
20	Development Internal Charges	UB(HRA)	0	28,128	167,269	107,247					302,644
		CRec(HRA)	22,550	12,055	71,687	45,963					152,255
		OCRec(HRA)	52,617								52,617
	Sub Total		75,167	40,183	238,956	153,210	0	0	0	0	507,516
21	Commercial Development at Wellington St	PUSH	30,123								30,123
22	Tipton House Extension	RCCO(HRA)	6,475								6,475
23	Edgbaston House Buggy Store	RCCO(HRA)	3,705								3,705
24	Hub Phase One	RCCO(HRA)	(335,411)								(335,411)
25	Hambrook Street	UB(HRA)	0		665,000	665,000					1,330,000
		OCRec(HRA)	0		835,000	835,000					1,670,000
	Sub Total		0	0	1,500,000	1,500,000	0	0	0	0	3,000,000
26	Grosvenor House Refurbishment	CorpRsv	0		100,000						100,000
		RCCO(HRA)	0		3,088,000						3,088,000
	Sub Total		0	0	3,188,000	0	0	0	0	0	3,188,000
Grand Total			88,540,502	31,147,438	41,720,116	30,907,641	21,906,477	25,634,238	31,757,290	36,047,906	307,661,608

NEW SCHEMES STARTING IN 2015/16

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	On-going Revenue Cost / (Saving) £
Schemes funded from available Corporate Resources				
Children & Education				
School Condition Projects (including relocation of Harbour School (Fratton & Milton sites) to Vanguard Centre and Mayfield East Playing Field)	To provide capital funding to address school condition issues (Priority 1: urgent repairs that have to be completed within the next 1 - 2 years) as identified by priority items raised during the Asset Management Plan meetings, priority items raised in the school condition surveys and those items recommended as a priority by Housing Property Services. The programme includes the refurbishment of The Vanguard Centre and the relocation of Harbour School Fratton and Harbour School Milton to The Vanguard Centre. It also includes remedial works to Mayfield School East playing field.	3,950,000	3,950,000	
Primary School Places Expansion	Additional classroom accommodation and associated schools works to meet the statutory requirement to ensure the provision of school places and to meet the increasing demand for school places across the City. Additional places to be provided at: - St Judes CofE Primary School - Northern Parade Schools - Langston Infant and Junior Schools - Craneswater Junior School	11,706,000	11,706,000	
Adaptations to Foster Carers Properties (Grants)	To provide adaptations to Foster Carer properties as required by the children (particularly those with disabilities) they are fostering. By providing these adaptations it could enable children to secure longer term placements, keep siblings together and prevent children being placed with more expensive Independent Fostering Agencies (IFA) or External Residential placements.	150,000	150,000	
Culture, Leisure & Sport				
Loan Advance for the Fitting Out of The New Theatre Royal	The New Theatre Royal is currently nearing the end of a substantial capital build programme of £4m. There is currently a potential funding shortfall of £300,000 that is needed to finalise the fitting out of the old part of the New Theatre to enable it to reopen.	150,000	150,000	

NEW SCHEMES STARTING IN 2015/16

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	On-going Revenue Cost / (Saving) £
Environment & Community Safety				
Long Curtain Moat Detailed Design	A single Detailed Design work package incorporating esplanade improvements in and around Long Curtain Moat. This design would show enhanced Flood Defences with accent on Heritage and visitor opportunities, opening up the area as a viewing platform for Admiral's Cup, Royal Navy and other maritime events. This would maximise business leisure, and regeneration opportunities. The allocation is to undertake the Detailed Design work in order to maximise the opportunity to access circa £50m of Environment Agency Flood defence funding	277,000	277,000	
Housing				
Support For Vulnerable People	Financial and practical assistance to enable adaptations and home safety measures to be undertaken to the homes of vulnerable residents. These works will allow them to live an independent life within their own property or move to another property which is more suitable to their needs. This has a positive effect on Adult Social Care and Public Health budgets.	200,000	1,212,600	
Grosvenor House Refurbishment	The project proposes to construct a new lift tower to provide 2 modern passenger lifts, undertake remedial structural repairs, replace the roof covering, carry out external and communal decorations, relocate the refuse areas, install emergency LED lighting and undertake planned actions arising from a fire risk assessment.	100,000	3,188,000	
Planning, Regeneration & Economic Development				
Limberline Road Phase 3 (element funded by Corporate Capital Resources)	Development of a new industrial estate of approximately 34,000 square feet. The scheme is expected to generate income of over £300,000 per annum. The full scheme is reliant on borrowing an additional £3.48m and is therefore subject to a satisfactory financial appraisal approved by the Head of Finance & S151 Officer.	762,000	4,242,000	313,000
City Centre Public Realm Improvements	Public realm improvements to Commercial Road Precinct.	500,000	500,000	
District Shopping Centre Improvements	Public realm and street scape works to shopping centres.	100,000	100,000	

APPENDIX 2

NEW SCHEMES STARTING IN 2015/16

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	On-going Revenue Cost / (Saving) £
Improvements to Community Facilities (Fratton Area)	Improvements to Community Facilities in the Fratton Area conditional upon the scheme demonstrating that it will lead to the City Council realising savings in future years	100,000	100,000	
Seafront Development	Business regeneration works to the Seafront.	100,000	100,000	
Resources				
Landlords Maintenance	Funding to address major repairs to buildings which need to be undertaken during 2015/16 to avoid the risk of service disruption, focussing on undertaking priority 1 repairs only.	1,000,000	1,000,000	
Business Intelligence & Electronic Document Management System Requirement Specifications & Implementation of one option	<p>Option 1: Procurement of applications, infrastructure and platforms that enable the gathering, storage, analysis and provision of information in order to optimise decisions and manage performance. This will reduce the need for manual information handling, manual reconciliation and manual financial forecasting. It is expected to deliver savings of £200,000 per annum.</p> <p>Option 2: Procurement of an Electronic Document Management System which will facilitate the Working Anywhere Phase 2 project by reducing the requirement for paper storage space. This will help enable additional space to be made available in the Civic Offices which will then be available for Commercial letting to raise income</p>	850,000	850,000	(200,000)
Web Phase 2 & Channel Shift	This project constitutes a substantial programme of work aimed at transforming the council's customer contact arrangements. In particular, this project will ensure the development of the council's web presence to enable customers to self-serve online more than they are able to do at present, therefore reducing demand via traditional channels (i.e. phones and face-to-face). Over time, this process will enable the council to realise cashable efficiency savings by reducing the staffing requirement in front facing and some back-office teams.	635,000	635,000	(101,000)
Traffic & Transportation				
Local Transport Plan 3 (including Eastern Road Waterbridge and Anglesea Road Footbridge)	The Local Transport Plan (LTP) is used to finance a programme of capital schemes that contribute towards a range of transport objectives and wider corporate priorities. This includes rights of way, CCTV for traffic management, cycle access links, pedestrian crossings, traffic signal control, zebra crossings and traffic calming.	1,865,000	2,362,900	

APPENDIX 2

NEW SCHEMES STARTING IN 2015/16

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	On-going Revenue Cost / (Saving) £
Verge Hardening	Verge Hardening Programme in the Paulsgrove area	100,000	100,000	
St Mary's Road & Milton Road Crossings	Provision of a safe crossing facility that will improve safety for those travelling around the city by foot.	60,000	60,000	
Total of New Schemes Starting in 2015/16 Relying on Available Corporate Resources		22,605,000	30,683,500	12,000

Schemes funded from Portfolio Reserves

Environment & Community Safety







Surface Water Separation	Project to remove highway run-off from the combined sewer system, reducing flood risk across the City	65,000	65,000	
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NEW SCHEMES STARTING IN 2015/16







CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution / Borrowing £	Total Capital Cost £	On-going Revenue Cost / (Saving) £
Schemes to be approved in principal and funded from borrowing but only if supported by a satisfactory financial appraisal which demonstrates that any borrowing costs can be met from additional savings and that the appraisal is approved by the Council's Head of Finance & S151 Officer				
Resources				
Utilities Management	Project to improve utility and energy management of PCC by installing: - solar panels to reduce energy consumption and earn income from feed in tariff - installing building Engineering management Systems to control boilers and temperatures - insulation to roof voids, cavity walls and light fittings	1,080,000	1,080,000	(142,000)
Port				
Demolition of Floating Dock Jetty, berth extension and cruise facilities	Removal of navigational hazard to enable larger vessels to use the Commercial Ports which will help secure the future and create additional employment and economic benefits to the local area. Extension of Berth 2 to allow vessels of up to 320m (compared with current 240m vessel capacity)for flexible use across the Port and MMD. This scheme is proposed to be funded from borrowing subject to a satisfactory Business Case (supported by new customer agreements) and Financial appraisal	16,985,000	17,485,000	
Planning, Regeneration & Economic Development				
Limberline Road Phase 3 (element funded by Borrowing)	Development of a new industrial estate of approximately 34,000 square feet.	3,480,000	4,242,000	313,000
Total of New Schemes Starting in 2015/16 Relying on Prudential Borrowing		21,545,000	22,807,000	171,000




Indicative 2015/16 Local Transport Plan (LTP)

Description of Scheme	Scheme Details		£'000
Priority 1			
Rights of way signing 	PCC has a statutory requirement to sign Rights Of Way (paths which the public have a legally protected right to pass on) across the city and to investigate and resolve all Public Rights Of Way (PROW) claims put forward.	This scheme not only meets all LTP3 objectives it also encourages use of active travel modes which provide health benefits, improved quality of life and environmental benefits.	50
Traveline 	Provision of annual funding (jointly with all Local Transport authorities) to maintain and enhance comprehensive public transport information facilities through Traveline an online and telephone journey planning service.	This scheme helps to ensure accurate information is available for individuals to make informed travel choices.	25
Access for people with disabilities 	To provide low cost measures citywide where improvements to the kerb lines, signing and street furniture will aid mobility for the disabled and parents with young children in prams and pushchairs. This would include both resolving requests put forward and proactive priority works.	It is a requirement under the Equalities Act to maintain and enhance highway facilities to enable disabled people to cross the road more easily. It is vital to ensure that the city's most vulnerable residents are provided with solutions which enable them to move around the city with ease, accessing all areas. Ensuring walking routes are continuous and seamless for all users is essential to promote a sustainable and active lifestyle and improved quality of life. Particularly focussing on those routes to public transport hubs and other key destinations such as education, retail and leisure will ensure social inclusion and also enable wider benefits such as economic growth.	35
Active travel remedials 	Small-scale infrastructure improvements (such as cycle parking, signage and lining) and public realm enhancements across the city to assist modal shift away from the car toward more active travel modes such as walking and cycling.	Ensuring walking and cycling routes are continuous and seamless for all users is essential to promote a sustainable and active lifestyle and improved quality of life. Particularly focussing on those routes to public transport hubs and other key destinations such as education, retail and leisure will ensure social inclusion and also enable wider benefits such as economic growth.	90
Cycle access to Miltoncross School 	There is currently no cycle link into the school from either the south or north. At the request of the school and the governors, this first phase would seek to link the school to the southern housing around Warren Avenue. The scheme will include alterations to bus shelters to facilitate the route along Milton Road.	A formal cycle link will improve safety for cyclists. This link will encourage additional cycling promoting a healthy and active lifestyle, improved quality of life and wellbeing and helping improve the environment.	40
Eastern Road / Havant Road / Farlington Avenue junction improvements. 	To improve the existing junction layout to incorporate pedestrian crossing facilities, improve traffic flow and provision for bus priority to support future Bus Rapid Transit.	Reducing congestion and improving traffic flow contributes to the city's economic growth and individuals quality of life. The provision for bus rapid transit ensures we are in a good position to provide for future city development. There is currently no pedestrian phase at this junction and it is used by parents and children accessing Solent Infant and Junior Schools. This is a 30mph road, redesigning the junction to add a pedestrian phase will improve road safety for all and make this a safer route to school.	100

Indicative 2015/16 Local Transport Plan (LTP)

Description of Scheme	Scheme Details		£'000
Eastern Road Roundabout signal upgrade and spiral markings 	Provide modification/replacement to existing traffic signal controller and outstation control unit so traffic signals can be controlled/influenced from the Transport Management Centre. This will enable fault reporting, manual control and planned strategies to be implemented in times of congestion or incident on the network. Spiral marking modification will assist with lane discipline on the exit from Eastern Road Southbound.	This scheme will offer benefits to journey time especially at times of events. Reduction in congestion enables economic growth in the city as well as providing environmental benefits. The scheme will help to improve air quality and in turn respiratory conditions such as asthma. There will also be safety benefits resulting from the improvements.	20
Junction treatments along London Road, Kingston Road and Fratton Road to improve cycle safety. 	Lining treatment and alterations to kerb lines at junctions along London Road, Kingston Road and Fratton Road to alert motorists to the presence of cyclists.	78% of cycle casualties in Portsmouth occur at junctions. Portsmouth has one of the highest cycle casualty rates in the country and this route is a particular problem with cycle collisions occurring at junctions. This scheme meets all the LTP3 objectives and encourages more individuals to choose cycling for their journeys which in turn improves health and well being as well as having environmental benefits. This has been a topic for discussion recently with the Cycle Forum, Leader of the Council and the Media.	80
Monitoring and Evaluation 	Purchasing of equipment such as cycle counters and Bluetooth radar to enable improved monitoring and evaluation of schemes.	There is a need to have a sound evidence base to show the benefits of implemented schemes and identify issues across the city. This is required to support future funding bids enabling better demonstration of benefit cost ratio and economic value of schemes as well as demonstrating the problems in the first place.	50
Queen Street Zebrite Beacons 	Upgrading the beacons at the zebra crossings on Queen Street to Zebrite units meaning they are more visible to approaching traffic. These Zebrite beacons feature a halo of LEDs to ensure crossings can be easily seen in all light conditions.	The upgrading of beacons will improve safety along Queen Street. Complaints have been received from residents and ward councillors regarding vehicles failing to stop at the three zebra crossings. The road is straight with very little demand placed on drivers and as such they lack concentration and do not always see the crossings.	15
Speed Reduction Schemes 	To introduce traffic calming at a variety of locations across the city, to promote road safety, reduce vehicle speeds and encourage the use of active travel modes.	Reducing speed of traffic can make individuals feel safer to walk or cycle and move around their local area. Lower speeds contribute to a lower level of injury accidents. An increased level of active travel leads to healthier lifestyles and environmental benefits. Lower speed limits improve quality of life for those living in and travelling through an area.	55
Total Priority 1 Schemes			560
Priority 2			
Scheme	What it includes, and where?	Why is this the right approach and what additional benefits will it bring?	£'000
3G CCTV 	New CCTV cameras to enable effective network management of key junctions and strategic routes. To be installed where they are missing at key locations across the city's network.	It is important in order to be able to effectively manage the network that the whole network is visible from the control centre to enable reactive management. If it cannot be identified what is happening at certain locations on the network then mitigating measures (such as signal timing alterations) cannot be put in place and there is potential to have a wider impact across the city.	50

Indicative 2015/16 Local Transport Plan (LTP)

Description of Scheme	Scheme Details		£'000
Isambard Brunel Road 20mph 	Continuation of existing 20mph zone.	The current speed limit is not suitable for the environment. Implementing a 20mph speed limit would improve safety and encourage active travel, in turn improving health, well-being, quality of life and the environment.	37
Pedestrian Crossing facilities 	New or improved pedestrian crossing facilities at sites around the cities. Sites to be considered include but are not limited to Clarence Esplanade, Duisburg Way, Victoria Road North (both near the Mosque and near Outram Road) and Moorings Way.	Ensuring that there are safe crossing facilities will not only protect the city's most vulnerable residents but will also improve safety for those travelling around the city by foot. Providing these facilities will work towards encouraging an active lifestyle which improves individuals health and well-being.	200
Safer Routes to School Area Improvements 	This allows reactive works on school routes as issues are identified. It can include but is not exclusive to the installation of bollards, barriers, signage and dropped-kerbs.	It is important that issues impacting on children's travel to school are addressed. It is particularly important if they are safety issues or if they reduce the likelihood of active travel and therefore a healthy lifestyle which contributes to reducing obesity levels.	150
Total Priority 2 Schemes			437
Total LTP			997

PRUDENTIAL INDICATORS

Capital Expenditure							
	2013/14 Actual £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Children & Education	9,554	10,230	11,905	8,093	738	70	-
Culture & Leisure	2,245	1,552	4,355	2,533	169	100	-
Environment & Community Safety	812	807	12,321	10,040	14,831	12,000	4,400
Health & Social Care (Adults Services)	1,455	1,389	5,243	179	-	-	-
Planning, Regeneration & Economic Development	1,169	46,933	71,498	60,375	25,252	25,351	-
Commercial Port	959	1,197	6,432	4,530	7,030	-	-
Resources	3,368	10,126	5,798	1,224	21	25	-
Traffic & transportation	31,643	15,030	17,594	5,065	3,721	3,435	3,031
Millennium	(254)	6	-	-	-	-	-
Housing General Fund	2,061	3,434	1,859	2,980	2,623	2,658	2,725
Non HRA	53,012	90,704	137,005	95,019	54,385	43,639	10,156
HRA	30,110	31,147	41,720	30,908	21,906	25,634	31,757
Total	83,122	121,851	178,725	125,927	76,291	69,273	41,913

Ratio of Financing Costs to Net Revenue Stream							
	2013/14 Actual	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
Non - HRA	10.3%	9.8%	13.1%	14.0%	14.5%	14.0%	15.1%
HRA	12.4%	12.1%	13.4%	12.7%	12.4%	11.8%	11.4%

Capital Financing Requirement							
	2013/14 Actual £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Non - HRA	267,848	270,716	263,192	254,225	245,452	237,304	228,548
HRA	143,557	157,218	170,166	174,663	171,735	168,781	165,827

HRA Limit on Indebtedness							
	2013/14 Actual £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
HRA	181,701	181,701	181,701	181,701	181,701	181,701	181,701

Authorised Limit for External Debt							
	2013/14 Actual £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Borrowing	426,373	416,767	418,861	417,289	415,083	411,653	400,517
Other Long Term Liabilities (ie Credit Arrangements)	87,148	86,095	84,388	81,297	77,463	74,119	69,962
Total	513,521	502,863	503,249	498,586	492,546	485,771	470,479

Operational Boundary for External Debt							
	2013/14 Actual £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000
Borrowing	361,501	397,422	399,129	397,162	394,554	390,713	379,158
Other Long Term Liabilities (ie Credit Arrangements)	87,148	86,095	84,388	81,297	77,463	74,119	69,962
Total	448,649	483,517	483,517	478,459	472,016	464,831	449,120

Incremental Impact of Capital Investment Decisions on the Council Tax							
	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	
Revenue effect of existing capital programme	538	1,891	1,768	1,503	1,042	1,854	
Revenue effect of proposed capital programme	538	2,039	1,703	1,208	662	1,474	
Increase in revenue effect	0	148	(65)	(295)	(380)	(380)	
Increase in Council Tax Band D	£0.00	£2.78	(£1.21)	(£5.54)	(£7.12)	(£7.12)	

Incremental Impact of Capital Investment Decisions on Housing Rents							
	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	2019/20 Estimate £000	
Revenue effect of existing capital programme	22,590	29,218	27,476	22,420	18,778	22,405	
Revenue effect of proposed capital programme	29,218	27,476	22,419	18,778	22,404	28,396	
Increase in revenue effect	6,628	(1,742)	(5,057)	(3,642)	3,626	5,991	
Effect on average weekly rent	£8.42	(£2.22)	(£6.46)	(£4.66)	£4.65	£7.70	

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Agenda Item 8



Portsmouth
CITY COUNCIL

Agenda item:

Decision maker: City Council

Subject: Portsmouth City Council - Budget & Council Tax 2015/16
& Medium Term Budget Forecast 2016/17 to 2018/19

Date of decision: 5 February 2015 (Cabinet)
10 February 2015 (City Council)

Report by: Head of Finance & Section 151 Officer

Wards affected: All

Key decision: Yes

**Budget & policy
framework decision:** Yes

1. Executive Summary

- 1.1 This Council Tax proposal, Budget 2015/16 and Medium Term Financial Forecast is made at a time when the national economic circumstances are improving but the picture for Local Government is one of increasing costs and demand for services coupled with unprecedented reductions in funding.
- 1.2 Economic conditions are expected to be steady and sustained but with the pace of growth slowing next year. The National Debt position will remain high (currently standing at £1.45 trillion or 79.5% of Gross Domestic Product¹) and is likely to continue to rise through to 2020. This is driving the Government to continue its funding reductions across the public sector with a belief that "growth alone will not fix the budget deficit".

¹ Gross Domestic Product is a national measure of economic output

- 1.3 The Autumn Statement in November implied spending cuts after 2015/16 would increase in speed and that to achieve a budget surplus by 2019/20 would require "spending cuts on a colossal scale.....and that we are considerably less than half way through the cuts"². Unless there is a change in policy stance, public sector spending cuts will continue through to 2020.
- 1.4 Nevertheless, the City Council still has an important role to play in stimulating the local economy whilst at the same time protecting the vulnerable and its core services to residents.
- 1.5 Over the last 4 years, the City Council has experienced Government funding reductions of £44m (representing 30%). When combined with the need to meet unavoidable cost pressures, the City Council has had to make savings of £59m through efficiencies and service reductions. In context, £59m represents 22% of the Council's controllable budget as at 2010/11.
- 1.6 The financial settlement from Government for the coming year sees a further £14.7m reduction in funding³ and is the primary cause of the Council's £13.1m savings for 2015/16. This takes the overall savings required over the austerity period to £72m and the overall cut in the Controllable budget to 27% since the start of austerity.
- 1.7 The Council's essential care services (Adults and Children's Social Care) are facing severe demographic pressures and these represent 49% of the City Council's current controllable budget. Those pressures are most apparent within Children's Safeguarding which is currently forecasting a £2.9m overspend. Savings protection has been provided to these services in previous years but given the scale of the future savings required, it is inevitable that all Council services will now need to make significant savings.

² Institute of Fiscal Studies

³ £14.7m is the "like for like" reduction taking account of "New Burdens" as opposed to the reduction in actual cash

1.8 Having made savings of £72m, the Council now needs to make further savings of £31m over the period 2016/17 to 2018/19. The Council's Medium Term Financial Strategy to achieve this as follows:

OVERALL AIM

"In year" expenditure matches "in year" income over the medium term whilst continuing the drive towards regeneration of the City and protecting the most important and valued services

STRAND 1

Reduce the City's dependency on Central Government Grant

STRAND 2

Reduce the extent to which the population needs Council Services

STRAND 3

Increase the efficiency & effectiveness of the Council's activity

STRAND 4

Withdraw or offer minimal provision of low impact Services

1.9 The Council made a series of decisions in December 2014 for the forthcoming financial year that were consistent with this strategy and these are incorporated within the proposed Budget for 2015/16. Those decisions consisted principally of the following:

- A suite of savings amounting to £13.1m of the original forecast £37.6m⁴ required over the 3 year period 2015/16 to 2017/18
- No requirement for Children's Safeguarding to make any new savings during 2015/16 although an obligation to find savings to meet the current underlying £2.9m deficit therefore rectifying its current overspending position
- To prepare the 2015/16 Budget on the basis of a Council Tax freeze in 2015/16
- Re-enforcement of the aims of the financial framework underpinning the Medium Term Financial Strategy to create the conditions that would incentivise responsible spending and strong forward financial planning with the following:
 - The continuation of greater financial autonomy including the right of each Portfolio to retain 100% of any year-end underspending and it to be held in an earmarked reserve for the relevant Portfolio
 - Correspondingly, any Budget Pressures are to be funded within the overall resources available to the Portfolio Holder (which includes their Portfolio Reserve)
- The creation of a £500,000 Voluntary Sector Capacity & Transition Fund to enable the voluntary sector to reconfigure their service or enhance their capacity / infrastructure in order to support / provide council services
- The creation of a £500,000 Business Intervention Fund to enable the necessary business interventions to take place across the Council's activities at the necessary scale and pace to deliver significant change and cost reduction in the future.
- The transfer of £2.2m (from 2013/14 underspendings) to the MTRS Reserve recognising this as the Council's primary vehicle for providing funding for Spend to Save initiatives and that the overall uncommitted balance within the reserve is modest in the context of the scale of future savings required
- The transfer of £3m (from 2013/14 underspendings) to supplement the Capital Programme where there remains an enormous gap between Service needs, regeneration aspirations and the associated level of capital resources available

⁴ Assuming a Council Tax Freeze in 2015/16 which adds a further £0.6m to the savings requirement compared to the originally assumed £37m which was based on a 1.95% Council Tax increase for 2015/16

- 1.10 Alongside the £13.1m of savings being made in 2015/16, Portfolios are planning to hold £3.1m in their Earmarked Reserves to meet any necessary budget pressures, fund spend to save schemes and provide financial cover for uncertainties and consequent financial risks that may occur in the future.
- 1.11 The Council's rolling 3 year financial forecasts have also been comprehensively revised and now extended to cover the further year to 2018/19. The forecast budget deficit for the period 2016/17 to 2018/19 amounts to some £31m (or £63m cumulatively over the period). To effectively manage the impact of such a reduction, the proposals within this report recommend that those savings are "smoothed out" at £11m in 2016/17, a further £10m in 2017/18 and then a further £10m in 2018/19.
- 1.12 The most critical assumptions made in arriving at the £31m forecast Budget deficit are set out below:
- Reductions in overall general Government funding of 10.4% in 2016/17, a further 9.3% in 2017/18 and a further 9.0% in 2018/19, representing an overall reduction in funding over the period of £26.6m
 - A 2.0% increase in Council Tax for 2016/17 and each year thereafter, raising £3.8m
 - That any new burdens arising from new Government policy (such as those in the Care Act) will be funded in full
 - An underlying zero growth assumption for changes in Business Rates from 2016/17 onwards, this allows the opportunity for any incremental business rates to be used to deliver that growth (e.g. City Deal or New Shopping Centre infrastructure requirements)
 - Indexation uplifts on retained Business Rates of 2.1% for 2016/17, a further 2.9% for 2017/18 and a further 3.4% for 2018/19 amounting to a total increase for the period of £3.8m
 - That any loss of business rates income arising from the continuation of the cap on increases for small businesses will continue to be recompensed by Government via grant funding
 - An overall composite inflationary provision covering all pay and prices amounting to 3.4% for 2016/17, a further 2.5% for 2017/18 and a further 2.8% for 2018/19 amounting to a total for the period of £13.1m
 - Some provision for the potential on-going risks associated with the budget pressures within Children's and Adults' Social Care
- 1.13 The scale of the future funding reductions and demographic cost pressures will be such that the Council can no longer afford to provide the same level of protection to Adults and Children's Social Care and the Environment and Community Safety services (which combined account for 60% of controllable spending) as has been accommodated in the past.

- 1.14 This remains a particularly uncertain time for the City Council. The financial risks to the Council in the future remain significant. Particular risks are the future funding from Government including new burdens arising from forthcoming legislation; the potential impact of Business Rate appeals and the continuing rising costs of the Council's essential care services.
- 1.15 To deliver the scale of the savings required and to maintain the Council's financial health, the Council should regard the savings process as a continual one rather than a "once a year" planning exercise. Correspondingly, the Council may need to receive budget proposals more frequently throughout the year.
- 1.16 For now, based on the proposals contained within the 2015/16 Budget and the proposals for future savings, the Council's financial health remains sound and provides a good degree of resilience against this uncertain climate.

2. Purpose of Report

- 2.1 The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2015/16 and the associated level of Council Tax necessary to fund that Budget.
- 2.2 The report makes recommendations on the level of Council spending for 2015/16 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy in order to achieve its stated aim as follows:

OVERALL AIM

"In year" expenditure matches "in year" income over the medium term whilst continuing the drive towards regeneration of the City and protecting the most important and valued services

- 2.3 The recommended Budget for 2015/16 has been prepared on the basis of the decisions taken by the City Council on the 9th December 2014 relating to the approved budget savings, transfers from reserves (to create the Voluntary Sector Capacity & Transition Fund and the Business Intervention Fund) as well as the proposed Council Tax freeze. It also takes into consideration the Council's financial strength and the future outlook for both spending and funding over the next 4 years.
- 2.4 This report also provides a comprehensive revision of the Council's rolling 3 year financial forecast for the new period 2016/17 to 2018/19 (i.e. extending the forecast to 2018/19) and describes the level of associated savings requirements necessary to balance spending and funding over that period.

2.5 Finally, the report stresses the important contribution that the MTRS Reserve and the Capital Programme can make to the Council's overall Medium Term Financial Strategy.

2.6 In particular, this report sets out the following:

- (a) The challenging financial climate facing the City Council in 2015/16 and beyond and the consequential budget deficits that result
- (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings as approved in the report to Council in November 2013
- (c) A brief recap of the budget decisions taken by the City Council at its meeting of the 9th December 2014
- (d) The Revised Revenue Budget and Cash Limits for the current year
- (e) The Local Government Finance Settlement for 2015/16
- (f) The recommended Council Tax for 2015/16
- (g) The proposed Revenue Budget and Cash Limits for 2015/16
- (h) The forecast Revenue Budget, provisional Cash Limits and revised Savings Requirements for 2016/17, 2017/18 and 2018/19
- (i) Estimated Revenue Balances over the period 2014/15 to 2018/19
- (j) The Medium Term Resource Strategy (MTRS) Reserve and its proposed use to achieve cashable efficiencies
- (k) The forecast Collection Fund balance as at 31 March 2015
- (l) The Non Domestic Rates poundage for 2015/16
- (m) The statement of the Head of Finance & Section 151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

3. Recommendations

3.1 That the following be approved in respect of the Council's Budget:

- (a) The revised Revenue Estimates for the financial year 2014/15 and the Revenue Estimates for the financial year 2015/16 as set out in the General Fund Summary (Appendix A)
- (b) The Portfolio Cash Limits for the Revised Budget for 2014/15 and Budget for 2015/16 as set out in Sections 7 and 9, respectively
- (c) Any underspendings for 2014/15 arising at the year-end outside of those made by Portfolios be transferred to the MTRS Reserve
- (d) 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
- (e) Managers be authorised to incur routine expenditure against the Cash Limits for 2015/16 as set out in Section 9

- (f) That the savings requirement for 2016/17 be set at a minimum on-going sum of £11.0m
- (g) Heads of Service be instructed to start planning how the City Council will achieve the savings requirements shown in Section 11 and that this be incorporated into Service Business Plans
- (h) The minimum level of Revenue Balances as at 31 March 2016 be set at £6.5m (£6.0m in 2014/15) to reflect the known and expected budget and financial risks to the Council
- (i) The Head of Finance & S151 Officer be given delegated authority to complete and authorise the statutory Government Returns for Business Rates⁵ for 2015/16 and all future years
- (j) The Head of Finance & S151 Officer be given delegated authority to approve the Council Tax Base and Collection Fund Estimates for all future years
- (k) Members have had 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 17.

3.2 That the following be noted in respect of the Council's Budget:

- (a) The Revenue Forecast and the associated provisional Portfolio Cash Limits for 2016/17 onwards as set out in Section 10 and Appendices B and C, respectively
- (b) The estimated Savings Requirement of £31m for the three year period 2016/17 to 2018/19, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Target £m	Cumulative Saving £m
2016/17	11.0	11.0
2017/18	10.0	21.0
2018/19	10.0	31.0

- (c) 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 £2.9m⁶ and will only be replenished from an approval to the transfer of any underspends at year end
- (d) The Non Domestic Rates poundage for 2015/16 will be 49.3p, and 48.0p for small businesses

⁵ Those returns being the NNDR1 and the NNDR3

⁶ Including the transfer into the reserve of £2.2m and the £1.0m transfers out of the reserve for the creation of the Voluntary Sector Capacity & Transition Fund and the Business Intervention Fund approved by City Council in December 2014

3.3 The advice from the Head of Finance & S151 Officer set out in the approved Budget report to the Council in December 2014 stated that:

the minimum savings requirement for 2015/16 is £12.5m (with a Council Tax increase of 1.95%) or £13.1m (with a Council Tax freeze) and anything below that would not be prudent.

3.4 That it be noted that at its meeting on 8 January 2015 the Cabinet calculated the amount of **53,277.2** as its Council Tax Base for the financial year 2015/16 [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].

3.5 That the following amounts be now calculated by the Council for the financial year 2015/16 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£512,652,086	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£450,236,248	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£62,415,838	Being the amount by which the aggregate at 3.5 (a) above exceeds the aggregate at 3.5(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 3.5(c) above (Item R), all divided by Item 3.4 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 (Portsmouth City Council)

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 3.5(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.

- 3.6 That it be noted that for the financial year 2015/16 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be 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:

Valuation Bands (Hampshire Police & Crime Commissioner)

A £	B £	C £	D £	E £	F £	G £	H £
104.89	122.37	139.85	157.33	192.29	227.25	262.22	314.66

- 3.7 That it be noted that for the financial year 2015/16 Hampshire Fire and Rescue Authority are recommending the following amounts for 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:

Valuation Bands (Hampshire Fire & Rescue Authority)

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

- 3.8 That having calculated the aggregate in each case of the amounts at 3.5(e), 3.6 and 3.7 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 2015/16 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A £	B £	C £	D £	E £	F £	G £	H £
926.83	1,081.30	1,235.77	1,390.24	1,699.18	2,008.12	2,317.07	2,780.48

- 3.9 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 Police & Crime Commissioner and Hampshire Fire and Rescue Authority precepts.

4. Economic & Financial Context

- 4.1 The previous Budget report to the City Council in December 2014 described the overall national picture for public finances and the particular implications experienced by the City generally and the Council specifically.
- 4.2 In brief, the global economic downturn and subsequent recovery has had a significant detrimental effect on the public finances nationally. The overall welfare bill has risen at the same time as a fall in tax revenues. Since 2008, this has led to the overall national debt position to rise from £0.53 trillion to £1.45 trillion or 79.5% of Gross Domestic Product (GDP)⁷ compared with around 40% of GDP in 2008.
- 4.3 Part of the response from Central Government has been to reduce spending (and funding) across the public sector. Over the past 4 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £44m (amounting to 30%). Taken together with other financial pressures that have been experienced by the City Council (mainly relating to inflation, the effects of an ageing population on Council provided care services and the increased requirements for the safeguarding of vulnerable children), the City Council has had to make overall savings over the same period of over £59m. In context, this represents some 22% of the Council's controllable spending.
- 4.4 Despite the improving economic conditions, public sector debt remains high but more importantly it is higher than Government plans. All major parties are committed to turning the current annual budget deficit into surplus by 2020 at which time they can start to pay down the national debt. The Institute for Fiscal Studies has suggested that significant public spending cuts are still to come through the next parliament. Spending cuts can therefore be expected to continue through to 2020.
- 4.5 This report includes a complete revision of the Council's financial forecasts (covering both expenditure and funding) to 2018/19. The forecasts also take into account the £13.1m savings decisions made by the City Council in December 2014 and the intent to freeze the level of Council Tax in 2015/16. The forecasts contained within this report now indicate a savings requirement for the next 3 years, from 2016/17 to 2018/19, of £31m.

⁷ GDP is measure of the overall output of the economy

5. Medium Term Financial Strategy and Budget Decisions 2015/16

5.1 In response to the considerable financial challenge, the City Council approved the following Medium Term Financial Strategy (for both revenue and capital):

OVERALL AIM

"In year" expenditure matches "in year" income over the medium term whilst continuing the drive towards regeneration of the City and protecting the most important and valued services

STRAND 1

Reduce the City's dependency on Central Government Grant:

- Entrepreneurial activities
- Income Generation
- Capital investment for jobs and business growth (increased Business Rates)

STRAND 2

Reduce the extent to which the population needs Council Services

- Re-direction of resources towards preventative services (avoid greater costs downstream)
- Design fees & charges policies to distinguish between want and need
- Capital investment towards jobs and skills to raise prosperity

STRAND 3

Increase the efficiency & effectiveness of the Council's activity:

- Contract reviews
- Rationalisation of operational buildings
- Support to the Voluntary Sector
- Targeted efficiency reviews in "resource hungry" services
- Capital investment for on-going savings or cost avoidance

STRAND 4

Withdraw or offer minimal provision of low impact Services:

- Strong focus on needs, priorities and outcomes
- Use the insights of Councillors to inform priorities
- Use the results of public consultation to inform priorities

5.2 The Strategy has a strong regeneration focus with a presumption that Capital investment will be targeted towards economic growth. This is to improve the prosperity of the City through employment as an objective in itself but also because this will reduce the demand for Council services generally. The strategy is consistent with the 'Shaping the future of Portsmouth' (adopted by the City Council in 2010) which articulates the vision for the City to become a globally competitive economy supporting local economic growth, innovation and enterprise. This strategy has been adopted by business leaders across the City and is in the process of being delivered the Shaping Portsmouth Partnership. Overall, this strategy could see an additional 11,500 new jobs created over the next 10 years. The aim of the strategy is to ensure local people are able to get those jobs and benefit from the regeneration programme.

5.3 Despite the challenging financial circumstances, the City Council made a series of Budget decisions in December 2014 that were generally consistent with the strategy. The key Budget decisions made included:

- A suite of savings amounting to £13.1m of the original forecast £37.6m⁸ required over the 3 year period 2015/16 to 2017/18
- No requirement for Children's Safeguarding to make any new savings during 2015/16 although an obligation to find savings to meet the current underlying £2.9m deficit to rectify its current overspending position
- To prepare the 2015/16 Budget on the basis of a Council Tax freeze in 2015/16
- Re-enforcement of the aims of the financial framework underpinning the Medium Term Financial Strategy to create the conditions that would incentivise responsible spending and strong forward financial planning with the following:
 - The continuation of greater financial autonomy including the right of each Portfolio to retain 100% of any year-end underspending and it to be held in an earmarked reserve for the relevant Portfolio
 - Correspondingly, any Budget Pressures to be funded within the overall resources available to the Portfolio Holder (which includes their Portfolio Reserve)
- The creation of a £500,000 Voluntary Sector Capacity & Transition Fund to enable the voluntary sector to reconfigure their service or enhance their capacity / infrastructure in order to support / provide council services
- The creation of a £500,000 Business Intervention Fund to enable the necessary business interventions to take place across the Council's activities

⁸ Assuming a Council Tax Freeze in 2015/16 which adds a further £0.6m to the savings requirement compared to the originally assumed £37m which was based on a 1.95% Council Tax increase for 2015/16

at the necessary scale and pace to deliver significant change and cost reduction in the future.

- The transfer of £2.2m (from 2013/14 underspendings) to the MTRS Reserve recognising this as the Council's primary vehicle for providing funding for Spend to Save initiatives and that the overall uncommitted balance within the reserve is modest in the context of the scale of future savings required
- The transfer of £3m (from 2013/14 underspendings) to supplement the Capital Programme where there remains an enormous gap between Service needs, regeneration aspirations and the associated level of capital resources available

5.4 The combined effect of all of these decisions has enabled the Council to:

- Meet its £13.1m savings requirement
- Provide protection for the Council's most vulnerable Services
- Embed a financial framework which is better able to respond to the greater financial challenges ahead
- Provide funding to promote business change and cost reduction via both the voluntary sector and internal departments in order to provide the foundations for future savings
- Continue to make funds available for Spend to Save schemes
- Make additional capital funding available to meet statutory obligations and regeneration aspirations

6. Revised Budget 2014/15

6.1 The original revenue Budget approved by the City Council on 11 February 2014 was £174,363,725.

6.2 The Council has received regular quarterly Budget Monitoring reports on the 2014/15 Budget throughout the year. The key variances that have arisen during the year have been the pressure on the Children's & Education Portfolio and the Health & Social Care Portfolio but offset, in part, by forecast underspendings in the Council's Treasury Management activities.

6.3 The Children's & Education Portfolio continue to encounter overspendings amounting to £2.9m with the majority relating to Children's Safeguarding. Significant benchmarking work has been undertaken which has established the Safeguarding Service as generally low cost against our statistical neighbours. Proposals have already been considered by the Cabinet Member for Children & Education to reduce spending by £2m, these were considered by Cabinet in December 2014 and reported to Council in January 2015. Whilst Children's Safeguarding is considered generally low cost with limited scope for making savings, proposals do include improving the

cost effectiveness in this area of activity. Due to the scale of the savings required and the limited scope for savings in Children's Safeguarding generally, it was inevitable that other savings within the portfolio would be required and this included £0.9m savings in respect of the Integrated Youth Support Service.

- 6.4 Given that just 6 weeks remain to the end of the financial year, the £2m of savings proposals will not be made within the current financial year but they are expected to be delivered for 2015/16. The Council's budget rules state that any overspending in one year will be "clawed back" in the next financial year via a cash limit reduction. To repay the forecast £2.9m overspend in 2015/16 as well as reducing spend by £2.9m (combined amounting to £5.8m in savings) all set in the context of a relative low cost service and limited ability to find savings, is likely to be unachievable for the Portfolio in 2015/16. To ensure that the Council's budget overall remains robust, some funding will be retained within the Council's corporate contingency provision to cover the 2014/15 overspend position of the Portfolio.
- 6.5 The prospects for the Children's & Education Portfolio Budget in 2015/16 remain challenging but achievable if the proposals described in the report to Cabinet in December 2014 are successfully delivered.
- 6.6 Adult Social Care is currently forecasting a £0.5m overspend mainly relating to new legislative burdens for carrying out Deprivation of Liberties assessments but also due to lower than anticipated use of assistive equipment and technology. In the event that this overspend persists, it will be "clawed back" from the Portfolio's 2015/16 cash limit.
- 6.7 Significant changes to the Original Budget approved by Council now being proposed as part of the Revised budget are as follows:
- A contribution to the Revenue Reserve for Capital of £3.0m and a contribution to the MTRS Reserve of £2.2m as approved by the City Council in December 2014 (effectively funded from the 2013/14 underspend and which increased General Balances in 2013/14 and that are now being drawn down in 2014/15)
 - Increases in the budget to reflect current expectations that the originally anticipated savings from Strategic Contracts will only achieve savings of £24,000 during the year (full year effect of £108,000) compared with the budgeted saving of £1.25m
 - Adjustment to the budget to reflect slippage in the budgeted income from the letting of the Brunel Wing amounting to £0.4m
 - Passporting of grants received in year for European Elections, Special Educational Needs Reform and Adoption Reform amounting to £0.8m⁹
 - Reduction in the anticipated trading income from the Port and MMD amounting to £0.9m. Trading income is expected to improve from 2015/16 following the award of two new contracts to MMD commencing in February 2015

⁹ Whilst this increases the Council's expenditure, it is offset by increases in the overall grants received from Government and is budget neutral to the Council overall

- Additional Pyramids maintenance works brought forward from future years in order to make overall efficiencies and cost savings by undertaking works at the same time and in a co-ordinated manner. Additional works amounted to £0.5m which will be funded by reducing the maintenance budgets for the Pyramids by £0.25m in both 2015/16 and 2016/17, making it budget neutral overall
- Reductions in other expenditure of £0.5m which includes the improvement in the forecast costs of the Council's Treasury Management activities
- Lower than anticipated costs of the recently announced pay award of £0.5m

6.8 In preparing the Revised Estimate for 2014/15, total adjustments amounting to £7.7m have been made to increase the overall Budget for the current year to £182,053,100. This is set out below:

TABLE 1 - MOVEMENTS BETWEEN ORIGINAL AND REVISED BUDGET 2014/15

	2014/15 £000
Original Net Budget 2014/15	174,364
<u>Add:</u>	
Transfer to Revenue Reserve for Capital (arising from 2013/14 underspend - Approved December 2014)	3,000
Transfer to MTRS Reserve for Capital (arising from 2013/14 underspend - Approved December 2014)	2,200
Budget Savings 2014/15 Not Achieved (Strategic Contract savings and slippage in Brunel Wing savings)	1,639
Grants received In Year and passported to Services	755
Port & MMD - reduced trading income and pension liabilities	866
Pyramids maintenance - bring forward of future years maintenance budgets from 2015/16 and 2016/17	500
<u>Less:</u>	
Other Expenditure (including Treasury Management activities)	(490)
Lower than forecast cost of Pay Award	(453)
Carry Forward of Contingency from 2014/15 to 2015/16	(166)
Windfall items	(162)
Revised Net Budget 2014/15	182,053
Increase in Net Budget 2014/15	7,689

- 6.9 The other significant factor affecting the Revised Budget is the reduction in the estimate of Retained Business Rates for the year of £4.9m. The Council will recall that when the Original Budget was set in February 2014, it was prepared upon the basis that the Council would spread any losses arising from Business Rate appeals over a 5 year period. However, within that report, the Head of Finance & S.151 Officer advised that he intended to prepare the Council's accounts on an alternative basis which provided for all losses on Business Rate appeals to be accounted for in the year (amounting to £7.6m). This has had the effect of producing a deficit on the Collection Fund relating to Business Rates in 2014/15 for the Council of £7m and is the major cause of the £4.9m reduction in retained Business Rates income for the year.
- 6.10 The rationale for accounting for the full loss on appeals in a single year was that in doing so, it triggered a "safety net" payment from Government of £3.0m which was received in 2013/14 as a grant. This was the most significant reason for the £5.2m improvement in the Council's financial position and has effectively funded the £3.0m additional contribution to Capital in this year. Had the appeals been spread over 5 years, the Council would not have qualified for this "safety net" payment.
- 6.11 The overall effect of the changes described above on the Council's Revised Budget is best illustrated through the overall impact on General Balances and is summarised below.

TABLE 2 - MOVEMENT IN GENERAL BALANCES 2014/15

	2014/15 £000
Increases in Expenditure	7,689
Reductions in Funding (primarily reduced Business Rates)	4,521
<u>Reduction in General Balances</u>	<u>12,210</u>

- 6.12 The real impact on the Council's overall financial position in 2014/15, arising from the recommendations contained within the Revised Budget is a deterioration of £7m (as balances increased on the close of the 2013/14 accounts by £5.2m for items now being spent in 2014/15). Additionally, as previously mentioned, the £4.9m reduction in retained Business Rates has effectively been brought forward from future years (i.e. by not spreading) and was also planned within the Council's overall Medium Term Financial forecasts upon which savings requirements were based. In overall terms therefore, over the medium term, the Council's financial position is broadly neutral.
- 6.13 The Revised Revenue Budget is set out in the General Fund Summary (Appendix A).

6.14 As described in Section 13, the Council needs to continue to replenish the MTRS Reserve if it is to remain as a core element of the Council's strategy to reduce costs through efficiencies in the coming years. Whilst there are no proposals within the proposed Revised Budget to make any transfers to the MTRS Reserve, it is recommended that any savings for 2014/15 that arise at the year-end outside of Portfolios, be transferred to the MTRS Reserve.

6.15 Although financially neutral, the Revised Budget also takes into account both the use of Portfolio Reserves in 2014/15 as well as any forecast transfer to Portfolio Reserves. Overall, it is expected that there will be a net decrease in Portfolio Reserves of £2.4m (arising from their use in the year) with a forecast balance on all Portfolio Reserves of £3.1m at the end of this financial year. See Table 3 below.

TABLE 3 - Transfers (From)/To Portfolio Reserves 2014/15

PORTFOLIO	Balance 1 April 2014 £000	Transfer To / (From) Reserves £000	Forecast 31 March 2015 £000
Children & Education	229	(229)	0
Culture Leisure & Sport	116	207	323
Environment & Community Safety	1,177	(292)	885
Health & Social Care	2,195	(2,195)	0
Housing	137	(3)	134
Leader	0	0	0
Planning Regeneration Economic Development	794	41	835
Resources	667	(12)	655
Traffic & Transportation	0	0	0
Governance & Audit Committee	145	110	255
Licensing Committee	34	0	34
TOTAL	5,492	(2,372)	3,120

6.16 In the first instance, these Earmarked Reserves are to be used to meet any necessary budget pressures facing a Portfolio. These Reserves therefore, are an important feature of the overall budget proposal since they can be used to mitigate (and provide financial cover) for a number of uncertainties and consequent financial risks that may occur.

6.17 In summary, in funding the Revised Budget of £182,053,100 the City Council will need to draw on General Balances of £8,827,620¹⁰. As previously explained, this is broadly neutral to the Council's overall financial position over the medium term.

¹⁰ This differs from the movement in balances set out in Table 2 above which compares the originally planned contribution to Balances of £3,382,728 versus the proposed draw on Balances of £8,827,620

7. Revised Cash Limits 2014/15

7.1 The Cash Limits relate to that element of the Budget that is Portfolio and Service related and is controllable. Cash Limits are allocated to Portfolio Holders and Managers to spend so that there is clear accountability for spending decisions.

7.2 The Cash Limits for 2014/15 have been revised to take account of:

- Items released from Contingency in the current year
- Windfall savings and windfall costs
- Adjustments to reflect forecast underspends, transfers to Portfolio reserves, additional unavoidable costs and other City Council decisions throughout the year

7.3 The table below sets out the revised Cash Limits for 2014/15 and those items outside the Cash Limit (e.g. capital and similar charges, levies and insurance premiums), which together form the Revised Budget for each Portfolio.

PORTFOLIO	Revised Cash Limits 2014/15 £'000	Items Outside the Cash Limit £'000	Revised Budget 2014/15 £'000
Children & Education	31,876	19,094	50,970
Culture Leisure & Sport	8,673	3,870	12,543
Environment & Community Safety	16,445	2,542	18,987
Health & Social Care	48,287	3,314	51,601
Housing	1,856	5,743	7,599
Leader	234	20	254
Planning Regeneration Economic Development	(5,283)	13,041	7,758
Resources	22,260	4,137	26,397
Traffic & Transportation	16,967	684	17,651
Governance, Audit & Standards Committee	305	61	366
Licensing Committee	(145)	16	(129)
PORTFOLIO EXPENDITURE	141,475	52,522	193,997

7.4 The current policy is that any overspend against the cash limit will in the first instance be deducted from any Portfolio reserve or if that is exceeded from the following financial year's cash limit.

8. Revenue Budget 2015/16

- 8.1 At the Annual Budget Meeting in February 2014, forecasts for this coming financial year 2015/16 and the subsequent 2 financial years estimated that an overall 3 year savings requirement of £37.0m would be necessary to meet the budget deficits over that period¹¹. The forecasts were prepared on the basis of a reduction in Government Funding of 14.2% in 2015/16 and then a further 10.0% reduction in 2016/17 and a further 8.9% in 2017/18. Subsequent to the preparation of those forecasts, the Government has announced the Autumn Statement and just recently the provisional Local Government Finance Settlement for 2015/16.
- 8.2 The most significant outcomes of the Autumn Statement were that it implied spending cuts after 2015/16 would increase in speed and that to achieve a budget surplus by 2019/20 would require "spending cuts on a colossal scale.....and that we are considerably less than half way through the cuts"¹².
- 8.3 As reported to the City Council in December 2014, the advice of the Head of Finance & S151 Officer was that whilst it is likely that the overall financial forecasts will change, the savings requirement for 2015/16 at £12.5m (with a Council Tax increase of 1.95%) or £13.1m (with a Council Tax freeze) remains robust and prudent. Further, given what is known or reasonably expected regarding future funding reductions and given the future uncertainties, that any savings requirement below that would not be prudent.
- 8.4 Details of the Local Government Finance Settlement are set out below.

Local Government Finance Settlement 2015/16

- 8.5 The Local Government Finance Settlement is the term used to describe the main non-ringfenced Revenue and Capital grant funding allocations from Government. The provisional settlement was announced on the 18 December 2014 and the final settlement will be announced in early February 2015.
- 8.6 The settlement for 2015/16 amounts to £104.2m representing an 11.7% reduction in cash terms. On a like for like basis (excluding funding for new burdens and Business Rate re-imbursements¹³ of £3.3m which are broadly budget neutral since they come with an associated cost) the reduction amounts to £14.7m (or 12.7%) as set out below.

¹¹ This assumed Council Tax increases of 1.95% per annum from 2015/16 to 2017/18. A Council Tax freeze in 2015/16 increases the savings requirement to £37.6m

¹² Institute of Fiscal Studies

¹³ Business Rate re-imbursements relate to S.31 Grants receivable as compensation for the loss of locally retained business rates arising from National Business Rate reduction initiatives such as Rate Capping

LOCAL GOVERNMENT FINANCE SETTLEMENT**YEAR ON YEAR COMPARISON**

	Actual Settlement 2014/15	Actual Settlement 2015/16	Actual Change	
	£	£	£	%
Revenue Support Grant (Adjusted Like for Like)	53,641,390	38,375,386	(15,266,004)	-28.5%
Business Rates Retention - Baseline Funding Level (Note 1)	43,212,869	44,038,593	825,724	1.9%
Sub Total - Settlement Funding Assessment	96,854,259	82,413,979	(14,440,280)	-14.9%
Other Grants - See Note 2	18,719,487	18,473,736	(245,751)	-1.3%
Total Settlement - Like for Like Comparison	115,573,746	100,887,715	(14,686,031)	-12.7%
Additional Grants - New Responsibilities (See Note 3)	2,424,121	3,309,446	885,325	36.5%
Total Settlement - Cash	117,997,867	104,197,161	(13,800,706)	-11.7%

Note 1 - Business Rate Retention

The Baseline Funding level is the Government's assessment of the funding needed from Business Rates, it does not represent actual funding from Government. The actual income from Retained Business Rates may be above or below this level

Note 2 - Unannounced Grants

The following grants have yet to be announced and at present are assumed to be as per the Council's original forecast in February 2014

Adoption Reform Grant	0
Sub Total	0

Note 3 - Grants for New Burdens

The following grants have been increased to recognise additional responsibilities

Adult Social Care New Burdens	989,133
SEND - New Burdens	116,389
DfT Local Roads Funding	146,868
S31 Grants - National Business Rate Initiatives	2,057,056
Sub Total	3,309,446

Note 4 - Comparison to "Spending Power" used by Government

The Government's assessment of the change in Portsmouth City Council's "Spending Power" is a reduction of £6.1m (or 3.3%)

When Government consider "Spending Power" as the measure by which Local Authorities funding has changed they also include the following:

- * Their estimate of the increase in Council Tax income - their estimate being £0.38m increase
- * The change in the Public Health Grant (although it is ring-fenced) - no change at £16.18m
- * The change in the Better Care Fund to be spent by the NHS and Adult Social Care - an increase of £6.8m to £13.05m
- * The additional grants to recompense Local Authorities for the loss associated with capping business rates (even though Local Authorities will not receive any overall financial benefit)

Equally, Government exclude the following significant grant funding from their calculations:

- * Education Support Grant - expected to reduce by circa £0.6m
- * The Adoption reform grant (or its equivalent)

8.7 The £14.7m (or 12%) reduction in funding for 2015/16 is very close to the Council's forecast upon which the savings requirement of £13.1m¹⁴ for 2015/16 was based (forecast reduction of £15.3m) representing a variance of £0.6m (or 0.6%) as set out below.

LOCAL GOVERNMENT FINANCE SETTLEMENT <i>COMPARISON WITH FORECAST</i>	Forecast Settlement 2015/16 £	Actual Settlement 2015/16 £	Actual Change	
			£	%
Revenue Support Grant (Adjusted Like for Like)	38,385,255	38,375,386	(9,869)	0.0%
Business Rates Retention - Baseline Funding Level (Note 1)	44,405,581	44,038,593	(366,988)	-0.8%
<u>Sub Total - Settlement Funding Assessment</u>	<u>82,790,836</u>	<u>82,413,979</u>	<u>(376,857)</u>	<u>-0.5%</u>
Other Grants - See Note 2	17,466,335	18,473,736	1,007,401	5.8%
<u>Total Settlement - Like for Like Comparison</u>	<u>100,257,171</u>	<u>100,887,715</u>	<u>630,544</u>	<u>0.6%</u>
Additional Grants - New Responsibilities (See Note 3)	2,062,911	3,309,446	1,246,535	
<u>Total Settlement - Cash</u>	<u>102,320,082</u>	<u>104,197,161</u>	<u>1,877,078</u>	<u>1.8%</u>
Note 1				
The Baseline Funding level is the Government's assessment of the funding needed from Business Rates, it does not represent actual funding from Government. The actual income from Retained Business Rates may be above or below this level				
Note 2				
The following grants have yet to be announced and at present are assumed to be as per the Council's original forecast in February 2014				
Adoption Reform Grant		0		
Sub Total		0		
Note 3				
The following grants have been increased to recognise additional responsibilities				
Adult Social Care New Burdens		989,133		
SEND - New Burdens		116,389		
DfT Local Roads Funding		146,868		
<u>S31 Grants - National Business Rate Initiatives</u>		<u>2,057,056</u>		
Sub Total		3,309,446		

¹⁴ Assuming a Council Tax freeze

8.8 The "Like for Like" comparison of the Settlement analyses above excludes changes in funding from the following in order to present a like for like comparison with the previous year:

- Adult Social Care New Burdens arising from the Care Act - An additional £1.0m of funding but which will also result in additional costs to the Council and therefore it would not be appropriate to include it in a like for like comparison
- Better Care Fund - £13.1m which is contained within NHS Budgets and Social Care Capital Grants, the allocation of which is agreed locally through Health & Wellbeing Boards
- Section 31 Grants which recompense the Council for the loss of Business Rates the Council will suffer as a consequence of a National initiative to reduce Business Rates (e.g. extension of the 2% Business Rate cap) - these schemes are budget neutral to the Council.

Note: The Settlement analyses also excludes Public Health Grant as this is a specific grant which does not form part of the non ring-fenced grant allocation. The Public Health Grant remained unchanged for 2015/16 at £16.2m

8.9 As yet, there has been no announcement of any future continuation for the Adoption Reform Grant (or its equivalent). At this stage, no funding is being forecast and therefore no budget provision has been made.

8.10 The Settlement has also confirmed that the Local Welfare Provision Grant has been removed altogether (£716,000 in 2014/15). In 2015/16 the Service will continue with a budget of £100,000 and funded from a planned underspending in the current year, this may be supplemented should a bid to the Lottery Fund be successful. The Council's future forecasts beyond 2015/16 assume that as the funding from Government has been withdrawn, the Council will no longer continue to provide the Service.

8.11 Given that the 2015/16 Local Government Finance Settlement is in line with the Council's forecasts upon which the minimum £13.1m savings requirement was based, there is no need to seek any further savings beyond those approved at the December 2014 Council meeting.

8.12 The proposals for Council Tax contained within the Local Government Finance Settlement are covered under the heading "Council Tax Proposals 2015/16" set out later in this section.

8.13 Given the forthcoming general election, the Government have not produced an illustrative settlement for 2016/17. The Council's future year's financial forecasts will therefore be exposed to a greater level of estimation and assumption than usual. The comprehensive revision of the financial forecasts for 2016/17 to 2018/19 is set out in Section 10.

Retained Business Rates 2015/16

8.14 As explained in previous reports, the City Council now retains 49% of all Business Rates received. This system was introduced for the first time in 2013/14 and was accompanied by a broadly equivalent reduction in Government Grant and therefore at commencement did not represent any additional funding. The new system of retained Business Rates does however present both opportunities and risks. Authorities with strong business rates growth will benefit and be able to retain 49% of that growth, whereas Authorities whose business rates decline, or are subject to "shocks" such as closure (or relocation) of major businesses in an area, will see a reduction in their funding.

8.15 The new system is complex but some of the other key features are highlighted below:

- For businesses the National Non Domestic Rates (NNDR) system will remain the same. Local Authorities will not have control over how the level of tax is determined for ratepayers
- If the business rate tax base grows the City Council will be rewarded with increased funding, but if it declines Council funding will reduce
- Estimates of likely successful appeals (both known and as yet unknown) must be taken into account when determining the amount of business rates that can be retained
- A 1% change in Business Rates will result in circa £400,000 change in funding
- Local Authorities that have very significant business rate growth will pay a levy
- A safety net payment will come into effect if an Authority's income falls by more than 7.5% of the original baseline funding level of £44.0m (for Portsmouth this would require a fall in Business rates retained to £40.7m).

8.16 It should be noted that estimating the value of likely successful appeals is notoriously complex and can be subject to significant variance from year to year as appeals are settled. Accommodating such volatility is an issue of on-going concern and debate between Local Authorities and Government.

- 8.17 Despite the complications and risks associated with appeals, there remains the financial incentive within the system for many Local Authorities (including Portsmouth¹⁵) to generate economic growth and job creation. Irrespective of the financial incentive, the Council's Medium Term Financial Strategy is aimed at reducing the need for Council Services generally and therefore growth, jobs and prosperity are vital to achieve that.
- 8.18 Retained business rates are estimated to increase from £38.6m¹⁶ in the current year to £44.8m in 2015/16, representing an increase of 16%. This however, reflects the large "one-off" provision made for the cost of appeals in 2014/15 causing a deficit in that year of £7m. This was offset elsewhere with a safety net payment from Government of £3m.

Council Tax Proposals 2015/16

- 8.19 The Budget report to Council in December 2014 illustrated that Portsmouth City Council is a low taxing Authority receiving approximately £6.0m per annum (or 10%) less in Council Tax than the average Unitary Authority within its statistical neighbour group. It also worth noting the following:
- 55% of households in Portsmouth pay the full Council Tax
 - 14% of all households in Portsmouth receive Council Tax Support
 - 87% of all households in Portsmouth are in Council Tax Bands A-C
- 8.20 The provisional Local Government Finance Settlement for 2015/16 announced that a Council Tax Freeze Grant will be made available to those Local Authorities that do not increase their Council Tax in 2015/16. The Council Tax Freeze Grant will amount to the equivalent of a 1% increase in Council Tax. Alternatively, Councils have the option, without a referendum, to increase Council Tax up to a threshold of 2%. Any increase beyond the threshold can only be implemented following a "Yes" vote in a local referendum.
- 8.21 The options available to the Council are:
- i) To make no increase to the level of Council tax for 2015/16 and receive a Council Tax Freeze Grant amounting to £0.7m. In future years this will be built into the main funding settlement and subject to the funding cuts which are expected to amount to between 9% and 10% per annum for the period 2016/17 to 2018/19. By 2018/19 for example, the £0.7m grant can be expected to have been eroded by £0.2m to a sum amounting to £0.5m
 - ii) Increase the Council Tax by up to 2% which would yield up to £1.2m per annum in perpetuity plus the impact of any compounding effect of future tax rises. An increase of 2% represents an additional £18.22 per annum to the average Band B Taxpayer in Portsmouth (or 35 pence per week)

¹⁵ Applies to Local Authorities that, in general, remain above the safety net threshold over time

¹⁶ Adjusted for National Business Rate reduction schemes which are recompensed through S31 Grant in order to provide a like for like comparison.

8.22 Having considered the balance between reducing Services by £0.5m (and rising to £0.7m over the next 3 years) versus increasing the burden of tax to the residents of the City, the Administration have recommended a Council Tax freeze for the forthcoming financial year 2015/16.

8.23 It should be noted that in the report to the City Council in December 2014, the Head of Finance & S151 Officer advised the minimum savings requirement for 2015/16 is £12.5m (with a Council Tax increase of 1.95%) or £13.1m (with a Council Tax freeze) and anything below that would not be prudent. The Budget recommended to Council within this report incorporates the £13.1m savings approved by the Council in December 2014 and therefore accords with that advice.

Cumulative Effects of the Overall Local Government Funding System

8.24 Over the past 3 years and including the coming year, the emphasis of the Local Government Funding system has changed considerably. There are now clear financial incentives for Local Authorities to foster business growth, increase the number of homes and increase employment. This is illustrated by the following:

- The Business Rates retention scheme allows the City Council to retain circa £400,000 for every 1% increase in Business Rate growth. Equally, the City Council will lose £400,000 for every 1% decline in the Business Rate base
- For every new home built, the City Council is able to retain circa £1,456 p.a. in New Homes Bonus grant for a period of 6 years
- The risk of increased numbers of households requiring financial support to pay their Council Tax (formerly Council Tax Benefit) falls on the City Council. The City Council therefore will be worse off if caseloads increase and better off if caseloads fall. The estimated value of the Council Tax support for 2015/16 is £9.0m, each 1% change therefore will represent a cost / saving of £90,000.

It is important therefore that when the Council is developing policy and strategy and making its decisions, particularly relating to the Capital Programme, that it is cognisant of these financial incentives.

Summary of Proposed Revenue Budget 2015/16

8.25 The proposed Budget for 2015/16 has been prepared to include the following:

- Funding for New Burdens associated with the Care Act (£1m) and the Special Educational Needs reforms (£0.1m)
- Reduction in general Government funding of £14.7m
- A Council Tax freeze and the associated receipt of a £0.7m Council Tax Freeze Grant
- An increase in retained Business Rates¹⁷ of £1.0m, largely reflecting the uplift arising from the increase in RPI¹⁸
- The £13.1m savings proposals approved by the City Council in December 2014
- Overall surplus on the Collection Fund attributable to the City Council amounting to £0.5m, representing a surplus in Council Tax of £1.8m and a deficit in Business Rates retained of £1.3m
- The revenue implications arising from the Capital Programme contained elsewhere on this agenda, including savings arising from Invest to Save Schemes
- An allowance for a pay award of 1.65%
- An allowance for inflation on non-pay expenditure of 1.6% and for income of 1.5%
- Overall contingency provision to cover known and anticipated financial risks of the Council amounting to £7.3m (£5.5m in 2014/15), especially those relating to increases in demand for Adults & Children's Services
- Adjustments to reflect revised income from the Port and MMD
- Adjustment to forecast borrowing costs
- The retention into an earmarked reserve, by right, of any Portfolio underspendings arising in the previous year

¹⁷ This includes the deficit brought forward on the Collection Fund of £1.3m

¹⁸ RPI - Retail Price Index each September is used to increase the business rate multiplier that is applied to rateable values and determine rates due. Through the Government funding mechanism, any increases in business rate income arising from RPI, is offset by an equivalent reduction in general government funding.

Analysis of Spending & Funding Changes 2014/15 to 2015/16

8.26 The proposed Budget for 2015/16 as described above results in net spending of £168,340,900. This amounts to a net decrease in spending of £6,022,825 or 3.5% over the Original 2014/15 budget of £174,363,725.

TABLE 4 - MOVEMENTS BETWEEN ORIGINAL BUDGET 2014/15 AND ORIGINAL BUDGET 2015/16

<u>Total Reduction in Net Expenditure Comprises:</u>	£000
<u>Increases in Expenditure:</u>	
New Burdens (Care Act & SEND Reforms)	1,105
Inflation 2015/16	2,169
Net windfall items and other unavoidable cost increases	3,776
Increase in Contingency	4,015
Transfers to / (from) Reserves	1,781
Increase in Borrowing Costs	565
Non Portfolio carry forward requests from 2014/15 into 2015/16	166
	13,577
<u>Less Reductions in Expenditure:</u>	
Budget Savings approved on 9 December 2014 ¹⁹	(12,980)
Prior years' Budget Pressures falling out	(1,002)
On-going effect of previous years' savings	(1,338)
On-going impact of Spend to Save Schemes	(598)
Improvement in Port & MMD trading results	(892)
2013/14 Carried Forward Budgets falling out	(2,540)
Future Years' Budgets brought forward (Pyramids maintenance)	(250)
	(19,600)
<u>Total Net Reduction in Expenditure</u>	<u>(6,023)</u>
<u>Matched By:</u>	
Increase in contribution from General Balances	4,533
Reduction in Revenue Support Grant	(13,675)
Reduction in Other General Grants	(604)
Increase in retained Business Rates ²⁰	1,016
Increase in Council Tax ²¹	2,707
<u>Total Decrease in Funding</u>	<u>(6,023)</u>

¹⁹ Excludes £120,000 of additional Council Tax arising from an increase in the collection rate to 97.8%

²⁰ Includes the £1.3m share of the Collection Fund deficit relating to retained Business Rates

²¹ Includes the £1.8m share of the Collection Fund surplus relating to Council Tax plus the increase in the number of taxable properties and changes in all discounts and exemptions

8.27 The proposed Budget for 2015/16 as described in this Section is recommended for approval.

9. Cash Limits 2015/16

9.1 As previously described, Cash Limits relate to that element of the budget that is Portfolio and Service specific and which is controllable. Cash Limits have been prepared to reflect all changes set out in the proposed Budget for 2015/16 described in Section 8 and in particular include:

- Inflation
- Reductions to Cash Limits to take out the approved Budget savings
- Additions to Cash Limits for passporting funds relating to new burdens
- Windfall costs and savings
- Other refinements

9.2 The table below shows the proposed Cash Limits for 2015/16 and also those items outside Cash Limits (i.e. capital and similar charges, levies and insurance premiums), which together form the budget for each service.

PORTFOLIO	Cash Limits 2015/16 £'000	Items Outside the Cash Limit £'000	Budget 2015/16 £'000
Children & Education	30,563	19,094	49,657
Culture Leisure & Sport	7,019	3,870	10,889
Environment & Community Safety	14,667	2,595	17,262
Health & Social Care	41,669	3,314	44,983
Housing	1,711	5,743	7,454
Leader	216	20	236
Planning Regeneration Economic Development	(6,339)	13,041	6,702
Resources	19,393	4,219	23,612
Traffic & Transportation	15,957	684	16,641
Governance, Audit & Standards Committee	225	64	289
Licensing Committee	(242)	16	(226)
PORTFOLIO EXPENDITURE	124,839	52,660	177,499

9.3 Managers will be expected to contain their expenditure in 2015/16 within Cash Limits and to regularly monitor their budgets to ensure this is achieved. Managers will continue to have the freedom to change their budgets within the Cash Limit in the

year, provided they do not enter into commitments which would increase their expenditure in future years beyond the agreed Cash Limit for 2015/16, but mindful of the requirement to make savings in future years.

- 9.4 As set out in the Council's Financial Rules, any overspends against the current year's Cash Limit will become the first call on any retained underspendings from previous years contained within a Portfolio's Earmarked Reserve. Should a Portfolio's Earmarked Reserve be depleted, any remaining overspend will be deducted for the 2016/17 Cash Limit.
- 9.5 Managers have delegated authority to incur committed routine expenditure within their approved Cash Limit. Routine expenditure is any expenditure incurred to meet the day-to-day operational requirements of the service, or any specific approved budget pressure. Managers wishing to incur expenditure on any other specific item should seek approval from the relevant Portfolio holder before incurring that expenditure.
- 9.6 These Cash Limits will be adjusted under the delegated authority of the Head of Finance & Section 151 Officer to reflect transfers of budgets that come to light after the Budget has been approved, such as changes to the assumptions on inflation rates and any other virements.
- 9.7 Managers will be required to report their forecast outturn position to the relevant Portfolio holder on a regular basis and the City Council will receive a report on the overall budget position every quarter.

10. Future Years' Medium Term Forecasts - 2016/17, 2017/18, and 2018/19

- 10.1 A new medium term forecast has now been completed and "rolled on" a further year to cover the period 2016/17 to 2018/19. All of the financial assumptions have been comprehensively revised and a savings requirement for the new period determined.
- 10.2 The previous medium term forecast estimated that savings of £37.6m²² would be required across the previous 3 year period 2015/16 to 2017/18. The proposed Revenue Budget for 2015/16 provides for £13.1m of those savings that, based on the "old" forecast, would have left a residual £24.5m remaining to be found for the following 2 years.
- 10.3 The new medium term forecast takes account of the £13.1m savings being achieved in 2015/16, comprehensively revises the remaining £24.5m required and makes a forecast for the additional year 2018/19. It is now estimated that the savings required for the new 3 year period 2016/17 to 2018/19 will be £31m (or £63m cumulatively over the period) as described in the paragraphs that follow.

²² Assuming a Council Tax Freeze in 2015/16 which adds a further £0.6m to the savings requirement compared to the originally assumed £37m which was based on a 1.95% Council Tax increase for 2015/16

10.4 The most significant changes that will affect Local Government and the Council through the period 2016/17 to 2018/19 are as follows:

Funding & Income

- Continuing significant reductions in Local Government funding, expected through to 2020 and the extent to which "New Burdens" are funded by new money or top sliced from existing funding
- The extent to which the Council may benefit or lose from increases / decreases in Business Rate growth and any losses from appeals
- The explicit withdrawal of the Local Welfare Assistance grant from 2015/16 onwards
- The Council Tax referendum thresholds that will be set
- The extent to which schools will convert to Academies and the consequent loss of funding and economies of scale
- Changes in trading volumes and income from the Port and MMD
- The extent to which the Council can exploit investment opportunities and raise income

Spending

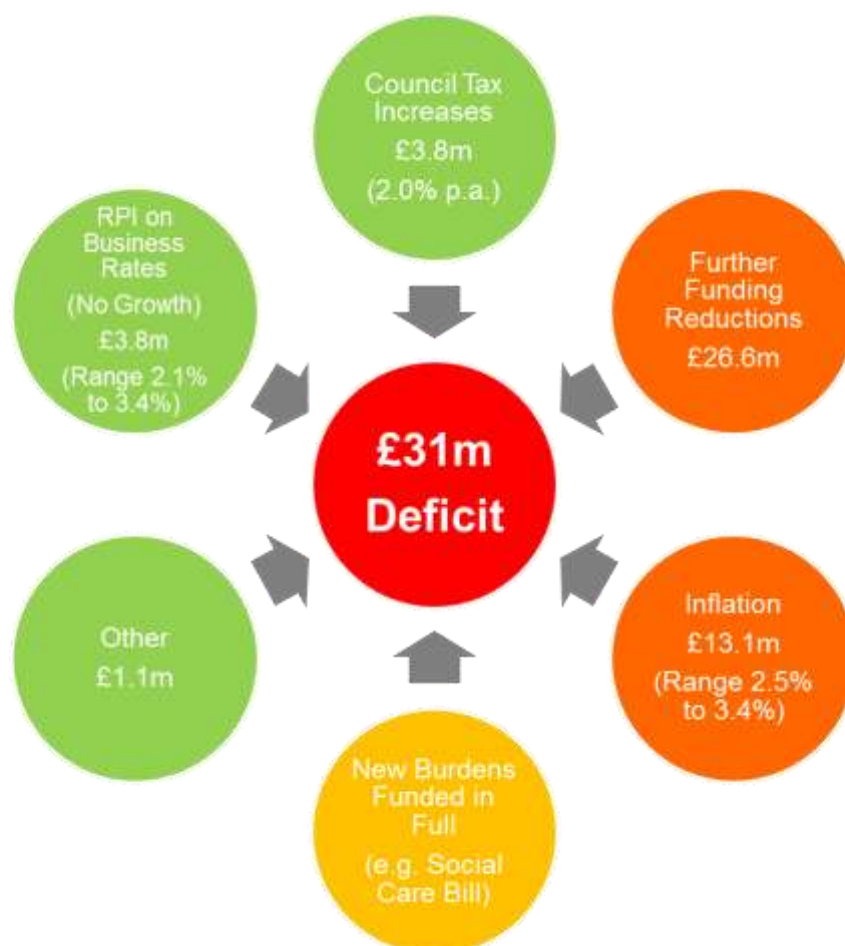
- The cost of funding the new burdens arising from the Care Act such as:
 - Extension of the deferred payment schemes for care
 - The cap on eligible care costs (i.e. the maximum amount a client will pay for their care) from April 2016
 - Extension to the means test upper limit from April 2016 (i.e. the amount of funds that a client owns beyond which they would start to pay for their care).
- The significantly increasing cost of the Council's essential care services arising from an ageing population, increased life expectancy and the consequent increased complexity of care needs
- Other anticipated burdens such as:
 - Children's and Families Act reforms
 - National Fair Funding Reforms
- The cost of funding National Insurance increases to be implemented in 2016/17
- Inflation and interest rates generally and their impact on service costs, debt costs and investment income

10.5 More specifically, the City Council's medium term future forecasts for the period 2016/17 to 2018/19, have been prepared on the basis of the following:

- Reductions in overall general Government funding of 10.4% in 2016/17, a further 9.3% in 2017/18 and a further 9.0% in 2018/19, representing an overall reduction in funding over the period of £26.6m
- A 2.0% increase in Council Tax for 2016/17 to 2018/19, raising £3.8m
- That any additional cost of the Council Tax Support Scheme will be offset by further changes to the scheme in order to cap the cost at £10.7m per annum (PCC element £9.0m p.a.)
- An underlying zero growth assumption for changes in Business Rates from 2016/17 onwards, this allows the opportunity for any incremental business rates to be used to deliver that growth (e.g. City Deal or New Shopping Centre infrastructure requirements)
- Indexation uplifts on retained Business Rates of 2.1% for 2016/17, a further 2.9% for 2017/18 and a further 3.4% for 2018/19 amounting to a total for the period of £3.8m
- That any loss of business rates income arising from the continuation of the cap on increases for small businesses will continue to be recompensed by Government via grant funding
- New Homes Bonus grant based on additional homes of 265 in 2016/17, 439 in 2017/18 and 562 in 2018/19
- An overall composite inflationary provision covering all pay and prices amounting to 3.4% for 2016/17, a further 2.5% for 2017/18 and a further 2.8% for 2018/19 amounting to a total for the period of £13.1m
- Interest rates on any new borrowing of 4.2% for 2016/17, 4.6% for 2017/18 and 4.8% for 2018/19
- Investment rates on any new lending of 1.25% for 2016/17, 1.75% for 2017/18 and 2.25% for 2018/19
- Any new burdens arising from the Adult Social Care Act will be funded in full
- Some provision for the potential on-going risks associated with the budget pressures within Children's and Adults' Social Care
- The ongoing effect of savings and passported funding for new burdens included in the 2015/16 budget
- A "one-off" Revenue contribution to Capital in 2016/17 to supplement the Capital Resources available for that year since future years capital allocations have already been relied upon (and are therefore very limited) to fund the existing and future Capital Programme

- Changes to the Port dividend for 2016/17, 2017/18, and 2018/19 to reflect current forecasts
- An assumption of a steady state for other budgets

10.6 The overall deficit of £31m for the period 2016/17 to 2018/19 is summarised below.



10.7 The medium term financial forecasts are set out as part of the General Fund Summary in Appendix A but in a more summarised fashion in Appendix B.

10.8 In overall terms, the forecast underlying Budget Deficits in future years have improved from the £37.6m (2015/16 to 2017/18) due to the following:

- Improved Council Tax receipts amounting to £2m arising from an increase in the collection rate, a reduction in the cost of the Council Tax Support Scheme plus fewer discounts and exemptions
- A downward revision of the forecast for cost inflation amounting to £1m
- An upward revision to Government funding of £1.9m
- Offset by:
 - Savings approved in 2014/15 that we not achieved relating to Strategic Contracts amounting to £1.1m
 - Other net adjustments £0.3m

10.9 The additional year 2018/19, now included in the 3 year rolling forecast, is expected to be a deficit of £10m which in very broad terms is explained by the following:

- Further Reduction in Government Funding - £8.2m
- Annual Cost of Inflation - £4.4m
- Provision for Unavoidable Budget Pressures - £1.0m
- Offset by:
 - Increase in Business Rates - £1.6m
 - Increase in Council Tax - £1.3m
 - Other changes - £0.7m

10.10 In summary, the overall savings requirement has been revised downwards for both 2016/17 and 2017/18 and the forecast has been “rolled on” to now include a deficit in 2018/19 of £10m. The overall forecast budget deficit and savings requirement for the 3 year period 2016/17 to 2018/19 is now £31m.

10.11 The fundamental aim of the Medium Term Resource Strategy is for in-year expenditure to equal in-year income. The proposed Savings Requirements set out below have been set to accord with that aim and also with the minimum level of General Balances that the Council is required to hold based on its risk profile.

10.12 The Savings Requirements recommended below have been phased to have regard to a managed reduction in spending and service provision over a realistic period:

	Revised Underlying Budget Deficit £m	Revised In Year Target £m	Revised Cumulative Saving £m
2016/17	13.2	11.0	11.0
2017/18	21.1	10.0	21.0
2018/19	31.0	10.0	31.0

10.13 Section 11 of this report sets out how the Savings Requirement of £31m would be apportioned across Portfolios if done on a proportional basis (i.e. savings are made in proportion to the size (and therefore scope) of their cash limit). This should act as a guide for Portfolio Holders and Service Managers to the scale of savings that will be required to be made in future years. Ultimately however, it will be for the Administration to determine how those savings requirements will be allocated throughout next year’s budget process.

11. Illustrative Savings Requirements 2016/17, 2017/18, and 2018/19

11.1 Some Portfolios have historically been unable to make proportional savings without serious detrimental implications for service users. Historically, those Portfolios have been Environment & Community Safety, Health & Social Care and Children & Education. These Portfolios have received protection in two ways:

- They have not been required to make their full pro rata savings requirement
- They have been awarded additional sums for unavoidable budget pressures associated with rising demand and demographic changes or exceptional inflationary costs

11.2 Importantly, these Portfolios account for 60% of the Council's total controllable budget from which savings can be made. Due to the scale of the savings required to be made in future and the disproportionate effect that continuing such an approach would have on other valued Services, it is inevitable that protection for those Services will not be able to continue at current levels.

11.3 For planning and impact evaluation purposes, it is proposed to continue to plan for savings over the medium term on the basis that proportional savings will need to be made across all Portfolios. For illustrative purposes therefore, Portfolios will be required to achieve the savings shown below in 2016/17, 2017/18 and 2018/19:

Illustrative Savings - Pro Rata to 2015/16 Cash Limits			
PORTFOLIO	Savings 2016/17 £'000	Savings 2017/18 £'000	Savings 2018/19 £'000
Children & Education	2,675	2,429	2,429
Culture Leisure & Sport	636	578	578
Environment & Community Safety	1,217	1,105	1,105
Health & Social Care	3,566	3,237	3,237
Housing	150	136	136
Leader	19	17	17
Planning Regeneration Economic Development	456	426	426
Resources	1,702	1,545	1,545
Traffic & Transportation	500	454	454
Governance, Audit & Standards Committee	20	18	18
Licensing Committee	59	55	55
PORTFOLIO SAVINGS REQUIREMENTS	11,000	10,000	10,000

11.4 Taking account of these illustrative savings, provisional forecast Cash Limits for 2016/17 to 2018/19 are set out in Appendix C.

12. Estimated Revenue Balances 2014/15 to 2018/19

12.1 General Fund Revenue Balances as at 31 March 2015 (Revised Estimate) are anticipated to be £14.6m after transfers to and from other reserves. The Council is expected therefore to remain within the approved level of minimum General Balances of £6.0m.

12.2 In accordance with Best Practice, the level and nature of all revenue reserves and balances has been reviewed as part of the budget process. The exercise has attempted to identify and assess all of the City Council's potential financial risks over the next few years in order to determine the prudent level of balances that should be retained, based on the City Council's risk profile. Each risk has been considered alongside the probability of it happening.

12.3 The outcome shows that for 2015/16 the City Council should hold a minimum of £6.5m in General Balances to cover these major risks. It is therefore recommended that the minimum level of revenue balances is increased by £0.5m as at 31 March 2016. Assuming the savings required to fund the forecast deficit in 2015/16 are achieved, revenue balances as at 31 March 2016 are forecast to be £13.4m. These sums in balances are needed to retain funds for spreading the savings required over future years so that service reductions can be phased in a managed way and to provide a level of comfort against future uncertainties and the delivery of the continuing and significant future Savings Requirements.

12.4 The minimum level of balances for 2016/17 and future years will be reviewed annually as part of the budget process.

12.5 The statement below gives details of the general balances in hand at 1 April 2014, together with the proposed use of reserves from 2014/15 to 2018/19, and the resultant balances at 31 March 2019 **assuming that the target savings recommended in Section 10 are achieved.**

General Balances - Forecast to 2018/19	£000
Balances as at 1 April 2014	23,427
Surplus / (Deficit) 2014/15	(8,828)
Estimated Balances 31 March 2015	14,599
Surplus / (Deficit) 2015/16	(1,150)
Estimated Balances 31 March 2016	13,449
Surplus / (Deficit) 2016/17	(2,232)
Estimated Balances 31 March 2017	11,217
Surplus / (Deficit) 2017/18	(54)
Estimated Balances 31 March 2018	11,163
Surplus / (Deficit) 2018/19	(244)
Estimated Balances 31 March 2019	10,919

12.6 The level of balances held over the period will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons, which include:

- The Council is not permitted to budget for a level of General Balances below the minimum level determined by the S151 Officer
- The balances are predicated on total savings (as yet unidentified) of £31m being achieved over the next 3 years (£11.0m in 2016/17, £10.0m in 2017/18 and £10.0m in 2018/19). If those savings are not made, Balances would be less than the minimum level by 31 March 2017. Moreover, the Council would have a deficit of £7.2m (versus its minimum) and be in breach of its requirement to set a balanced budget
- The uncertainty over the level of funding generally (in particular future funding settlements and retained Business Rates), demographic cost pressures for care services, inflation and interest rates in future years
- The balance available in the MTRS reserve of just £2.9m²³ means there is only limited funds available to fund the implementation costs of future efficiency savings (see Section 13)

²³ Including the transfer into the reserve of £2.2m and the £1.0m transfers out of the reserve for the creation of the Voluntary Sector Capacity & Transition Fund and the Business Intervention Fund approved by City Council in December 2014

12.7 Furthermore, the City Council is pursuing a number of initiatives that will rely temporarily on the use of the Council's reserves generally in order to deliver them in a more cost efficient way (i.e. as opposed to borrowing). Examples could include, the City Deal, Dunsbury Hill Farm and the New City Centre Development. In the current climate where borrowing rates are significantly greater than investment rates, it makes financial sense to utilise General Balances and Reserves (that would otherwise be invested until required) and defer any borrowing decisions to a later date once investment rates recover. Retaining Balances therefore is an extremely important element of delivering the Council's Regeneration Strategy that will ultimately result in increased jobs, new homes and improved prosperity for the City.

13. Medium Term Resource Strategy Reserve

13.1 The MTRS Reserve was originally established to fund:

- Spend to Save and Spend to Avoid Cost initiatives
- Invest to Save capital schemes
- Feasibility Studies where there is likely to be an efficiency gain
- One-off redundancy costs arising from proposed savings
- The funding of expenditure of a "one-off" nature that is critical to the successful achievement of the outcomes that the residents of Portsmouth value most highly and where no other alternative funding source is available

13.2 Historically, the Reserve has been replenished by transfers of underspends from previous years. Under the new financial framework of retained underspendings by Portfolios, the opportunities for replenishing this reserve are now diminished. The calls on the reserve however, for smaller scale spend to save or invest to save schemes should also be diminished, since these should be funded from Portfolio Reserves. It is important that the reserve is maintained to fund larger scale spend to save schemes that would otherwise be unaffordable by a Portfolio.

13.3 It is anticipated that the main call on the MTRS Reserve over the next few years will be redundancy costs arising out of the savings needed to balance the Budget, Invest to Save Schemes of a capital nature and the revenue costs associated with transforming Services.

13.4 In order to provide for future years anticipated redundancy costs (i.e. over the course of the coming year and the further 3 year forecast); satisfy the demands for Invest to Save Schemes and meet all other commitments, it is recommended that any further savings realised in 2014/15 upon closing the accounts, (as set out in Section 6) be transferred into the Reserve.

13.5 The statement below provides details of the MTRS Reserve balances in hand at 31 March 2014, together with all approved transfers in and out of the Reserve over the period 2014/15 to 2018/19.

MTRS Reserve - Forecast to 2018/19	£000
Balances as at 1 April 2014	17,489
Surplus / (Deficit) 2014/15	(2,472)
Estimated Balances 31 March 2015	15,017
Surplus / (Deficit) 2015/16	(3,030)
Estimated Balances 31 March 2016	11,987
Surplus / (Deficit) 2016/17	(3,613)
Estimated Balances 31 March 2017	8,374
Surplus / (Deficit) 2017/18	(2,750)
Estimated Balances 31 March 2018	5,624
Surplus / (Deficit) 2018/19	(2,750)
Estimated Balances 31 March 2019	2,874

13.6 In future years, for this Reserve to continue in this capacity, it will be necessary to replenish it either from non Portfolio underspends or alternatively from the Revenue Budget.

14. Collection Fund (Surplus) / Deficit

14.1 The Collection Fund is a fund maintained by the City Council into which are paid amounts collected in respect of Council Tax and National Non Domestic Rates (referred to as Business Rates) and out of which are paid the following:

Council Tax Precepts:

- Hampshire Police & Crime Commissioner (11% share)
- Hampshire Fire and Rescue Authority (4% share)
- Portsmouth City Council (85% share)

Business Rates Demands (NNDR):

- Government (50% share)
- Hampshire Fire and Rescue Authority (1% share)
- Portsmouth City Council (49% share)

14.2 The consolidated Collection Fund forecast for 2014/15 shows an overall deficit of £0.5m. This represents a surplus in relation to Council Tax of £2.2m and a deficit in relation to Business Rates amounting to £2.7m. The surplus and deficit relating to each element of the fund is shared with the constituent parties that make the demand on the fund and in relative proportions to those demands. The share of the £2.2m Council Tax surplus attributable to Portsmouth City Council is £1.8m and the share of the Business Rate deficit attributable to Portsmouth City Council is £1.3m. This results in an overall surplus on the fund relating to Portsmouth City Council of £0.5m.

14.3 The overall deficit has been taken into account within the budget proposals for 2015/16 contained within this report.

14.4 The Council Tax surplus has arisen largely from a lower than anticipated number of discounts and exemptions given compared to the estimate as well as an improvement in the collection rate. The deficit on Business Rates has arisen primarily due to a higher provision for successful appeals and lower than anticipated in year income than was originally estimated. It should be noted that estimating the value of likely successful appeals is notoriously complex and can be subject to significant variance from year to year as appeals are settled. Accommodating such volatility is an issue of on-going concern and debate between Local Authorities and Government.

14.5 The Collection Fund forecast for the year ending 2014/15 is set out below.

PORTSMOUTH CITY COUNCIL	Council Tax £'000	NNDR £'000
Forecast Collection Fund Statement 2014/15		
<u>INCOME</u>		
(Surplus) / Deficit brought forward	(1,857)	15,620
Council Tax	(73,513)	
MoD Contribution in lieu	(905)	
Non Domestic Rates Income		(84,540)
	(76,275)	(68,920)
<u>EXPENDITURE</u>		
<u>Council Tax Estimated Surplus 2013/14:</u>		
- Portsmouth City Council	1,185	
- Hampshire Police & Crime Commissioner	153	
- Hampshire Fire & Rescue Authority	62	
<u>Council Tax Precepts:</u>		
- Portsmouth City Council	60,371	
- Hampshire Police & Crime Commissioner	7,949	
- Hampshire Fire & Rescue Authority	3,163	
Provision for Losses	1,202	
Provision for Losses on Rating Appeals		3,351
Transitional Surcharge paid to Government		1,648
<u>Retained Business Rates:</u>		
- Government (50%)		33,166
- Portsmouth City Council (49%)		32,502
- Hampshire Fire & Rescue Authority (1%)		663
Collection costs		282
	74,085	71,612
<u>ESTIMATED BALANCE AS AT 31 MARCH 2015</u>		
	(2,190)	2,692
To be apportioned between:		
Portsmouth City Council	(1,850)	1,319
Hampshire Police & Crime Commissioner	(243)	0
Hampshire Fire & Rescue Authority	(97)	27
Government	0	1,346
<u>(SURPLUS) / DEFICIT APPORTIONED OVER THREE AUTHORITIES AND THE GOVERNMENT:</u>		
	(2,190)	2,692

15. Council Tax 2015/16

15.1 The estimated balance of £2.2m on the Council Tax element of the Collection Fund was approved by the Cabinet on 8 January 2015 alongside the estimate of the Council Tax Base of 53,277.2. These estimates are an integral part of the budget preparation process alongside the estimates of all other funding sources such as Business Rates and Government Funding. Historically, the approval of both the Council Tax Base and the Estimate of the Collection fund have been the subject of a report to the Cabinet and subsequent approval. These calculations are both technical and complex, as are those of Business Rates and Government Funding which are not the subject of a separate report for approval. Since the estimation of the Council Tax Base and Collection Fund is a largely technical matter, and to regularise the overall budget process in this regard, it is recommended that as with all other similar matters the Head of Finance & S151 Officer be given delegated authority to approve the Council Tax Base and Collection Fund Estimates for all future years.

15.2 The City Council's determination of the 2015/16 Council Tax is shown below:-

- (i) the calculation of the Council Tax for 2015/16 in respect of City Council purposes is as follows:

COUNCIL TAX 2015/16	£
Gross Expenditure	512,652,086
Less: Gross Income	(390,077,681)
<hr/> Net Expenditure	<hr/> 122,574,405
Less: Government Grants	(60,158,567)
<hr/> City Council Tax Requirement	<hr/> 62,415,838
<u>Divided by:</u>	
Council Tax Base	53,277.2
<hr/> Council Tax - City Council Band D	<hr/> 1,171.53

This amounts to a Council Tax freeze

- (ii) The Hampshire Police & Crime Commissioner is currently consulting upon a precept for 2015/16 of £8,382,102 and a Band D Council Tax of £157.33 (1.99% increase).

(iii) Hampshire Fire and Rescue Authority have indicated that their precept for 2015/16 will be £3,270,155 and the Council Tax for Fire and Rescue Authority purposes at Band D will be £61.38 (No increase).

(iv) The Council Tax to be levied for all bands in 2015/16 will be as follows:-

Band	Valuation	Portsmouth City Council	Hampshire Police & Crime Commissioner	Hampshire Fire & Rescue Authority	Total
		£	£	£	£
A	Up to £40,000	781.02	104.89	40.92	926.83
B	£40,001 - £52,000	911.19	122.37	47.74	1,081.30
C	£52,001 - £68,000	1,041.36	139.85	54.56	1,235.77
D	£68,001 - £88,000	1,171.53	157.33	61.38	1,390.24
E	£88,001 - £120,000	1,431.87	192.29	75.02	1,699.18
F	£120,001 - £160,000	1,692.21	227.25	88.66	2,008.12
G	£160,001 - £320,000	1,952.55	262.22	102.30	2,317.07
H	£320,001 & over	2,343.06	314.66	122.76	2,780.48

The amount payable by any household will be affected by discounts, exemptions and benefit.

The overall increase in tax is as follows:-

	2014/15	2015/16	Increase
	£	£	%
TOTAL BAND D COUNCIL TAX			
Portsmouth City Council Purposes	1,171.53	1,171.53	0.00%
Hampshire Police & Crime Commissioner	154.26	157.33	1.99%
Hampshire Fire and Rescue	61.38	61.38	0.00%
Total Charge – Band D Property	1,387.17	1,390.24	0.22%

16. Non Domestic Rates

16.1 The business rate poundage to be applied to valuations is 49.3p (48.2p in 2014/15). In addition, the small business multiplier is 48.0p (47.1p in 2014/15). The uplift in the small business rate multiplier reflects the September RPI inflation figure at 2.3% but capped to 1.9%.

17. Statement of the Head of Finance & Section 151 Officer in Accordance with the Local Government Act 2003

17.1 Section 25 of the Local Government Act 2003 (“the Act”) requires the Chief Financial Officer to report to the City Council on the following matters:

- The robustness of the estimates included in the budget made for the purposes of setting the Council Tax and
- The adequacy of proposed financial reserves

17.2 Section 25 of the Act concentrates on uncertainties within the budget year rather than the greater uncertainties in future years. In the current economic climate, there continue to be uncertainties in both the current and future years i.e. beyond 2015/16. Particular uncertainties exist regarding the future reductions in Government funding, the extent of successful appeals which affect Retained Business Rates, the likely demographic cost pressures arising in demand driven services such as Adults and Children’s Social Care and the extent to which new policy changes will be funded (most notably those arising from the Care Act). All of these uncertainties increase the need for adequate reserves and balances to be maintained in current and future years.

17.3 A minimum level of revenue reserves must be specified within the Budget. The Local Authority must take full account of this information when setting the Budget Requirement.

17.4 Should the level of reserves fall below the minimum approved sum of £6.5m as proposed in this report, either arising from an overspend in the previous year or the current year, the Head of Finance & S151 Officer has a duty to report this to the Council with recommendations as to the actions that should be taken to rectify the shortfall.

(a) Robustness of the Budget

17.5 In setting the Budget, the City Council should have regard to the strategic and operational risks facing the City Council. Some of these risks reflect the current economic climate and the national issues surrounding local authority funding levels.

17.6 Estimates and forecasts have been prepared to include all known significant financial factors over the medium term in order to inform spending decisions.

17.7 Assumptions for the Budget and forecasts for future years are considered to be sound and based on the best available information. These are set out in detail in Sections 8 and 10 and use the following sources as their evidence base:

- Government funding as set out in the provisional settlement for 2015/16. For future years, projections of required national reductions to eliminate the national structural deficit have been used as a proxy for the reductions to be applied to Local Government
- A no growth assumption for Retained Business Rates on the basis that any income arising from growth will be offset by both appeals and the need to borrow to invest in order to generate that growth (e.g. City Deal, City Centre Redevelopment)
- An assumption that the current rateable value will be reduced by 2.6% arising from appeals against the 2010 rating list. This is based on the current success rate of appeals and that 82% (by rateable value) of businesses will appeal (note 82% by value of businesses appealed against the 2005 rating list)
- Increases in Council Tax based on what is likely to be politically acceptable
- Inflation on Retained Business Rates in accordance with inflation estimates from the Office for Budget Responsibility
- Inflation on other prices based on an average of the forecasts from the Bank of England and a consortia of other major financial institutions
- Provisions for anticipated national policy changes arising out of the Care Act based on Portsmouth's share of "relative need"²⁴
- Specific provisions for increases in demand for both Adults' & Children's Social Care based on current trends
- A general provision for (as yet) unknown budget pressures based on estimated probability of those pressures being unable to be managed within Portfolio cash limits
- Prudential borrowing requirements based on approved Capital schemes
- Revenue contributions to capital based on estimates of future needs
- Balances and contingencies based on a risk assessment of all known financial risks

17.8 Savings contained within the Budget are those where Portfolio Holders and Heads of Service assess the confidence level of achievement is medium and above. Savings proposals have also been subject to scrutiny by Members. Responsibility and accountability for delivering the savings rests with the relevant Portfolio Holders

²⁴ Relative need is based on the Government's "Relative Needs Formula" that is used in allocating general government funding

and Heads of Service and progress will be monitored throughout the year as part of the Budget Monitoring process.

- 17.9 The most volatile budgets are those of Adults' and Children's Social Care. Budget provision has been made available to cover these risks both directly within Service cash limits as well as within the City Council's overall contingency provision.
- 17.10 Additionally, Portfolio's will be able to retain any underspendings in 2014/15 and utilise them as necessary in 2015/16 for any purpose but with a clear priority to meet essential cost pressures in the first instance.
- 17.11 The forecasts prepared for the forthcoming and future years are robustly based and illustrate the expected costs the City Council will incur in order to deliver current levels of service.
- 17.12 Portfolio Holders will be given regular budget updates by Heads of Service to ensure that action to address any potential over or underspend is taken promptly and quarterly budget monitoring reports will continue to be presented to the City Council.
- 17.13 To encourage budget discipline all future overspendings will be deducted from any retained underspendings accumulated in Portfolio Earmarked Reserves in the first instance and once depleted from the following year's Cash Limits.
- 17.14 Prudential Indicators are accurately calculated based on the Council's audited Balance Sheet, notified income streams and in depth financial appraisals of proposed capital schemes. These are published and reviewed on a regular basis to ensure that the City Council complies with the concepts of Affordability, Prudence, and Sustainability. The City Council has agreed to consider Prudential Borrowing for "Spend to Save Schemes" only, as it is currently unaffordable for any other purpose given the forecast budget deficits in 2016/17 and future years.
- 17.15 Future years' budgets will be particularly challenging and significant uncertainties exist from 2016/17 onwards. The Council's forecasts plan for a savings target of £11m in 2016/17, £10m in 2017/18 and £10m in 2018/19.

(b) The Adequacy of Proposed Financial Reserves

- 17.16 During 2014/15, a review of the level and nature of all revenue reserves and balances has been undertaken. All of the City Council's potential financial risks over the next few years and the probability of each risk happening has been assessed. The outcome from this review concludes the need to retain a minimum level of General Balances of £6.5m as at 31 March 2016 (an increase of £0.5m from the current year).
- 17.17 Balances provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspends and enable the City Council to manage change without undue impact on the Council Tax or immediate reductions to services. They are a key element of strong financial standing and resilience as they mitigate risks such as increased demand and costs.

- 17.18 The level of balances held will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons as set out in Section 12. The position will continue to be reviewed and reported to Members on an annual basis.
- 17.19 As previously mentioned, the Council will maintain Portfolio Earmarked Reserves to retain accumulated Portfolio underspends in order that Portfolios can better manage any known or unknown cost pressures that arise. It is forecast that Portfolio Reserves will amount to £3.1m as at 31 March 2015 which will be available for 2015/16.
- 17.20 The MTRS Reserve is the Council's primary vehicle for funding Spend to Save and Spend to Avoid Costs Initiatives, Feasibility Studies and redundancy costs and currently stands at £17.5m. Taking account of all approvals from this reserve and future estimated redundancy costs over the next 4 years, it is estimated that the Reserve will have an uncommitted balance of £2.9m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any non Portfolio underspendings arising at year end when the final accounts for 2014/15 are finalised or alternatively from the Revenue Budget.
- 17.21 The Council maintains a number of other Earmarked Reserves for specific purposes, all of which are at the levels required to meet known future commitments. The major reserves include the following:
- Revenue Reserve for Capital – to fund the Capital Programme
 - Highways PFI Reserve – to fund future commitments under that contract
 - Off Street Parking Reserve – to fund investment in transport
 - Insurance Reserve – to fund potential future liabilities
- 17.22 The Council's contingency provision for 2015/16 has been set on a risk basis at £7.3m and reflects anticipated calls on the budget where the timing and value is not yet known. The use and application of the contingency will continue to be exercised tightly.

18. Conclusion

- 18.1 The proposed Budget 2015/16 has been prepared to incorporate the decisions of Council in December 2014 to make savings amounting to £13.1m and set a Council Tax freeze.
- 18.2 Those decisions made by the City Council in December 2014 were made as part of a co-ordinated package of measures for both the Revenue Budget and Capital Programme that were aligned with the approved Medium Term Financial Strategy with its stated aim that

"In-year" expenditure matches "In-year" income over the medium term whilst continuing the drive towards the regeneration of the City and protecting the most important and valued services.

18.3 The proposals contained within the December 2014 report and this report, now culminating in the proposed Budget for 2015/16, will:

- Provide a suite of savings amounting to £13.1m of the original forecast £37.6m²⁵ required over the 3 year period 2015/16 to 2017/18
- Not require Children's Safeguarding to make any new savings during 2015/16 although an obligation to find savings to meet the current underlying £2.9m deficit
- Provide for a Council Tax freeze in 2015/16
- Support Services to meet the financial challenges ahead by maintaining a financial framework that incentivises responsible spending and strong forward financial planning with the following:
 - The continuation of greater financial autonomy including the right of each Portfolio to retain 100% of any year-end underspending and for it to be held in an earmarked reserve for the relevant Portfolio
 - Correspondingly the requirement that any Budget Pressures are funded within the overall resources available to the Portfolio Holder (which includes their Portfolio Reserve)
- Require that for 2016/17 a minimum on-going savings sum of £11.0m be made
- To support the delivery of future years savings:
 - The transfer of £2.2m (from 2013/14 underspendings) to the MTRS Reserve recognising this as the Council's primary vehicle for providing funding for Spend to Save initiatives
 - Supplementing the MTRS Reserve with any underspendings for 2014/15 arising at the year-end outside of those made by Portfolios to provide for its replenishment and on-going use
 - The creation of a £500,000 Voluntary Sector Capacity & Transition Fund to enable the voluntary sector to reconfigure their service or enhance their capacity / infrastructure in order to support / provide council services
 - The creation of a £500,000 Business Intervention Fund to enable the necessary business interventions to take place across the Council's activities at the necessary scale and pace to deliver significant change and cost reduction in the future.
- The transfer of £3m (from 2013/14 underspendings) to supplement the Capital Programme where there remains an enormous gap between Service needs,

²⁵ Assuming a Council Tax Freeze in 2015/16 which adds a further £0.6m to the savings requirement compared to the originally assumed £37m which was based on a 1.95% Council Tax increase for 2015/16

regeneration aspirations and the associated level of capital resources available

- 18.4 The proposed Budget for 2015/16 is financially balanced, robustly based and provides sufficient cover for anticipated and potential financial risks within the year. Furthermore, the overall financial health of the Council currently remains sound providing a good degree of resilience against an uncertain climate.
- 18.5 The bigger challenge for the Council is from 2016/17 onwards where further significant cuts still need to be made and high levels of uncertainty exist around future funding and future costs. The main risks include:
- The scale of the continuing funding reductions from Government
 - The level of Business Rates appeals experienced plus the extent of Business growth or contraction
 - The extent to which new burdens arising from national policy changes will be fully funded
 - The demographic pressures arising from demand led essential Care Services
- 18.6 Given the level of savings required over the next 3 years of £31m, the degree of uncertainty that exists and the inevitable financial pressures that the Council will face, it is important that the Council continues to follow its Medium Term Financial Strategy. The Council should be particularly mindful of the potential future income or reduced demand / costs that the Council could derive through the delivery of its Capital Programme. This is likely to be the biggest influence on enabling jobs, growth and overall improved prosperity within the City.
- 18.7 To deliver the scale of the savings required and to maintain the Council's financial health, the Council should regard the savings process as a continual one rather than a "once a year" planning exercise. Correspondingly, the Council may need to receive budget proposals more frequently throughout the year.

19. Equality Impact Assessment (EIA)

- 19.1 Consideration of the impact of budget pressures and proposed savings on all customers, services and staff has been taken into account in formulating this budget. The proposed Budget 2015/16 is based on the savings proposals set out in the report to Council in December 2014. Those savings were proposals only for the purposes of setting Portfolio Cash Limits and the overall City Council Budget. Whilst most are likely to be implemented, there will be some that require further consultation and appropriate Equality Impact Assessments to be considered before any implementation can take place. For this reason, Portfolio holders have the discretion to alter, amend or substitute any proposal with an alternative proposal following appropriate consultation.

19.2 A city-wide budget consultation took place during September and October to help inform how to make £37m of savings over the next 3 years. The consultation took the form of a questionnaire open to all residents, a citizen's panel and to staff. This was supplemented by two public meetings with residents and one public meeting with the business community. Overall, the public consultation received 2,460 responses and was statistically significant. The Scrutiny Management Panel also met to consider the proposals contained within the Budget Savings report to the City Council in December 2014 and had the opportunity to make their representations to the Cabinet prior to their recommendation to the City Council.

19.3 With regard to this report, a public meeting of the Scrutiny Management Panel was also held on the 6 February 2015 where a presentation was made of the proposed Council Tax and Revenue Budget 2015/16 and the Council's future financial forecasts for 2016/17 to 2018/19. The Scrutiny Management Panel have again had the opportunity to raise or refer any comments or representations to the Cabinet prior to this City Council meeting.

20. City Solicitor's Comments

20.1 The Cabinet has a legal responsibility to recommend a Budget and Council Tax amount to the Council and the Cabinet and Council have authority to approve the recommendations made in this report.

20.2 The Head of Finance & Section 151 Officer has a statutory duty under the Local Government Act 2003 to report on the robustness of the budget proposals and adequacy of reserves. The Head of Finance & Section 151 Officer's Statement within this report fulfils those obligations.

21. Head of Finance's Comments

21.1 All of the financial information is reflected in the body of the report and the Appendices.

.....
Signed by: Head of Finance & Section 151 Officer

Appendices:

- A** General Fund Summary
- B** Forecast Expenditure 2015/16 to 2018/19
- C** Provisional Cash Limits for 2016/17 to 2018/19 (by Portfolio) After Savings Requirements deducted

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Budget Working Papers	Office of Head of Financial Services
Local Government Finance Settlement 2015/16	Office of Head of Financial Services

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 10 February 2015.

.....
Signed by: Leader of Portsmouth City Council

APPENDIX A

Calculation of the Council Tax 2015/16

<u>Portsmouth City Council</u>	2015/16	2014/15
	£	£
Gross Expenditure	512,652,086	534,289,788
LESS: Gross Income	(390,077,681)	(399,480,409)
Net Expenditure 2015/16	122,574,405	134,809,379
LESS: Government Grants	(60,158,567)	(74,437,978)
Council Tax Requirement - Portsmouth City Council Purposes	62,415,838	60,371,401
Council Tax Base	53,277.2	51,532.1
Council Tax - Portsmouth City Council Purposes at Band D	<u>62,415,838</u>	
53,277.2 =	£1,171.53	£1,171.53

<u>Hampshire Police & Crime Commissioner Precept</u>	8,382,102	7,949,342
Council Tax - Hampshire Police & Crime Commissioner Purposes at Band D	£157.33	£154.26

<u>Hampshire Fire and Rescue Authority Precept</u>	3,270,155	3,163,040
Council Tax - Hampshire Fire and Rescue Authority Purposes at Band D	£61.38	£61.38

The Council Tax to be levied for all bands in 2015/16 will be as follows :

		Portsmouth City Council £	Hampshire Police & Crime Commissioner £	Hampshire Fire & Rescue Authority £	TOTAL 2015/16 £	TOTAL 2014/15 £
Estimated Valuation as 1 April 1991						
Up to £40,000	A	781.02	104.89	40.92	926.83	924.78
£40,001 - £52,000	B	911.19	122.37	47.74	1,081.30	1,078.91
£52,001 - £68,000	C	1,041.36	139.85	54.56	1,235.77	1,233.04
£68,001 - £88,000	D	1,171.53	157.33	61.38	1,390.24	1,387.17
£88,001 - £120,000	E	1,431.87	192.29	75.02	1,699.18	1,695.43
£120,001 - £160,000	F	1,692.21	227.25	88.66	2,008.12	2,003.69
£160,001 - £320,000	G	1,952.55	262.22	102.30	2,317.07	2,311.95
£320,001 and over	H	2,343.06	314.66	122.76	2,780.48	2,774.34

GENERAL FUND SUMMARY - 2014/15 to 2018/19

APPENDIX A

Original Budget 2014/15 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2014/15 £	Original Budget 2015/16 £	Forecast 2016/17 £	Forecast 2017/18 £	Forecast 2018/19 £
49,633,923	Children & Education	50,970,730	49,657,057	52,121,557	52,856,757	53,738,257
12,094,943	Culture Leisure & Sport	12,543,860	10,889,660	11,146,260	11,567,960	11,769,860
18,240,580	Environment & Community Safety	18,986,913	17,261,513	17,671,313	18,049,713	18,456,113
49,882,022	Health & Social Care	51,602,479	44,983,979	46,848,779	48,189,379	49,672,479
7,348,228	Housing	7,598,728	7,454,128	7,519,328	7,570,028	7,629,428
230,153	Leader	253,953	235,553	243,153	248,653	254,753
7,790,856	Planning Regeneration Economic Development	7,757,429	6,702,329	6,771,529	5,809,429	5,582,629
26,686,457	Resources	26,396,434	23,611,634	24,292,134	25,060,834	25,983,334
17,533,299	Traffic & Transportation	17,650,707	16,641,207	16,882,007	16,597,607	17,330,007
344,200	Governance, Audit & Standards Committee	365,400	288,800	303,800	210,000	221,400
(127,395)	Licensing Committee	(129,195)	(226,295)	(218,795)	(222,095)	(226,495)
189,657,266	Portfolio Expenditure	193,997,438	177,499,565	183,581,065	185,938,265	190,411,765
	<u>Other Expenditure</u>					
93,400	Precepts	35,500	0	36,700	37,400	38,300
(150,000)	Portchester Crematorium - Share of Dividend	(150,000)	(125,000)	(125,000)	(125,000)	(125,000)
5,885,000	Pension Costs	5,885,000	6,261,000	6,672,000	6,672,000	6,672,000
5,499,200	Contingency Provision	4,683,800	7,305,000	4,607,500	4,607,500	4,607,500
0	Revenue Contributions to Capital Reserve	3,829,000	65,500	1,565,500	65,500	65,500
233,600	Transfer to / (from) Other Reserves	(651,900)	1,411,700	(23,200)	56,800	56,800
(27,854,741)	Asset Management Revenue Account	(29,589,738)	(27,300,865)	(26,044,865)	(26,125,865)	(26,835,365)
1,000,000	Other Expenditure	4,014,000	3,224,000	2,000,000	3,000,000	4,000,000
(15,293,541)	Other Expenditure	(11,944,338)	(9,158,665)	(11,311,365)	(11,811,665)	(11,520,265)
174,363,725	TOTAL NET EXPENDITURE	182,053,100	168,340,900	172,269,700	174,126,600	178,891,500
	FINANCED BY:					
(3,382,728)	Contribution (to) from Balances and Reserves	8,827,620	1,150,431	13,231,684	21,054,450	31,244,002
52,050,710	Revenue Support Grant	52,211,069	38,375,386	30,197,874	21,916,666	14,222,853
41,752,137	Business Rates Retention	36,884,144	42,768,544	45,006,041	46,291,864	47,853,288
22,387,268	Other General Grants	22,573,929	21,783,181	20,171,576	19,930,434	19,343,535
61,556,338	Collection Fund	61,556,338	64,263,358	63,662,525	64,933,186	66,227,822
174,363,725		182,053,100	168,340,900	172,269,700	174,126,600	178,891,500
	BALANCES & RESERVES					
18,029,434	Balance brought forward at 1 April	23,426,856	14,599,236	13,448,805	217,121	(20,837,329)
3,382,728	Deduct (Deficit) / Add Surplus for Year	(8,827,620)	(1,150,431)	(13,231,684)	(21,054,450)	(31,244,002)
21,412,162	Balance carried forward at 31 March	14,599,236	13,448,805	217,121	(20,837,329)	(52,081,331)
6,000,000	Minimum Level of Balances	6,000,000	6,500,000	7,400,000	7,600,000	7,600,000
(3,382,728)	Underlying Budget Deficit / (Surplus)	8,827,620	1,150,431	13,231,684	21,054,450	31,244,002

APPENDIX B

FORECAST EXPENDITURE 2015/16 to 2018/19

	Budget 2015/16 £'000	Forecast 2016/17 £'000	Forecast 2017/18 £'000	Forecast 2018/19 £'000
Service Cash Limits	124,840	130,851	133,149	137,577
Contingency	7,305	4,608	4,608	4,608
Debt financing costs	23,152	24,408	24,327	23,618
Levies and insurance premiums	2,207	2,278	2,336	2,382
Other income/expenditure	10,836	10,126	9,706	10,707
	168,340	172,271	174,126	178,892
<u>Less</u>				
- Council Tax Income	64,263	63,663	64,933	66,228
- Revenue Support Grant	38,375	30,198	21,917	14,223
- Business Rates Retention	42,769	45,006	46,292	47,853
- Other General Grants	21,783	20,172	19,930	19,344
	167,190	159,039	153,072	147,648
Budget (Deficit)/Surplus	(1,150)	(13,232)	(21,054)	(31,244)

Deficits in 2016/17 to 2018/19 reflect future savings requirements

APPENDIX C**PROVISIONAL CASH LIMITS 2016/17 TO 2018/19 (BY PORTFOLIO)
(After Savings Requirements Deducted)**

	Cash Limits 2016/17 £'000	Cash Limits 2017/18 £'000	Cash Limits 2018/19 £'000
Children & Education	30,352	28,659	27,112
Culture Leisure & Sport	6,640	6,484	6,108
Environment & Community Safety	13,805	13,036	12,294
Health & Social Care	39,969	38,072	36,318
Housing	1,627	1,541	1,465
Leader	204	193	182
Planning Regeneration Economic Development	(6,726)	(8,114)	(8,767)
Resources	18,359	17,569	16,946
Traffic & Transportation	15,698	14,960	15,239
Governance, Audit & Standards Committee	217	102	93
Licensing Committee	(294)	(353)	(412)
	119,851	112,149	106,578

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Agenda Item 10



Portsmouth CITY COUNCIL

COUNCIL MEETING

QUESTIONS FOR THE CABINET OR CHAIR UNDER STANDING ORDER NO 17

CITY COUNCIL MEETING – 10 February 2015

QUESTION NO 1

FROM: COUNCILLOR JOHN FERRETT

TO REPLY: LEADER OF THE COUNCIL
COUNCILLOR DONNA JONES

Could you tell members the number of Job Centre placements used by the Council since the beginning of 2014?

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