



NOTICE OF MEETING

CABINET

THURSDAY, 9 FEBRUARY 2017 AT 1.00 PM

EXECUTIVE MEETING ROOM, THRID FLOOR, THE GUILDHALL

Telephone enquiries to Joanne Wildsmith, Democratic Services 9283 4057
Email: joanne.wildsmith@portsmouthcc.gov.uk

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

Membership

Councillor Donna Jones (Chair)

Councillor Luke Stubbs
Councillor Ryan Brent
Councillor Jim Fleming
Councillor Lee Mason

Councillor Robert New
Councillor Linda Symes
Councillor Steve Wemyss
Councillor Neill Young

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Interests**
- 3 **Record of Previous Decision Meeting - 8 December 2016 (Pages 7 - 12)**

A copy of the record of the previous decisions taken at Cabinet on 8 December 2016 are attached.

RECOMMENDED that the record of the decisions taken at Cabinet on 8 December 2016 be approved as a correct record to be signed by the Leader.

4 Review of the Portsmouth Youth Offending Team 3 Year Youth Justice Plan 2014-17 (Pages 13 - 32)

The purpose of the report by the Deputy Director of Children's Social Care is to share with the Cabinet details of the Portsmouth Youth Offending Team's annual review of the three year Youth Justice Strategic Plan (Appendix 1).

RECOMMENDED: That Cabinet notes the achievements made by the Youth Offending Team in implementing the plan and endorses the priorities for the team and Management Board in maintaining high levels of practice and performance.

5 Special Educational Needs and Disabilities (SEND) Implementation Grant 2017-2018 (Pages 33 - 38)

The purpose of the report by the Director of Children's Services is to seek agreement to allocate the Special Educational Needs Implementation Grant for 2017-18 plus the additional funding to conduct a strategic review of high needs provision.

- The implementation grant funding allocated to Portsmouth for 2017-18 is £147,605. This has been allocated as an unringfenced grant and so Cabinet approval is required in order to allocate this grant to the education directorate to support the continued implementation of the SEND reforms.
- This funding will be used to continue to fund the additional staff who have been recruited to carry out the transfer of existing statements and learning disability assessments to education health and care plans, as specified in the new special educational needs and disabilities legislation (Children and Families Act 2014).
- Additional funding has been allocated to enable all local authorities to carry out a strategic review of their high needs provision. Portsmouth has been allocated £90,993 for this purpose.

RECOMMENDED: Cabinet is recommended to:

- (1) Approve the allocation of the Special Educational Needs Implementation Grant of £147,605 in 2017-18 to the Education portfolio.**
- (2) Approve the allocation of the funding of £90,993 to support high needs strategic planning in 2017-18 to the Education portfolio.**

6 Animal involvement at events and circuses on City Council land or sites operated on behalf of the City Council (Pages 39 - 46)

The purpose of the report by the Director of Culture and City Development is to provide background information on, and to seek an agreement in relation to,

the appropriate inclusion of animals at events and circuses on Portsmouth City Council land or on any sites where a venue is operated on behalf of the City Council.

RECOMMENDED

- (1) That the City Council adopts a clear and robust approach so we can effectively demonstrate our commitment to ensuring that animal welfare is a prime consideration while balancing the need to ensure a broad and varied events programme where animal involvement can appropriately be included, both for entertainment and education purposes.**
- (2) That the City Council does not permit any circuses or events that include captive, endangered or wild animals to take place on City Council land or on any sites where a venue is operated on behalf of the City Council.**
- (3) That the City Council agrees to permit performances and displays of animals (both domestic and working animals) at circuses and/or events with the provision that documentation and supporting evidence is submitted to the appropriate City Council department for consideration in advance. All paperwork must fully and appropriately demonstrate that the welfare of the animals has been considered and secured when performing, at rest and when in transit to the event and/or circus. This would require the submission of a veterinary certificate, risk assessments and animal welfare policy.**
- (4) That the City Council will not permit mobile petting zoos, static exhibitions or the sale of animals (which includes invertebrates, reptiles and fish, excluding working animals) at any events on City Council land, or on any sites where a venue is operated on behalf of the City Council, irrespective of whether appropriate documentation is available or not. The exception to this would be Cumberland House Natural History Museum and Butterfly House, Blue Reef Aquarium, schools or similar where the main role of the venue is for educational or conservation purposes and that it can be demonstrated that all appropriate measures have been put in place to safeguard the well-being of the animals, invertebrates and insects on display there.**
- (5) That only those domestic or working animals performing at the event and/or circus be permitted to be kept on site, excepting domestic pets of members of the circus.**
- (6) That the wording within the Licence issued by the City Council that permits use of a site for circuses on its land be amended to state that *'the Licensee shall be permitted to hold a circus show provided only domestic or working animals shall take part in the circus show or be kept on the Site (save that domestic pets of circus members shall be permitted to be kept on the Site provided***

that they are not used to take part in performances or for exhibition purposes).

- (7) That the City Council's approach on animal involvement does not restrict pets as therapy sessions in care homes, dog walking, animal grooming or dog shows on City Council land or any sites where a venue is operated on behalf of the City Council, provided that animal welfare is appropriately maintained by those managing the activity. Should the City Council receive any reports or concerns of animal abuse or cruelty at any of these activities, these will be investigated and instructed to cease as necessary.**

7 Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21 (Pages 47 - 92)

Purpose

- 1.1 The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2017/18 and the associated level of Council Tax necessary to fund that Budget.
- 1.2 The report makes recommendations on the level of Council spending for 2017/18 and the level of Council Tax in the context of the Council's recently refreshed Medium Term Financial Strategy with 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, being entrepreneurial and protecting the most important and valued services.

- 1.3 The recommended Budget for 2017/18 has been prepared on the basis of the decisions taken by the City Council on the 13th December 2016 relating to:
- The Council Tax proposals for the general increase as well as the additional flexibility to increase Council Tax for Adults Social Care Services
 - The approved budget savings amounting to £9m
- 1.4 This report also provides a comprehensive revision of the Council's rolling 3 year financial forecast for the new period 2018/19 to 2020/21 (i.e. extending the forecast to 2020/21) considering both the future outlook for both spending and funding. In that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's aspirations for the City as well as maintaining the Council's overall financial strength.
- 1.5 In particular, this report sets out the following:
- (a) The challenging but improving financial climate facing the City Council in 2017/18 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 refreshed by the Council in December 2016
- (c) A brief recap of the budget decisions taken by the City Council at its meeting of the 9th December 2016
- (d) The Revised Revenue Budget and Cash Limits for the current year
- (e) The Local Government Finance Settlement for 2017/18 to 2019/20
- (f) The Business Rate income for 2017/18 and future years
- (g) The Council Tax base and recommended Council Tax for 2017/18
- (h) The forecast Collection Fund balance as at 31 March 2017 for both Council Tax and Business Rates
- (i) The proposed Revenue Budget and Cash Limits for 2017/18
- (j) The forecast Revenue Budget and revised Savings Requirements for 2018/19, 2019/20 and 2020/21
- (k) Estimated Revenue Balances over the period 2016/17 to 2020/21
- (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable efficiencies
- (m) The statement of the Section 151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

RECOMMENDED

That Cabinet agrees and recommends to Council that the recommendations in paragraphs 3.1-3.9 of the report be approved.

8 Capital Programme 2016/17 to 2021/22 (Pages 93 - 164)

Purpose

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 2016/17 and future years in accordance with the Capital Strategy

- Describe and approve the Prudential Indicators arising from the revised Capital Programme 2016/17 to 2021/22
- Delegate authority to the S.151 Officer to alter the mix of capital funding to make best use of City Council resources

RECOMMENDED that Cabinet agrees and recommends to Council that the recommendations in paragraphs 3.1 and 3.2 in the report be approved.

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

2 February 2017

Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Thursday, 8 December 2016 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Donna Jones (in the Chair)

Councillors Luke Stubbs
Ryan Brent
Jim Fleming
Lee Mason
Robert New
Linda Symes
Steve Wemyss
Neill Young

57. Apologies for Absence (AI 1)

Councillor Stubbs had sent apologies for a late arrival due to attending a Hampshire Fire & Rescue Service meeting.

58. Declarations of Interests (AI 2)

There were no declarations of members' interests.

59. Record of Previous Decision Meeting - 10 November 2016 (AI 3)

DECISION: that the record of decisions of the Cabinet meeting held on 10 November 2016 be approved as a correct record to be signed by the Leader.

60. Appointments - Heritage Champions (AI 4)

Councillor Donna Jones explained that the aim was to have a cross-party representation for Heritage Champions.

DECISION: Councillors Steve Hastings and John Ferrett were appointed as additional PCC Heritage Champions to join Councillor Stephen Morgan in this role.

61. Portsmouth Safeguarding Children Board (PSCB) Annual Report (AI 5)

Lucy Rylatt, PSCB Business Manager, presented the Board's sixth annual report, setting out achievements from the second year of a three year business plan cycle. The report set out the priorities, including the additional priority regarding sexual exploitation. She reported that a 'missing, exploited and trafficking strategy' had been brought in across Hampshire. Within the 'neglect' priority, a tool had been developed for practitioners, to improve measurement of this. There would be further drive to take forward the 'female

genital mutilation strategy', working with the voluntary sector. The Board had also highlighted the need to reflect children's views in agency reports.

Councillor Donna Jones, Leader, welcomed the report which had also been discussed at the Health & Wellbeing Board the previous week and thanked all those involved in its production. Councillor Young as Cabinet Member for Education also welcomed the report and raised the issue of how PCC and the agencies could meet emerging issues, such as the recent abuse cases in football. Lucy Rylatt confirmed that the strategy and business team were in place to deal with these, and she had been in contact with Pompey in the Community and the football club, and a confidential helpline had been set up by the NSPCC, showing an appropriate multi-agency response.

Councillor Ryan Brent, as Cabinet Member for Children's Services, also thanked Lucy Rylatt and Reg Hooke as the PSCB Chair for the report and he was involved in the board meetings which were tackling issues effectively.

Councillor Robert New, as the Cabinet Member for Environment & Community Safety, was also involved with the work of the PSCB through the Safer Portsmouth Partnership and was pleased to see progress on the issue of data sharing with the police.

DECISION: The Cabinet received the Portsmouth Safeguarding Children Board Annual Report and noted areas of progress and challenges in the work delivered by services to safeguard children and promote their well-being.

62. Budget and Performance Monitoring 2016/17 (2nd Quarter) to end September 2016 (AI 6)

Chris Ward, Director of Finance & S.151 Officer, presented his report which was also being submitted to Council, which showed a broadly on-line forecast outturn position.

Councillor Donna Jones, as Leader, welcomed the report which showed mitigation of the overspends that had been carried over, with a focus on income from property investments and improved deals on the Ferry Port and the Wightlink lease. She thanked all the staff involved, including Chris Ward and his financial team and entrepreneurial staff attracting income for PCC.

The Cabinet Members were pleased to have achieved this position moving towards a balanced budget, with the help of the officers and welcomed the approach that had been taken, with support being given to the most vulnerable children and adults, with work taking place with families at the right point.

RECOMMENDED to Council that:

(i) The forecast outturn position for 2016/17 be noted:

(a) An overspend of £418,600 before further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve

(b) An overspend of £33,300 after further forecast transfers from/(to)

Portfolio Specific Reserves & Ring Fenced Public Health Reserve.
(ii) Members note that any actual overspend at year end will in the first instance be deducted from any Portfolio Specific Reserve balance and once depleted then be deducted from the 2017/18 Cash Limit.
(iii) Directors, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2017/18 Portfolio cash limit will be managed to avoid further overspending during 2017/18.

63. New Sports and Leisure Contracts - Prudential Borrowing Requirement (AI 7)

Chris Ward, the Director of Finance & Section 151 Officer presented his report. He reported that the additional investment would be more than covered by the extra income that would be received from the operators.

Councillor Linda Symes, as Cabinet Member for Culture, Leisure & Sport, welcomed this proposal which as well as saving money for the council, offered better membership benefits. The Leader also supported the appointment of a key partner to operate the facilities, which would have health benefits for residents. Councillor Donna Jones thanked Councillor Symes, Stephen Baily and all the officers involved in this project.

RECOMMENDED to Council that the following be approved:

(1) The currently approved Capital Programme 2015/16 to 2020/21 is updated to include the capital scheme "Sports and Leisure Facilities Investment" at an estimated cost of £2.4m.

(2) Following completion of a comprehensive financial appraisal, approved by the Director of Finance & S151 Officer demonstrating that the additional reduction in cost arising from the investment can significantly exceed the associated borrowing costs over the life of the contract, that the cost of the scheme be financed from Prudential Borrowing.

64. Portsmouth City Council Revenue Budget 2017/18 - Savings Proposals (AI 8)

Chris Ward, Director of Finance and Section 151 Officer presented his report which would be considered at the Council meeting of 13 December. The proposals were predicated on a Council Tax rise of 3.99% (including the 2% Adult Social Care precept to support vital services). The budget papers for the February Council would then be prepared on the basis of this rise.

Councillor Donna Jones as Leader reported that the DCLG Financial Statement was due in the next couple of weeks regarding the Adult Social Care precept. She was pleased that the success of income generation had helped to reduce cuts and there would be new income streams in the next

year. The report also set out changes to the Voluntary Sector Transition Fund to help utilise this and attract bids to help in the provision of services.

RECOMMENDED to Council

- (1) That the following be approved:**
 - (a) The Medium Term Financial Strategy set out in Section 8**
 - (b) That the Council's Budget for 2017/18 be prepared on the basis of a 3.99% Council Tax increase**
 - (c) That in the event that the Council has the ability to increase the level of Council Tax beyond 2% in order to fund Adult Social Care pressures, and if the Council elects to do so, that any additional funding that arises is passported direct to Adult Social Care to provide for otherwise unfunded cost pressures.**
 - (d) The savings proposals for each Portfolio amounting, in total, to £9m for 2017/18 and continuing into future years as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties**
 - (e) That the criteria for the use of the Voluntary Sector Capacity & Transition Fund be replaced with the following:**
 - i) Overall fit with the Council's objectives - providing services consistent with the Council's responsibilities that are not replicated elsewhere**
 - ii) Integration and/or collaboration with other voluntary sector partners - demonstrating a willingness to transform and build voluntary sector capacity on a sustainable basis**
 - iii) Deliverability - proposals are costed robustly and plans demonstrate that they can be confidently delivered**
 - iv) Sustainability - a single application for a 1 year, 2 year or 3 year award which demonstrates an operating model that will endure without further funding from the Council**
 - v) Cost Avoidance - illustration of how the proposal avoids costs elsewhere "in the system" and / or improves the integration and efficiency of the voluntary sector as a whole**
 - vi) Potential for further Transformation - the extent to which the proposal could drive further transformation and capacity of the voluntary sector in the future**
 - vii) Wider economic impacts**
- (2) That the following be noted:**
 - (a) The Budget Savings Requirement for 2017/18 of £9m approved by the City Council was based on a Council Tax increase of 3.99%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £652,000**
 - (b) The key themes arising from the budget consultation**
 - (c) The indicative savings proposals set out in Appendix B which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 1 (d) above are robust and deliverable**
 - (d) The likely impact of savings as set out in Appendix B based on the scale of the Portfolio savings as recommended in paragraph 1(d)**

(e) The Local Council Tax Support Scheme for 2017/18 was approved by the City Council on 15 November 2016, the associated savings are now reflected in the overall savings requirement of £9m; the scheme itself has now been approved and that scheme is not the subject of this report, the proposals in this report simply reflect the associated budget position

(f) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings within those Portfolios / Committees

(g) That it is the responsibility of the individual Portfolio Holders (not the City Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix B with alternative proposal(s) amounting to the same value within their Portfolio

(h) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process

(i) That there is no general provision for Budget Pressures and that it is the responsibility of the Portfolio Holder to manage any Budget Pressures which arise from the overall resources available to the Portfolio (which includes their Portfolio Reserve)

(j) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation with the Director of Finance & Information Services (S151 Officer), to release funds from the Portfolio Reserve in accordance with the provisions set out in paragraph 10.15 of the report

(k) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies currently holds a very modest uncommitted balance of £3.0m and will only be replenished from an approval to the transfer of any non-Portfolio underspends at year end into this reserve.

65. Exclusion of Press and Public (AI 9)

DECISION: that, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the report(s) contain information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972:

Minute - 66 - Utility and Engineering Trading Company
(exempt appendices only)

66. Utility and Engineering Trading Company (AI 10)

Whilst the exclusion of press and public had been passed for the appendices, the Cabinet Members agreed to discuss the report in open session, without needing to refer to the confidential information contained in the exempt

appendices. Meredydd Hughes, Alan Barber and Andrew Waggott from Housing & Property Services presented the report, and explained the environmental benefits of the scheme already seen at the Civic Offices and other corporate buildings, which would be expanded to external organisations and outside of Portsmouth.

Councillors Lee Mason, Steve Wemyss and Robert New as the Cabinet Members who had been involved in the progression of the project all welcomed the report and congratulated the team for bringing this forward. It was noted that they were already working with schools and this could be extended to assist in social housing schemes. Councillor Jones, as Leader, also thanked all those who had been involved, and she would be discussing the future structure of the trading company with Councillor Lee Mason.

DECISIONS: The Cabinet gave approval:

(1) To instruct the City Solicitor, in conjunction with the Leader of the Council and the Cabinet Member for Resources, to form an arms-length energy and engineering services company as a group company under a wholly owned holding company, and capable of delivering and operating district heat and power schemes, as described in the Appendices to this report.

(2) That the City Solicitor, the Director of Finance and Section 151 Officer, in conjunction with the Leader of the Council and the Cabinet Member for Resources, be authorised to enter into such company constitutional documents and service and supply agreements with the company as are required by the company for its operation, and for the Council/holding company to most effectively manage its operation.

The meeting concluded at 2.05 pm.

Councillor Donna Jones
Leader of the Council

Agenda Item 4



Portsmouth
CITY COUNCIL

Title of meeting:	Cabinet
Date of meeting:	9 th February 2017
Subject:	Review of the Portsmouth Youth Offending Team Three Year Youth Justice Strategic Plan 2014-17
Report by:	Adam Shepherd, Service Leader South Locality and Youth Offending Team
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1. To share with the Cabinet details of Portsmouth Youth Offending Team's annual review of the three year Youth Justice Strategic Plan (Appendix 1)

2. Recommendations

- 2.1. That Cabinet notes the achievements made by the Youth Offending Team in implementing the plan and endorses the priorities for the team and Management Board in maintaining high levels of practice and performance.

3. Background

- 3.1. The 3 year strategic plan was shaped in accordance with operational priorities following poor inspection report received in February 2014. A further inspection in September 2015 noted significant improvement
- 3.2. Progress has been made against the following outcomes:
 - a) First time entrants in to the Criminal Justice system continue to reduce
 - b) Re-offending remains static according to the national data. The Live Tracker used shows a more positive picture, but does not include data of those who reoffend post 18 years of age.
 - c) The use of custody has remained constant over the last 2 years, we remain below our comparator average but slightly higher than the national average.

- 3.3. The Youth Offending Team is now further integrated within Children Social Care being managed along with the South Locality Team following the transformation of Children's Services in April 2016.
- 3.4. The strategy review was endorsed by the Portsmouth Youth Offending Board and submitted to the Youth Justice Board who have accepted the plan and commented:
- The good performance against the FTE national indicator and the positive impact of the triage process.
 - The citywide implementation of an RJ approach and the depth of knowledge you have developed.
 - The work to develop desistance knowledge and understand factors.
 - The conviction to hold management board members to account
 - The effort of the team to achieve the aims of the improvement plan
- 3.5. It was noted previously that the next review would need to make clear costed proposals to transform the Youth Offending Team in the context of:
- a) Falling caseloads
 - b) Budget savings
 - c) Multi-Agency Teams
 - d) The Ministry of Justice's national review of Youth Offending Teams

The Youth Offending Team is now co-located alongside the Multi-Agency Teams and budget savings have been achieved. The strategic plan follows criteria set down by the Youth Justice Board.

4. Reasons for recommendations

4.1. The contents of the plan are a statutory responsibility for the Local Authority.

5. Equality impact assessment

5.1. An equality impact assessment is not required as the recommendations do not have a disproportionate negative impact on any of the specific protected characteristics as described in the Equality Act 2010 for the following reasons:

- This is a statutory requirement for us to produce Youth Justice Strategic plan under Section 40 of the Crime and Disorder Act 1998
- The Youth Justice plan is an annual review to ensure the plan is up to date and relevant, various agencies and bodies have had the opportunity to comment on the review of the strategy for example: the YOT management board.

- The overall aim of this review is to update on the progress made within the strategic plan to date and to make clear the objectives, priorities and necessary changes that are still required to improve service delivery within the YOT
- The review does not include any changes to the service provision or policy so an EIA is not required in this instance.

6. Legal implications

6.1. Section 40 of the Crime and Disorder Act 1998 states:

(1) It shall be the duty of each local authority, after consultation with the relevant persons and bodies, to formulate and implement for each year a plan (a "youth justice plan") setting out:

- (a) How youth justice services in their area are to be provided and funded; and
- (b) How the youth offending team or teams established by them (whether alone or jointly with one or more other local authorities) are to be composed and funded, how they are to operate, and what functions they are to carry out.

6.2. There are no other legal comments save that the current plan is consistent with the above section to ensure that the Council complies with the statutory obligation to have a Youth Justice Plan in place and to review the same

7. Director of Finance's comments

7.1. The YOT budget for 2016/17 reflected the new management structure and cost savings resulting from both the specific review of YOT budgets and the integration arising from the wider safeguarding "transformation" implemented in April. The Portsmouth Youth Offending Board are aware that the strategic plan needs to be delivered within the constraints of the budget, and that the budget is currently being pressured by reducing grants and savings requirements. The financial position is monitored by the YOT Board on a quarterly basis.

Signed by: Alison Jeffery, Director of Children's Services

Appendices:

Appendix 1 - Youth Justice Strategic Plan 2014-17: Annual Review September 2016

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

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:



YOUTH JUSTICE STRATEGIC PLAN 2014-17

Annual Review September 2016

(As required under S40 of the Crime and Disorder Act 1998)

CONTENTS

	Introduction	3
Page 19	Structure and Governance	6
	Resources and Value for Money	9
	Risk to Future Delivery against the youth justice outcome measures	11
	Priorities for the next 12 months	12

Introduction

The principle aims of the Portsmouth Youth Offending Team (PYOT) and its partners are to prevent offending, reduce re-offending by young people and reduce the numbers of young people going to custody.

This document should be read in conjunction with the 2014-17 Portsmouth Youth Justice Plan submitted in the Autumn of 2014 in line with statutory requirements (as required under S40 of the Crime and Disorder Act 1998) for the Portsmouth Youth Offending Team (PYOT). The PYOT is a partnership between Portsmouth City Council, Hampshire and IoW Constabulary, the National Probation Service and Health.

The overall aim of this review is to update on the progress made within the strategic plan to date and to make clear the objectives, priorities and necessary changes that are still required to improve service delivery within the YOT.

The challenges facing Portsmouth centre upon the need to:

1. Reduce reoffending
2. Protect the public and actual or potential victims
3. Maintain effective governance and partnership arrangements
4. Protect children and young people and reduce their vulnerability
5. Ensure that young people serve their sentence

In order to face these challenges the partnership retains and pursues an ongoing commitment to team development, rigorous Quality Assurance and comprehensive scrutiny via the PYOT Management Board.

There is no prescriptive guidance about the format of this review, but the Youth Justice Board requires the following areas to be covered:

1. Introduction (to cover specific mandatory information required by Youth Justice Board)
2. Structure and Governance (including partnership arrangements)
3. Resources and Value for Money
4. Risk to Future Delivery against the youth justice outcome measures

Page 21

Following on from a positive inspection in June 2015 staff morale has improved and the team is currently fully staffed. The post-inspection improvement plan has been incorporated into the service business plan and has recently been reviewed and submitted to the YJB. The YOT remains a specialist service within Children's Social Care, but since April 2016 has been better aligned with the multi-agency locality teams so as to promote closer, joined up working arrangements.

Summary of Achievements:

- i. Full implementation of AssetPlus with all staff trained to use this model.
- ii. The Team is now fully staffed.
- iii. Improved communication due to co-location with the Multi Agency Teams and improved integration into the wider children's workforce.
- iv. Cost savings were achieved by changes to the management structure and there were no cuts to the frontline practitioners and their team leaders.
- v. Performance reporting has been reviewed with the YOT Management Board and revised to make greater use of current local data (live reoffending tracker) and to concentrate the performance indicators on key objectives.
- vi. A monthly team scorecard is in production which will assist the team to focus on priorities.
- vii. We have a decreasing trend for first time entrants and compare favourably to national and statistical neighbour data.

Innovative Practice

Youth Justice is now integrated within the broader Children's Social Care service and the multi-agency locality teams with full representation at all management and staff forums. PYOT has access to regular clinical supervision from Forensic CAMHS, this includes expertise in sexually harmful behaviour. Triage is now fully embedded within PYOT having a positive impact on first-time entrants.

Portsmouth City Council is currently implementing Restorative Approaches across its entire Children's Service workforce and PYOT is able to share its training and offer consultancy.

The transformation in Portsmouth City Council Children's Service has achieved financial savings with the YOT in a time of reducing budgets. This has protected front-line practitioners and highly experienced first-level supervisors involving a move to an operational manager with responsibility for the YOT and South Locality Children's Social Care and a Head of Service responsible for Assessment and Intervention services. The YOT and South Locality Team is co-located with Barnardo's, Troubled Families, Health Visiting, Occupational Health and school nurses and has closer links with wider Children's Service workforce, which brings opportunities for increased and improved joined-up working.

The Partnership's Response to Thematic Inspection Reports Published since the Strategic Plan was submitted

- *Accommodation of Homeless 16 and 17 year olds* - This is a key feature of the performance and accommodation suitability is tracked. Numbers are low and post custodial plans are a priority within the team. Clear links are in place with teams within CSC and the wider Children's Service workforce to support good communication and clear planning.
- *Referral Orders - Do They Achieve Their Potential?* - This reinforces the service's commitment to effective use of referral orders. Volunteers receive appropriate training and supervision, and panel is well attended and effective. Timeliness of initial panel meetings is tracked via performance reporting. Referral orders are reviewed as appropriate.

- *Desistance and Young People* - The importance of Desistance as a consideration of all the work within the team is supported by the team having undertaken Desistance Training. AssetPlus is fully embedded within the team and its design around Desistance is informing further understanding of the Desistance factors.
- *Transition Arrangements to Probation* - Portsmouth as a unitary authority has a relatively small number of young people who offend, however we meet with Probation, NPS and CRC on a quarterly basis to discuss upcoming transitions. We will then liaise directly around the time of transition to work in line with the pan-Hampshire Y2A transition protocol, which has been reviewed in line with this audit.

Structure and Governance

PYOT is overseen by The YOT Management Board chaired by a Superintendent from Hampshire Constabulary with the vice chair being Deputy Director for Children's Services, Children's Social Care also the management board meet on a quarterly basis to review and monitor performance, budget and partnership working relationships. The structure and governance of the board remains unchanged from the Strategic Plan 2014-17.

The management of the Youth Offending Team has changed through a transformation within Children's Services in April 2016. The two highly experienced Team Leaders remain in post, supported by a third Team Leader with a remit for quality and audit. The Head of Service for YOT is now Sarah Lewis, Head of Assessment and Intervention Services with the Operational Manager, Adam Shepherd, Service Leader for South Locality and city wide Youth Offending Team.

The Operational Manager has received induction support from the Head of Hampshire YOT, mentoring from the IoW YOT manager, significant support from experienced Team Leaders, the chair of the YOT Board and police colleagues.

Page 24 PYOT has clear strategic links with PSCB (Portsmouth Safeguarding Children Board). The Deputy Director of Children's Services - Children's Social Care attends the Board and represents the YOT. YOT provide an annual update for the PSCB along with sharing information quarterly for the PSCB data set. The online safety officer to the PSCB is situated within the YOT.

YOT has strategic links to the prevent agenda. David Richards, Service Leader MASH attends the Prevent Board and Channel Panel representing Children's Social Care, including PYOT. PYOT has fully implemented AssetPlus, which allows the youth offending team to track that this issue has been considered within our work.

Partnership arrangements

PYOT has good links with Troubled Families, including intensive family support through the Barnardo's Family Intervention Project. Out of Hours Court is a shared responsibility with Hampshire YOT and PYOT operates the Junior Attendance Centre for the South of the County. Appropriate Adult services are the only commissioned service and provided by The Appropriate Adult Service (TAAS). This has recently been subject to retendering. PYOT is represented on Children's Trust, PCSB, and the MAPPA delivery Group.

Health provision with YOT continues to be well supported through CAMHS and public health with our substance misuse service

Resources and Value for Money

PYOT has a budget of £636,300 for 2016/17 with 21 staff. The largest percentage of the PYOT budget is from the Local Authority (51%) the YJB grant equals 27% and OPCC funding equals 12%. Probation provides 1 full time member of staff and £5,000, the Police provide one officer and one FTE administrator. Public Health provides a part-time substance misuse worker and CAMHS provide a part-time nurse (32 hours).

Portsmouth City Council run the Junior Attendance Centre and receives a grant of £42,800 and in addition to the above, pays for a manager for the JAC and 3 staff.

Budget savings were achieved by management structure changes leaving front-line services untouched.

Custody remains low and first time entrants are reducing.

Budget

Page 26

Expenditure	
➤ Staffing Costs	£462,400
➤ In Kind Staffing	£76,600
Central Costs	
➤ Premises	£400
➤ Transport	£14,600
➤ Supplies and Services	£46,500
➤ Third Party Payments	£35,800
Total	£636,300

Funding

YJB Funding	£171,500
OPCC (excl Crime Prevention)	£76,600 (in kind)
OPCC (Crime Prevention)	£47,600
Other incomes	£10,000
PCC Base Budget	£256,000
PCC Contingency Funding	£69,600
Probation	£5,000
Total	£636,300

Junior Activity Centre

Expenditure	
➤ Staffing	£30,800
➤ Other	£14,300
Total	£45,100
Funding	
➤ YJB Funding	£45,100

Risk to Future Delivery against the Youth Justice outcome measures

1. Future reduction in financial or partnership resources - the YJB grant has potential to be subject to an in-year reduction and the amount of grant for 2017/18 is unknown. This makes forward planning difficult.
2. Not having the appropriate members at the YOT Management Board who can commit to contributions required.
3. A failure to decrease the reoffending rate could result in a lack of confidence in the work of the YOT and contribute to the current risk assessment that says Portsmouth is a priority concern to HMIP.
4. A new management structure that is biased towards social care as opposed to youth justice.
5. CAMHS maternity cover could be seen to reduce available resource to children.

These risks will be mitigated by:

1. Robust financial planning and continued development of shared resources with partner agencies.
2. Monitoring of YOT Management Board attendance by the chair with appropriate follow up if there is non-attendance.
3. Use of the local reoffending tracker, to be enhanced to mirror national statistics with the inclusion of post-18 offending over the 12-month period. Active use of triage and reduction in use of non-association requirements within ASBO has positively impacted on reoffending rate.
4. AssetPlus, which is fully implemented in PYOT is designed on desistance research and we will monitor its effectiveness in guiding a reduction in reoffending across Portsmouth.
5. Significant experience within the Team Leaders and the front-line practitioners. Induction support from Head of Service of Hampshire YOT and direct mentoring via an experienced YOT manager.
6. Access to clinical supervision and support from a Consultant Psychiatrist at Forensic CAMHS. Access to LAC CAMHS practitioners and agreed fast track for referrals of concern, which will be directly monitored by Head of Service and Head of CAMHS. CAMHS and PYOT are currently how best to utilise the CAMHS role in YOT, which CAMHS have agreed to continue to fund.



Priorities for the next 12 months

Outcome	Service Activity	Team lead officer	Target	Actions
1. Young people not to reoffend	Assessments Offending behaviour programmes QA of work undertaken	Case holder YOT Service/ Team Leader	Live Tracker to be <20%	Regular good quality AssetPlus assessments. Selection of group and 1-1 work and reparation. Clear audit trail to evidence quality and effectiveness of work, including implementation of AssetPlus QA tool.
2. To reduce first-time entrants to criminal justice system	Triage Risk Mapping Database	Police/ YOT Gail Lennan	Rate of entry per 100,000 to be under 300	Weekly triage meetings. Regular review of Triage effectiveness. Database being expanded to cover the MET process. Share relevant information across agencies.



Outcome	Service Activity	Team lead officer	Target	Actions
3. To continue to work towards young people not needing to receive custodial sentences	Offending behaviour programmes Assessments Court reports	Service/Team Leaders Case Holders	Less than 8 young people per year receive custodial sentences	Good quality assessment and plans to address needs, risks and vulnerabilities. To produce robust interventions. Good quality reporting to Court with clear and robust community intervention plans.
4. To have a skilled workforce, with the knowledge and skills to carry out the work	Social Work Matters Academy/ Learning and Development Staff Supervision Regular Team Meetings Having students within the team	Service Leader Service/ Team Leader Service Leader	90% monthly Fortnightly	AIM training to be commissioned. RJ conference training to new practitioners and volunteers. Commission Motivational Interview Training. Annual PDRs.



Outcome	Service Activity	Team lead officer	Target	Actions
5. Ensure ethnicity, cultural/religious needs and disability are considered and understood in the work we do	Equality and Diversity Training Core+ Case Management	Service/Team Leaders YOT practitioners		To be appropriately recorded. Monitored through weekly caseload report.
6. Evidence that views of children and families are shaping the service delivery	Complaints are responded to within timescale Child and family views recorded in AssetPlus User feedback is sought and acted upon Viewpoint	Service/Team Leaders Case Holders YOT practitioners Team Leader	90% 100% 57 feedbacks	Complaint investigated and response sent. YOT practitioner seeks view of child and family in AssetPlus. Discussion with Service users. Use of Viewpoint. Closure feedback. Compliments and complaints.

Outcome	Service Activity	Team lead officer	Target	Actions
7. Integrated response to young people going missing from home, at risk of exploitation and trafficked young people	<p>Representation at MET Meeting</p> <p>Staff to have awareness and understanding of missing/CSE/Trafficked Protocol</p> <p>Completed vulnerability assessments on all children identified as at risk of missing/CSE/Trafficking.</p> <p>Risk Mapping Database</p>	<p>Service/Team Leader</p> <p>Case Holders</p> <p>Substance Misuse Worker</p>	100%	<p>MET to remain on fortnightly team meeting agenda.</p> <p>Practitioners to give good quality and relevant feedback for MET.</p> <p>Expand database to correlate with information on MET spreadsheet to reduce need for both.</p>
8. Tasks achieved in line with National Standards	<p>Assessments - AssetPlus</p> <p>Contacts</p> <p>National Standards Audit</p>	<p>Case Holder</p> <p>Head of Service/Service Leader/Team Leaders</p>	90%	<p>Completed by Case Holder.</p> <p>Young Person to be seen in line with their status.</p>



Title of meeting:	Cabinet
Date of meeting:	9th February 2017
Subject:	Special Educational Needs and Disabilities (SEND) Implementation Grant 2017-2018
Report from:	Alison Jeffery, Director of Children's Services
Report by:	Julia Katherine, Head of Inclusion
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 The purpose of this report is to seek agreement to allocate the Special Educational Needs Implementation Grant for 2017-18 plus the additional funding to conduct a strategic review of high needs provision.
 - 1.1.1 The implementation grant funding allocated to Portsmouth for 2017-18 is £147,605. This has been allocated as an unringfenced grant and so Cabinet approval is required in order to allocate this grant to the education directorate to support the continued implementation of the SEND reforms.
 - 1.1.2 This funding will be used to continue to fund the additional staff who have been recruited to carry out the transfer of existing statements and learning disability assessments to education health and care plans, as specified in the new special educational needs and disabilities legislation (Children and Families Act 2014).
 - 1.1.3 Additional funding has been allocated to enable all local authorities to carry out a strategic review of their high needs provision. Portsmouth has been allocated £90,993 for this purpose.

2. Recommendations

2.1 Cabinet is recommended to:

- 2.1.1 Approve the allocation of the Special Educational Needs Implementation Grant of £147,605 in 2017-18 to the Education portfolio.

- 2.1.2 Approve the allocation of the funding of £90,993 to support high needs strategic planning in 2017-18 to the Education portfolio.

3 Background

- 3.1 New legal duties came into force in September 2014, through the Children and Families Act to reform the way support is provided for children and young people with special educational needs and disabilities (SEND). The aim of these SEND Reforms is to improve outcomes for children and young people with SEND and to enable them to achieve their potential and live happy and fulfilled lives.
- 3.2 The Act places the views, wishes and aspirations of children, parents and young people at the heart of the system and requires a culture change in the ways in which professionals work with families and with each other.
- 3.3 Portsmouth has made good progress in implementing the SEND Reforms. Transitional arrangements are in place for completing the transfer of all SEN statements and learning disability assessments to education, health and care plans by April 2018.
- 3.4 In Portsmouth this will mean approximately 1,000 education health and care needs assessments to be transferred from existing statements and learning disability assessments, plus an additional estimated 100 new assessments per year. All transfers and new assessments are completed over a 20 week statutory time period.
- 3.5 The council has utilised the allocated 2016/17 funding to employ additional staff on fixed term contracts within the SEND team to work with families, schools, colleges and early years settings to co-ordinate these statutory, multi-agency assessments and write the new education health and care plans.
- 3.6 In December 2016, the government announced the SEND reforms implementation annual funding allocation for Portsmouth in 2017-18 is £147,605.
- 3.7 It is proposed to use this funding to extend to March 2018 the fixed term contracts of the staff who have been taken on to deliver the transfers of statements to education health and care plans and to continue the engagement and co-production work with young people with SEND, parent/carers and schools to support the implementation of the reforms, as set out below.

3.8 Implementation grant - proposed costs 2017-18

Activity	Costs
Staffing - SEND team additional staffing to cover the transfers of statements to education health and care plans (continuation of existing fixed term contracts)	£128,400 (actual staff costs)
Young people - engagement, participation and co-production with young people and young inspectors programme	£9,000 (to be provided as a grant)
Parents/carers - engagement, participation and co-production with parents/carers	£9,000 (to be provided as a grant)
Total available	£ 147,605

3.9 An additional £90,993 has been allocated to enable a strategic review of high needs provision to ensure that Portsmouth has in place a continuum of provision that can meet the anticipated future need for special educational provision. It is proposed that the full allocated amount is used for this purpose, as set out below. This would enable us to pull together the recommendations from the mini-reviews carried out so far and enable us to future-proof provision with the new funding formula for schools.

3.10 Strategic review - proposed costs 2017-18

Activity	Cost
Project lead - to employ a project lead on a fixed term contract to complete a strategic review of high needs provision	£65,741 (estimated)
Co-production activity - to facilitate engagement, participation and co-production with young people, parents/carers	£10,000 (to be paid as a grant)
Stakeholder engagement - to facilitate engagement, participation and co-production with schools, colleges, early years providers and health - to include a contribution to the Portsmouth Education Partnership and Inclusion manager post	£15,000
Total available	£90,993

- 3.11 The scope of the review will be developed in partnership with parents/carers and young people with SEND in Portsmouth as well as with providers including schools, colleges, early years settings and health providers.
- 3.12 The aim of the review will be to ensure that Portsmouth has in place the right balance of mainstream additionally resourced provision and inclusion centres, as well as specialist educational provision to meet the assessed special educational needs and disabilities of children and young people aged 0-25 in the city, going forward.

4 Reasons for recommendations

- 4.1 The work that has taken place in Portsmouth to implement the SEND Reforms has been praised by the Department for Education (DfE), and Children's Minister, Edward Timpson, in recognition of the progress made in implementation of the reforms.
- 4.2 The DfE is continuing to monitor closely the way that local authorities are using the grant funding allocated to ensure full compliance with the new legislation.
- 4.3 Implementation is subject to a new local area SEND inspection by Ofsted and CQC.

5 Equality impact assessment (EIA)

- 5.1 A preliminary EIA was completed in 2014 for the Information, Advice & Support for Parents, Carers & Young People Service, as part of the implementation of the SEND reforms outlined in the Children and Families Act 2014. It was found that the reforms do not impact negatively on any of the protected characteristics under the Equality Act 2010 so a full EIA was not required.
- 5.2 An EIA is not required for this report as this also relates to the SEND reforms and the recommendations will not negatively impact on any of the equality strands as this is to allocate the SEND funds to ensure the continuation of funding for additional staff who have been recruited to carry out the 'conversion' statutory assessments, as specified in the new special educational needs and disabilities legislation.

6 Legal implications

- 6.1 The report comments and aims are consistent with implementing the statutory changes to the provision of SEND the benefit being that in dealing with the changes in the way suggested above the Authority is exposed to less risk associated with challenge and is acting consistently with promoting the best outcomes from those persons requiring SEND input.



7 Director of Finance’s comments

- 7.1 The purpose of the SEND Reform grant is to support local authorities with the additional costs associated with the implementation of the SEND reforms, however it is not ring fenced. The grant allocation to Portsmouth for 2017-18 amounts to £147,605 and is the second instalment of a two year allocation to Authorities by the Department for Education.
- 7.2 Due to the time limited nature of the grant and the previous uncertainty of the 2017-18 allocation, the additional posts have been recruited on fixed term one-year contracts. This allocation would allow those to be extended.
- 7.3 The spending proposals within this report cannot be accommodated without the allocation of the grant to these activities.

Signed by: Alison Jeffery, Director of Children's Services

Appendices: None

Background list of documents:

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

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

This page is intentionally left blank

Agenda Item 6



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Cabinet Decision Meeting

Date of meeting: 9th February 2017

Subject: Animal involvement at events and circuses on City Council land

Report by: Director of Culture and City Development

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

To provide background information on, and to seek an agreement in relation to, the appropriate inclusion of animals at events and circuses on Portsmouth City Council land or on any sites where a venue is operated on behalf of the City Council.

2. Recommendations

- 2.1 That the City Council adopts a clear and robust approach so we can effectively demonstrate our commitment to ensuring that animal welfare is a prime consideration while balancing the need to ensure a broad and varied events programme where animal involvement can appropriately be included, both for entertainment and education purposes.
- 2.3 That the City Council does not permit any circuses or events that include captive, endangered or wild animals to take place on City Council land or on any sites where a venue is operated on behalf of the City Council.
- 2.4 That the City Council agrees to permit performances and displays of animals (both domestic and working animals) at circuses and/or events with the provision that documentation and supporting evidence is submitted to the appropriate City Council department for consideration in advance. All paperwork must fully and appropriately demonstrate that the welfare of the animals has been considered and secured when performing, at rest and when in transit to the event and/or circus. This would require the submission of a veterinary certificate, risk assessments and animal welfare policy.
- 2.5 That the City Council will not permit mobile petting zoos, static exhibitions or the sale of animals (which includes invertebrates, reptiles and fish, excluding working animals) at any events on City Council land, or on any sites where a

venue is operated on behalf of the City Council, irrespective of whether appropriate documentation is available or not. The exception to this would be Cumberland House Natural History Museum and Butterfly House, Blue Reef Aquarium, schools or similar where the main role of the venue is for educational or conservation purposes and that it can be demonstrated that all appropriate measures have been put in place to safeguard the well-being of the animals, invertebrates and insects on display there.

- 2.6 That only those domestic or working animals performing at the event and/or circus be permitted to be kept on site, excepting domestic pets of members of the circus.
- 2.7 That the wording within the Licence issued by the City Council that permits use of a site for circuses on its land be amended to state that *'the Licensee shall be permitted to hold a circus show provided only domestic or working animals shall take part in the circus show or be kept on the Site (save that domestic pets of circus members shall be permitted to be kept on the Site provided that they are not used to take part in performances or for exhibition purposes)*.
- 2.8 That the City Council's approach on animal involvement does not restrict pets as therapy sessions in care homes, dog walking, animal grooming or dog shows on City Council land or any sites where a venue is operated on behalf of the City Council, provided that animal welfare is appropriately maintained by those managing the activity. Should the City Council receive any reports or concerns of animal abuse or cruelty at any of these activities, these will be investigated and instructed to cease as necessary.

3. Background

- 3.1 The issue of performing animals at events was discussed at length by Full Council in 1988. The minutes of that meeting on 16 February 1988 agreed:
- 'That no circus or any event which has wild animals as part be not permitted on Portsmouth City Council land'.
 - 'The City Council does not permit any circus which contains any performing animals with the exception of dogs and horses on Council owned land'.
 - 'That City Council officers be instructed to monitor the arrangements made for the animal welfare at circuses visiting Portsmouth'.
- It is felt that this articulation of policy, made in 1988, needs to be reviewed to allow a broader response to requests for circuses and/or events that involve animals other than dogs and horses, and supported by a fresh analysis of the evidential and regulatory setting in which it operates.
- 3.2 Circuses and events involving animals are popular in the city and regularly attract large audiences. Events and circuses offer the opportunity for the public to see performing and working animals up close and to see the skill and intelligence of the animals, which can foster admiration and respect. Living in a city attending an event or a circus could be the only opportunity some children and adults have to see an animal up close.

- 3.3 The circus is a 250-year-old art form that began in London, developed by equestrian Philip Astley. Although the global success of Cirque du Soleil proves a circus can flourish without animals, well-run and regulated shows keep alive the popular entertainment in its most pure form, with a mixture of human and animal acts.
- 3.4 It is recognised that for some people the inclusion of animals at any events, whether it is a petting zoo or circus, is an emotive issue. There have been a small number of complaints about petting zoos and circuses from members of the public in the past few years but no complaints in relation to the displays of working animals at events, e.g heavy horses, birds of prey, ferrets or sheep at the Rural and Seaside show.
- 3.5 The Licensing Act 2003 does not treat travelling circuses as regulated entertainment (excluding films and a boxing or wrestling entertainment) provided that:
- The entertainment takes place between 08:00 and 23:00 on any day;
 - It takes place within a moveable structure that accommodates the audience; and
 - The circus has not been located on the same site for more than 28 consecutive days.
- 3.6 In line with the Performing Animals (Regulation) Act 1925 and Animal Welfare Act 2006 (including Regulations made thereunder), all circuses that involve performing animals must apply for a Certificate of Registration from a Local Authority before they can be permitted to operate. The City Council already requests a copy of the registration certificate when reviewing the paperwork for a circus in Portsmouth.
- 3.7 The City Council issues a Licence that permits use of a site for circuses on its land. One of the clauses within that Licence currently states that *'the Licensee shall be permitted to hold a circus show only provided that no animals whatsoever other than horses shall take part in the circus show or be kept on the Site (save that domestic pets of circus members shall be permitted to be kept on the Site provided that they are not used to take part in performances or for exhibition purposes)*. If the recommended approach is adopted by the City Council then the wording of the Licence will be amended to agree that domestic or working animals be permitted to be involved within a circus on City Council land, excluding captive, endangered or wild animals.
- 3.8 Any circus or event on City Council land needs to submit an event management plan and supporting documentation which is then circulated to members of the Portsmouth Events Safety Advisory Group (PESAG). This group is comprised of blue light services and City Council departments such as Environmental Health, Licensing and Building control. PESAG consider and comment on any applications, request further information as necessary and need to be satisfied that all requirements have been met before any event or circus can be approved.

- 3.9 In addition to the submission of all relevant documentation, where necessary, appropriate City Council officers will be instructed to undertake inspections of the event and/or circus to ensure that the conditions within which the animals are both kept and will be performing are adequate and meet the requirements of the Animal Welfare Act 2006. The Act makes owners and keepers responsible for ensuring that the welfare needs of their animals are met and holds them accountable should deficiencies arise. The Animal Welfare Act 2006 covers both domestic animals, and wild animals which are transported and used for the purposes of circuses.
- 3.10 The Animal Welfare Act 2006 has introduced an important and new concept for pet owners and those responsible for domestic animals, which enables the RSPCA or similar enforcement agencies, to advise and educate on animal welfare before a pet suffers. If this advice is not followed or the animal's needs are not being met then action can be taken by appropriate enforcement agencies, whether through a formal warning or in some cases a prosecution.
- 3.11 Whilst the City Council would request the appropriate paperwork for animal involvement at events and/or circuses, this would not be required for dog walkers or dog groomers as the risk of animal abuse is small and is an arrangement made between the owners and those with whom they entrust their animals. However, should the City Council receive any reports or concerns of animal abuse or cruelty, these will be investigated, either by the City Council or appropriate enforcement agencies, and any activities ceased as necessary and appropriate action taken.
- 3.12 Many events, including some managed by the City Council, include dog shows. These involve the public entering their own pets into a range of categories to be judged. These are very popular and often well-attended additions to an event and the risk of animal abuse is considered to be low. Again, should the City Council receive any reports or concerns of animal abuse or cruelty, these will be investigated and any activities ceased as necessary and appropriate action taken.
- 3.13 The City Council will no longer permit mobile petting zoos, static exhibitions or the sale of animals (which includes invertebrates, reptiles and fish) at any events on City Council land, or on any sites where a venue is operated on behalf of the City Council, irrespective of whether appropriate documentation is available or not. This will not affect the permanent aviaries and animal enclosures in College Park and Victoria Park managed by the City Council.
- 3.14 The City Council will not permit any static exhibitions or sale of animals (including invertebrates, reptiles and fish, but excluding working animals) at any event on its land or any site where a venue is operated on behalf of the City Council. Some concerns have previously been raised about the appropriate care, well-being and management of animals on display and being offered for sale, without any prior agreement with the City Council. It is felt that this type of activity may not be in line with the Animal Welfare Act 2006, is difficult for City

Council officers to monitor and could put animals under extreme distress and risk of abuse, injury or fatality. It is therefore not considered to be appropriate to permit this type of activity.

- 3.15 In conclusion, this proposed approach is suggesting that the City Council take a stronger stand against the inclusion of animals at events and/or circuses with the following measures:

Current position:

- The City Council only permit dogs and horses to perform in circuses
- There is no restriction on any animal activity, other than the exclusion of captive, endangered or wild animals, at circuses and/or events on City Council land or any site where a venue is operated on behalf of the City Council
- The City Council requests that documentation and supporting evidence is submitted to the appropriate department for consideration in advance of any circus. All paperwork must fully and appropriately demonstrate that the welfare of the animals has been considered when performing, at rest and when in transit to the event and/or circus. This would require the submission of a veterinary certificate, risk assessments and animal welfare policy.

Proposed position:

- To broaden the position on animals at circuses to permit the inclusion of domestic and working animals (with the exclusion of captive, endangered or wild animals) and the wording in the current Licence be amended to reflect the change.
- That the inclusion of domestic and working animals at City Council events be permitted to continue with the condition that they are delivered by reputable companies or registered handlers with appropriate licences, experience or qualifications.
- That mobile petting zoos no longer be permitted on City Council land or any site where a venue is operated on behalf of the City Council
- That documentation and supporting evidence is submitted to the appropriate City Council department for consideration in advance of any circus or event. All paperwork must fully and appropriately demonstrate that the welfare of the animals has been considered when performing, at rest and when in transit to the event and/or circus. This would require the submission of a veterinary certificate, risk assessments and animal welfare policy.
- That any static exhibition or sale of animals (including invertebrates, reptiles and fish, but excluding working animals) at any event on its land or any site where a venue is operated on behalf of the City Council will no longer be permitted
- No restriction on activities involving dog groomers, dog shows or dog walkers but action will be taken should any concerns be raised in relation to animal welfare.

4. Reasons for recommendations

- 4.1 To confirm that the City Council will not permit and does not support the use of captive, endangered or wild animals at any events or circuses in Portsmouth.
- 4.2 To ensure that the City Council has a robust and current approach in place to allow us to effectively demonstrate our commitment to the safeguarding of animals and to ensuring that animal welfare is a prime consideration while balancing the need to ensure a broad and varied events programme where animal involvement is both for entertainment and education purposes.
- 4.3 To ensure that the City Council has a clear approach in place to inform any responses to complaints or concerns raised by the public with regard to animal cruelty, animal safety or welfare.
- 4.4 To ensure that any City Council led events that currently include the involvement of both domestic and working animals are permitted to continue.
- 4.5 To make it clear that the City Council does not wish to ban the inclusion of animals at events or circuses altogether. It is felt that the inclusion of animals can enhance an event and be both educational and entertaining, but the City Council would insist that the safeguarding of the animals has not been compromised.

5. Equality impact assessment (EIA)

An equality impact assessment is not required for this report as the recommendations do not have a potential negative impact on any of the protected characteristics as described in the Equality Act 2010. This is a report purely to protect animals so this does not disproportionately impact on any specific equality groups.

6. Legal comments

Legal comments are contained within the body of this report.

7. Director of Finance comments

- 7.1 The implementation of the recommendations contained within this report will not lead to any additional costs being incurred by the Council. This report updates and clarifies the existing policy for future events.

.....
Signed by:
Stephen Baily
Director of Culture and City Development

Appendices:

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
Council 10/1988	Central Library

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:
Leader on behalf of the Cabinet

This page is intentionally left blank

Agenda Item 7



Portsmouth
CITY COUNCIL

Agenda item:

Decision maker: City Council

Subject: Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21

Date of decision: 9 February 2017 (Cabinet)
14 February 2017 (City Council)

Report by: Director of Finance & Information Services (Section 151 Officer)

Wards affected: All

Key decision: Yes

Budget & policy framework decision: Yes

1. Executive Summary

- 1.1 The proposals within this report recommend a Budget for 2017/18 that provides for £9m of savings, a Council Tax increase of 4.99% (3% of which is raised specifically to be passported to Adult Social Care) and forecasts that the 3 year period beyond 2017/18 will require a further £12m in savings.
- 1.2 These proposals are made in the context of an improving economy but where the public finances of the country still need to be repaired and, as a consequence, funding reductions to Local Government will continue to 2020. In parallel, the largest spending services of Local Government services (such as Adult Social Care and Children's Social Care) face continued and significant cost pressures.
- 1.3 Over the past 6 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £68m (amounting to a funding reduction of 44%). Taken together with other financial pressures, total savings over the period of £86m have been made by the Council, representing circa 42% of the Council's controllable spending.
- 1.4 The Government published the provisional Local Government Finance Settlement 2017/18 in December 2016 and it is in line with the accepted 4 Year Settlement. In overall terms, the Settlement includes a further reduction in Government Funding over the three year period 2017/18 to 2019/20 of £16.5m representing a further

funding reduction of 36%. Whilst a £16.5m funding reduction remains of serious concern, it is broadly in line with the Council's forecasts and therefore there is no need to seek any further savings beyond those approved at the December 2016 Council meeting.

- 1.5 The City Council made a series of Budget decisions in December 2016 that were strongly aligned with the new Medium Term Financial Strategy. The approved savings proposals were focussed on an "Avoidance to Cuts" approach with a strong emphasis on efficiency and entrepreneurial activities as a means to generate income. In overall terms, the proposed £9m of savings comprised:
- Efficiency Savings (little or no reduction in Services) £6.7m (74%)
 - Additional Income £1.4m (16%)
 - Service Reductions £0.9m (10%)
- 1.6 The approved savings also provided significant protection to the spending of Adults Social Care and Children's Social Care although cost pressures remain significant in those areas.
- 1.7 Taking 2017/18 together with the savings in previous years will mean that the Council will have achieved £95m of savings and efficiencies equating to 47% of the Council's controllable spending.
- 1.8 The decisions made by Council in December 2016 were predicated on an increase in Council Tax of 3.99% in 2017/18 (comprising 1.99% for General Purposes and 2.0% for Adult Social Care).
- 1.9 The Council is a low taxing Authority and currently taxes at a level that is approximately £6.0m per annum less than the average Unitary Authority within its statistical neighbour group, a gap which if closed would reduce the Savings Requirements of the Council by the same sum. Importantly however, Council Tax now represents almost 45% of the Council's total revenue funding and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council. Council Tax rises alone however, are not sufficient to meet even the basic inflationary cost increases of the Council's services.
- 1.10 Government have announced that the general allowable threshold for a Council Tax increase in 2017/18 will be 2%, any increase for General Purposes beyond this will be the subject of a "yes" vote in a local referendum.
- 1.11 Government have also recognised that there are significant cost pressures facing Adult Social Care and whilst Local Government will continue to be subject to further funding reductions, the level of Council Tax increase for the Adult Social Care precept for 2017/18 and 2018/19 has been confirmed at 3% (compared with the announcement in the Comprehensive Spending Review in December 2015 of 2% for each year). Whilst the threshold for 2017/18 and 2018/19 has been increased, the overall increase over the 3 year period to 2019/20 remains intact. Therefore, it is for Local Councils to agree how to profile the available 6% increase over the 3 year period 2017/18 to 2019/20 within an overall cap of 6% and an annual cap of 3% (for example 2%, 2% and 2% or alternatively 3%, 3% and 0%).

- 1.12 There remain unfunded cost pressures, both present and emerging, in Adult Social Care which amount to far in excess of the 3% precept flexibility (i.e. amounting to £2.0m). Setting a precept at a lower sum will inevitably result in additional service reductions to Adult Social Care services in 2017/18 and this decision therefore will be critical for Adult Social Care services and the wider health system in the City
- 1.13 Looking forward beyond 2017/18, the Council's future financial forecasts indicate a challenging position but, as a consequence of prudent financial management throughout previous years, the overall deficit is now improving with a forecast Budget Deficit over the period 2018/19 to 2020/21 of £12m. Government funding reductions and demand led cost pressures in the essential care services of Adult Social Care and Children's Social Care continue to be the driving forces contributing to the £12m forecast Budget Deficit.
- 1.14 The £12m forecast Savings Requirements for future years are proposed to be phased to have regard to a managed reduction in spending and service provision over a realistic period as set out below:

	Revised Underlying Budget Deficit	Revised In Year Target	Revised Cumulative Saving
	£m	£m	£m
2018/19	3.9	4.0	4.0
2019/20	8.9	4.0	8.0
2020/21	11.4	4.0	12.0

- 1.15 Despite funding reductions and cost pressures and the need to protect core services to residents, the Council still has an important role in stimulating the local economy.
- 1.16 The Council has the opportunity through its capital programme and borrowing powers to invest in both the regeneration of the City (to raise prosperity generally as well as improving the Council's financial position) and cost reduction schemes for the Council itself.
- 1.17 There are significant proposals within this report to supplement the capital resources available for investment, including the transfer of £3.5m from the Revenue Budget in 2016/17 by bringing forward the implementation of the Council's strategy to take a "Debt Repayment Holiday" (originally planned for 2017/18). This saving amounts to £3.1m and is proposed to be used to contribute additional funding for the Council's commitments to schemes such as the Southsea Sea Defences (total scheme value of £89m), School Places and the City Centre Re-development.
- 1.18 Furthermore, with generally available annual capital funding of £10m versus core capital investment obligations and aspirations over the next 1 to 2 years of between £22m to £39m, there is a huge shortfall to be met. Proposals within the report therefore provide for any further underspendings that arise at year end to be

transferred to supplement the Council's capital resources to enable the Council to meet its statutory obligations and also to transform the City's growth potential.

1.19 The proposals contained within the December 2016 report and this report, now culminating in the proposed Budget for 2017/18, will:

- Provide a suite of savings amounting to £9m of which the vast majority relate to either efficiency savings (£6.7m) or additional income (£1.4m) leaving just £0.9m, or 10%, to be achieved through service reductions
- In accordance with the Budget Consultation, provide significant protection from savings to both Adults Social Care and Children's Social Care
- Provide for an overall Council Tax increase of 4.99% in 2017/18 comprising 1.99% for General Purposes and 3.0% (amounting to £2.0m) to be passported direct to Adult Social Care (ASC) services.
- Provide assurance that with a 3% increase in Council Tax for Adult Social Care, that existing and emerging cost pressures can be met therefore avoiding any further reductions to those services in 2017/18 which is critical for Adult Social Care services and the wider health system in the City
- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and New Burdens Funding)
- Require that for 2018/19 a minimum on-going savings sum of £4.0m be made
- Transfer £3.0m (from 2016/17 underspendings) to the MTRS Reserve recognising this as the Council's primary vehicle for providing funding for Spend to Save initiatives
- Supplement the Capital Resources available in 2017/18 by making a £3.5m transfer from Revenue in 2016/17 from savings achieved from the early implementation of the "Debt Repayment Holiday" to support the Capital Programme where there remains an enormous gap between Service needs, regeneration aspirations and the associated level of capital resources available
- Provide for any further underspendings in 2016/17 arising at the year-end (outside of those made by Portfolios) to be transferred to Capital Resources in order to provide funding for known future requirements such as Secondary School Places, Sea Defences and enabling infrastructure for the City's development

1.20 It remains a particularly challenging time for the Council, the future savings required are substantial and funding risks remain. Nevertheless, the proposals contained within this report ensure that the Budget for 2017/18 is financially balanced and that resources are targeted in accordance with the Council's Medium Term Financial Strategy. This provides the Council with assurance that its financial health will remain sound and that it can maintain a good degree of resilience against an uncertain future.

2. Purpose of Report

- 2.1 The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2017/18 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 2017/18 and the level of Council Tax in the context of the Council's recently refreshed Medium Term Financial Strategy with 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, being entrepreneurial and protecting the most important and valued services

- 2.3 The recommended Budget for 2017/18 has been prepared on the basis of the decisions taken by the City Council on the 13th December 2016 relating to:
- The Council Tax proposals for the general increase as well as the additional flexibility to increase Council Tax for Adults Social Care Services
 - The approved budget savings amounting to £9m
- 2.4 This report also provides a comprehensive revision of the Council's rolling 3 year financial forecast for the new period 2018/19 to 2020/21 (i.e. extending the forecast to 2020/21) considering the future outlook for both spending and funding. In that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's aspirations for the City as well as maintaining the Council's overall financial strength.

2.5 In particular, this report sets out the following:

- (a) The challenging but improving financial climate facing the City Council in 2017/18 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 refreshed by the Council in December 2016
- (c) A brief recap of the budget decisions taken by the City Council at its meeting of the 9th December 2016
- (d) The Revised Revenue Budget and Cash Limits for the current year
- (e) The Local Government Finance Settlement for 2017/18 to 2019/20
- (f) The Business Rate income for 2017/18 and future years
- (g) The Council Tax base and recommended Council Tax for 2017/18
- (h) The forecast Collection Fund balance as at 31 March 2017 for both Council Tax and Business Rates
- (i) The proposed Revenue Budget and Cash Limits for 2017/18
- (j) The forecast Revenue Budget and revised Savings Requirements for 2018/19, 2019/20 and 2020/21
- (k) Estimated General Reserves over the period 2016/17 to 2020/21
- (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable efficiencies
- (m) The statement of the 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 2016/17 and the Revenue Estimates for the financial year 2017/18 as set out in the General Fund Summary (Appendix A)
- (b) The Portfolio Cash Limits for the Revised Budget for 2016/17 and Budget for 2017/18 as set out in Sections 7 and 9, respectively
- (c) That £3.5m be transferred to the Revenue Reserve for Capital to supplement the resources available for the Capital Programme in order to ensure the Council can properly meet its statutory responsibilities including School Places, Sea Defences and potential match funding commitments for the City Centre Road
- (d) That £3.0m be transferred to the MTRS Reserve to restore it to a level sufficient to enable the Council to pursue both Spend to Save schemes, Invest to Save schemes and fund redundancy costs, all aimed at facilitating the Council's savings strategy

- (e) That £1.9m is carried forward from 2016/17 to 2017/18 in respect of contingent items that were expected to arise in 2016/17 but are now expected to occur in 2017/18
- (f) Any further underspendings for 2016/17 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known future commitments such as Secondary School Places, Sea Defences and the enabling transport infrastructure necessary for the City's development and growth which have, as yet, insufficient funding
- (g) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves.
- (h) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- (i) That the level of Council Tax be increased by 1.99% for general purposes in accordance with the referendum threshold¹ for 2017/18 announced by Government (as calculated in recommendation 3.4 (d))
- (j) That the level of Council Tax be increased by a further 3.0% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £2,022,300 is passported direct to Adult Social Care
- (k) Managers be authorised to incur routine expenditure against the Cash Limits for 2017/18 as set out in Section 9
- (l) That the savings requirement for 2018/19 be set at a minimum on-going sum of £4.0m
- (m) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished
- (n) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 10 and that this be incorporated into Service Business Plans
- (o) The minimum level of General Reserves as at 31 March 2017 be maintained at £7.0m (£7.0m in 2016/17) to reflect the known and expected budget and financial risks to the Council
- (p) Members have had regard for the Statement of the Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 13.

¹ Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

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

- (a) The Revenue Estimates 2017/18 as set out in Appendix A have been prepared on the basis that the 3% tax increase for the "Social Care Precept" (amounting to £2,022,300) is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the cost of the new National Living Wage and demographic pressures arising from a "living longer" population
- (b) The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider Health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 3% tax increase (amounting to £674,100 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2017/18
- (c) In general, any reduction from the 4.99% Council Tax increase proposed will require additional savings of £674,100 for each 1% reduction in order for the Budget 2017/18 to be approved
- (d) The Revenue Forecast for 2018/19 onwards as set out in Section 10 and Appendix B
- (e) The estimated Savings Requirement of £12m for the three year period 2018/19 to 2020/21, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement £m	Cumulative Saving £m
2018/19	4.0	4.0
2019/20	4.0	8.0
2020/21	4.0	12.0

- (f) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies will hold an uncommitted balance of £4.4m² and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required
- (g) The Council Tax element of the Collection Fund for 2016/17 is estimated to be a surplus of £1,743,962 which is shared between the City Council (85%), Police & Crime Commissioner (11%) and the Hampshire Fire & Rescue Authority (4%)
- (h) The Business Rate element of the Collection Fund for 2016/17 is estimated to be a surplus of £3,017,262 which is shared between the City Council (49%), the Government (50%) and the Hampshire Fire & Rescue Authority (1%)
- (i) The Retained Business Rate income³ for 2017/18 (excluding "Top Up") based on the estimated Business Rate element of the Collection Fund surplus as at March 2017, the Non Domestic Rates poundage for 2017/18 and estimated rateable values for 2017/18 has been set at £43,648,937

² Including the transfer into the reserve of £3.0m contained with the recommendations in this report

³ Including the Portsmouth City Council element of the Collection Fund surplus of £1,478,458, S31 Grants of £2,217,322 and excluding the "Top Up" grant from Government of £5,984,004.

- 3.3 That the S.151 Officer has determined that the Council Tax base for the financial year 2017/18 will be **55,329.9** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the “Act”)].
- 3.4 That the following amounts be now calculated by the Council for the financial year 2017/18 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£463,193,930	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£392,420,348	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£70,773,582	Being the amount by which the aggregate at 3.4 (a) above exceeds the aggregate at 3.4(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)	£1,279.12	Being the amount at 3.4(c) above (Item R), all divided by Item 3.3 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 £
852.75	994.87	1,137.00	1,279.12	1,563.37	1,847.62	2,131.87	2,558.24

Being the amounts given by multiplying the amount at 3.4(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.

- 3.5 That it be noted that for the financial year 2017/18 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 £
110.31	128.69	147.08	165.46	202.23	239.00	275.77	330.92

- 3.6 That it be noted that for the financial year 2017/18 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
£	£	£	£	£	£	£	£
42.56	49.65	56.75	63.84	78.03	92.21	106.40	127.68

- 3.7 That having calculated the aggregate in each case of the amounts at 3.4(e), 3.5 and 3.6 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 2017/18 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,005.62	1,173.21	1,340.83	1,508.42	1,843.63	2,178.83	2,514.04	3,016.84

- 3.8 The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2017/18, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act.

The 4.99% increase includes a 3% increase to support the delivery of Adult Social Care.

As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2017/18 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

- 3.9 The S.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 2016 described the overall national picture for public finances, the overall financial position for the Council currently and the forecast position for future years.
- 4.2 The Government continue to address the deficit in the national public finances but provided some relaxation versus the previous fiscal rules which required a Budget Surplus by the end of this parliament. The Government have now stated that the Country will return to a Budget Surplus "as early as possible in the next parliament.....but should be below 2% by the end of this parliament".
- 4.3 The Autumn Statement did not seek any further reductions in Government Departmental Spending limits which implies that the 4 year Government Finance Settlement that the Council applied for (and has now been approved by Government) will remain intact.
- 4.4 Over the past 6 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £68m (amounting to 44%). This has primarily been through reductions in Revenue Support Grant. 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 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 £86m. In context, this represents circa 42% of the Council's controllable spending.
- 4.5 This report includes a new financial forecast for the next 3 year period (covering both expenditure and funding) to 2020/21 after taking account of the £9.0m savings decisions made by the City Council in December 2016. Taking 2017/18 together with the savings in previous years will mean that the Council will have achieved £95m of savings and efficiencies equating to 47% of the Council's controllable spending.

5. Medium Term Financial Strategy and Budget Decisions 2017/18

- 5.1 In response to the considerable financial challenge, the City Council recently refreshed its Medium Term Financial Strategy (for both revenue and capital) extending its reach with a stronger focus on entrepreneurial activities leading to income generation as a means to make savings and avoid cuts to services. This is illustrated below:

OVERALL AIM

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

STRAND 1 - Short / Medium Term

Transforming to an Entrepreneurial Council - through income generation

STRAND 2 - Medium / Long Term

Reduce the Extent to which the Population Needs Council Services - through improving prosperity and managing demand

STRAND 3 - Short / Medium Term

Increasing Efficiency & Effectiveness - by improving value for money across all services

STRAND 4 - Short Term

Withdraw or Offer Minimal Provision for Low Impact Services

- 5.2 The Strategy has a strong entrepreneurial and regeneration focus with a presumption that Capital investment will also be targeted towards income generation and economic growth once the Council's statutory obligations have been met.

5.3 Despite the challenging financial circumstances, the City Council made a series of Budget decisions in December 2016 that were strongly aligned with the new strategy.

5.4 The Administration's proposals were focussed on an "Avoidance to Cuts" approach in line with the Medium Term Financial Strategy. In overall terms, the proposed £9m of savings related to:

- Efficiency Savings (little or no reduction in Services) £6.7m (74%)
- Additional Income £1.4m (16%)
- Service Reductions £0.9m (10%)

5.5 The key Budget decisions made included:

- A balanced suite of savings amounting to £9.0m (of the original forecast £24.0m⁴ required over the 3 year period 2017/18 to 2019/20) which, in accordance with the Budget Consultation, provided some measure of protection to the vulnerable. By way of example, the average saving required across the Council was 4.7% of spending but to protect Children's Social Care (at 1.1% spending reductions) and Health & Social Care - Adult Social Care (at 2.6% spending reductions), it has been necessary to make spending reductions in other valued Portfolios of up to 11.7% as described below:

Portfolio / Committee	Savings Proposal	
	£	% Budget
Children's Social Care	300,000	1.1%
Culture, Leisure & Sport	343,600	3.7%
Education	212,000	3.3%
Environment & Community Safety	87,000	0.6%
Governance, Audit & Standards	30,000	4.1%
Health & Social Care - Adult Social Care	1,382,000*	2.6%
Health & Social Care - Public Health	602,000	4.4%
Housing	179,000	3.3%
Planning, Regeneration & Economic Development	928,000	11.7%
Resources	961,400	3.0%
Traffic & Transportation	330,000	2.5%
Other Expenditure (incl. Debt Repayment)	3,645,000	52.2%
Grand Total	9,000,000	4.7%

* Excludes the additional funding passported through the Adult Social Care Precept of £2.0m and additional funding for the Care Act of £1.4m and an inflation provision meaning that in overall terms there is a real budget increase to Adult Social Care of £2.0m

- To prepare the 2017/18 Budget on the basis of a Council Tax increase of 3.99% in 2017/18 (comprising 1.99% for General Purposes and 2.0% for Adult Social Care)

⁴ Assuming a general Council Tax increase of 1.99%. Should the Council Tax not be increased by 1.99%, then each 1% change will add £0.674m to the savings requirement

- That in the event that the Council has the ability to increase the level of Council Tax beyond 2% in order to fund Adult Social Care pressures, and if the Council elects to do so, that any additional funding that arises is passported direct to Adult Social Care to provide for otherwise unfunded cost pressures.

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

- Meet its £9.0m savings requirement whilst largely avoiding service reductions
- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and New Burdens Funding)
- Provide protection for the Council's services to the vulnerable and highest priority activities
- Maintain the overall financial health of the Council for the future financial challenge and uncertainties ahead

6. Revised Budget 2016/17

6.1 The original revenue Budget approved by the City Council on 9 February 2016 was £157,992,700.

6.2 The Council has received regular quarterly Budget Monitoring reports on the 2016/17 Budget throughout the year which have consistently reported an improving financial position. The improvement that has been reported has largely resulted from improved returns from Treasury Management activities and the improvement in the trading surpluses at the Commercial Port.

6.3 Whilst significant progress has been made in addressing the underlying budget deficits of both Adult Social Care and Children's Social Care, it has also been reported that there were forecast overspendings in those Portfolios of £0.6m and £1.3m, respectively. This has been offset by contingency provision specifically set aside for this eventuality of £0.75m. The underlying deficits (i.e. that part of the overspending anticipated to continue into future years) in aggregate for both Portfolio's is forecast to be £1.1m and this will need to be remedied in 2017/18.

6.4 In overall terms taking account of the forecast under and overspendings described above, the 2016/17 Budget is forecast to be in balance.

6.5 The Original Budget has now been comprehensively revised and it is proposed to reduce the Budget to £156,997,300, a reduction of £995,400 with the overall reduction transferring into General Reserves to fund the recommended carry forward proposals in the next financial year.

6.6 Significant changes to the Original Budget now being proposed as part of the Revised budget are as follows:

- Earlier implementation of the Council's strategy to take a "Debt Repayment Holiday" (originally planned for 2017/18) amounting to a saving of £3.1m in

order to provide funding for the Council's Capital Expenditure commitments, including a remaining Council commitment to fund £4.75m in relation to the Southsea Sea Defences Scheme, (total scheme value of £89m) - see Revenue Contribution to Capital below

- Reduction in the Council's Contingency provision of £1.9m in 2016/17 which is related to contingent risks that were expected to arise in 2016/17 but are now expected to occur in 2017/18 and therefore this sum is proposed to be carried forward into the 2017/18 Budget
- Improvement in Treasury Management activities of £1.2m
- Improvement in both the Port and MMD trading surpluses amounting to £1m
- A contribution to the Revenue Reserve for Capital of £3.5m to enable the Council to increase the Capital Resources available to properly fund its statutory responsibilities including School Places, Sea Defences and potential match funding commitments for the City Centre Re-development
- A contribution to the MTRS Reserve of £3.0m to restore it to a level sufficient to enable the Council to pursue both Spend to Save schemes, Invest to Save schemes and fund redundancy costs, all aimed at facilitating the Council's savings strategy. Without this transfer, the uncommitted balance on the reserve by 2020/21 is estimated at just £1.4m

6.7 Additionally, the Council's remaining contingency provision for 2016/17 has been set at a level that provides some cover for any likely overspendings that may arise in Children's Social Care and Adult Social Care.

6.8 As described in the Capital Programme 2016/17 to 2021/22 report contained elsewhere on this agenda, there are very significant future capital obligations and aspirations. These include schemes both of a statutory nature plus schemes aimed at protecting and transforming the City's economy. These schemes are presently unfunded but will likely require funding in the short and medium term:

Capital Scheme - Significant Obligation / Aspiration	Unfunded Requirement £m
Secondary School Places 2019/20 to 2021/22	9.0 - 11.0
Special Educational Needs Re-modelling	4.0 - 5.0
School Condition (roofs, boilers, electrics, windows etc.)	2.0 - 3.0
Sea Defences Contribution to £89m Scheme	4.8 - 10.5
Enabling Transport Infrastructure match funding - City development	0 - 5.0
Landlords Repairs & Maintenance	1.0 - 2.0
Local Transport Plan - Road safety and traffic improvement schemes	1.5 - 2.0m
Total Funding Requirement	22.3 - 38.5

- 6.9 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital grant funding, capital receipts and CIL contributions that the Council receives (circa £10m per annum) plus any Government funding which may be available for school places. With potentially available capital funding of £10m versus core obligations and aspirations of between £22m to £39m of Capital Investment, there is a hugely significant shortfall to be met.
- 6.10 Given that this Capital Investment is necessary for both the Council's statutory obligations and also to transform the City's growth potential, it is vital that the Council makes the proposed Revenue Contribution to Capital for 2016/17 of £3.5m (as previously described) and also transfers any further underspendings for 2016/17 arising at the year-end to Capital. Without this funding, essential Capital Investment into School Places, Sea Defences and the City Centre Development will be in jeopardy.
- 6.11 The Revised Revenue Budget is set out in the General Fund Summary (Appendix A).

7. Revised Cash Limits 2016/17

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 2016/17 have been revised to take account of:

- Items released from Contingency in the current year
- Windfall savings and windfall costs
- Passporting of grants that were received for new burdens or specific purposes
- 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 2016/17 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 2016/17 £'000	Items Outside the Cash Limit £'000	Revised Budget 2016/17 £'000
Children's Services	23,949	105	24,054
Culture Leisure & Sport	6,553	3,870	10,423
Education	6,118	18,989	25,107
Environment & Community Safety	13,978	1,781	15,759
Health & Social Care	42,042	3,314	45,356
Housing	3,546	5,743	9,289
Leader	122	20	142
Planning Regeneration Economic Development	(10,219)	13,041	2,822
Resources	18,209	4,231	22,440
Traffic & Transportation	15,338	684	16,022
Governance & Audit Committee	278	47	325
Licensing Committee	(235)	16	(219)
PORTFOLIO EXPENDITURE	119,679	51,841	171,520

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 2017/18

8.1 At last year's Annual Budget Meeting in February 2016, forecasts for this coming financial year 2017/18 and the subsequent two financial years estimated that an overall 3 year savings requirement of £24m would be necessary to meet the budget deficits over that period⁵. The forecasts for the 3 year period were prepared on the basis of the following:

- A reduction in Government Funding of £12.2m
- Adult Social Care pressures of £11.2m
- Inflationary costs of £11.0m

Offset by:

- Additional income from Council Tax of £8.4m (4.0% per annum)
- Other net improvements amounting to £2.0m

8.2 Since those forecasts were prepared in February last year, the Council has now received the 4 Year Settlement applied for in October 2016 and received the provisional Local Government Finance Settlement for 2017/18. Alongside this all other elements of the forecast have now been comprehensively reviewed. This includes the following:

Funding

- Central Government Funding (Local Government Finance Settlement)
- Business Rate Income
- Council Tax Income

Expenditure

- Savings proposals (agreed by the City Council on 13th December 2016)
- Inflationary Costs
- Other cost pressures (including "new burdens" passed down from Central Government)
- Port and MMD trading results
- Debt Financing costs and interest rates
- Contingencies

8.3 As reported to the City Council in December 2016, the advice of the S.151 Officer was that "whilst it is likely that the overall financial forecasts will change, the savings requirement for 2017/18 at £9.0m (with a Council Tax increase of 3.99%) remains robust and prudent . Given what is known, or reasonably expected, regarding future funding reductions and given future uncertainties, a savings requirement of less than these sums would not be prudent". Now that the Local Government Finance Settlement has been received and the Council's forecasts for future years have been comprehensively revised, that advice still holds.

⁵ This assumed Council Tax increases of 4.0% per annum from 2017/18 to 2019/20. Each 1 % reduction in Council Tax will add £674,100 to the forecast deficit.

8.4 Details of the Local Government Finance Settlement are set out below.

Local Government Finance Settlement 2017/18 to 2019/20

8.5 The Local Government Finance Settlement is the term used to describe the main non-ring-fenced Revenue and Capital grant funding allocations from Government. The provisional settlement was announced on 16 December 2016 and the final settlement will be announced in early February 2017.

Provisional Settlement 2017/18

8.6 The Council resolved to apply for the Government's 4 year Settlement in October 2016 which has now been accepted by Government. Whilst providing some certainty of future Government Funding, the funding reductions for the Council remain significant and challenging.

8.7 The Government published the provisional Local Government Finance Settlement 2017/18 in December 2016 and it is in line with the accepted 4 Year Settlement.

8.8 In overall terms, the Council expects a further reduction in Government Funding over the three year period 2017/18 to 2019/20 of £16.5m representing a funding reduction of 36%. Of most significance are the reductions in Revenue Support Grant and the New Homes Bonus. There is a rise in "Other Grants" totalling £2.4m, this relates to additional funding through the "Improved Better Care Fund" allocations which commence slowly at £0.5m for 2017/18 and rise to £6.2m in 2019/20 but offset by other grant reductions, most notably the New Homes Bonus amounting to a reduction of £2.0m. This is all summarised in the table below:

Funding Stream	2016/17	2017/18	2018/19	2019/20	Total Reduction
	£m	£m	£m	£m	£m
Revenue Support Grant	30.4	22.3	17.0	11.5	(18.9)
Other Grants	18.8	18.0	18.8	21.2	2.4
Total Government Grants	49.2	40.3	35.8	32.7	(16.5)

8.9 Whilst the Revenue Support Grant forms part of the 4 Year Settlement, the Other Grants do not and therefore these funding streams will remain a risk for the Council in future years.

8.10 The overall impact of the provisional Local Government Finance Settlement on the Council's future forecast Budget Deficit over the 3 year period to 2019/20 is broadly neutral and whilst the overall reduction of funding to 2019/20 amounting to £18.9m is a serious concern to the Council, it had been largely predicted within the Council's financial forecasts.

8.11 Other key announcements as part of the provisional Local Government Settlement are:

- Overall Funding - There is no new money in the settlement compared with that announced in the Comprehensive Spending Review in December 2015

- Revenue Support Grant - There is no change to the distribution methodology for 2017/18
- The Settlement confirmed that additional funding of £1.4m has been provided for the additional new burdens associated with the implementation of the Care Act (and this has been passported within the proposed Budget for 2017/18 to Adult Social Care).
- There is an additional "one-off" grant for Adult Social Care Support grant, funded by accelerating the reduction in the national New Homes Bonus scheme (see below). The addition of the new grant and the reduction in the New Homes Bonus have largely offset each other
- Council Tax:
 - The basic referendum principle of a 2% increase is confirmed
 - Adult Social Care Precept - More flexibility has been allowed to fund Adult Social Care pressures by bringing forward the ability to raise Council Tax for the Adult Social Care Precept earlier than set out in the Comprehensive Spending Review. Options now include:
 - i) 2% per annum for the next 3 years (as originally allowed in the Comprehensive Spending Review)
 - ii) 3% for 2017/18, 3% for 2018/19 and Zero for 2019/20
 - iii) 3% for 2017/18, 2% for 2018/19 and 1% for 2019/20
 - iv) Other permutations adding up to 6% over 3 years but "back loaded"
- The announcement of the revised New Homes Bonus scheme (described below)

8.12 The new scheme for the New Homes Bonus was intended to "sharpen the incentive" but also to reduce the overall amount available nationally by £593m (almost 40%) and re-direct funding towards Adult Social Care through the "Improved Better Care Fund". This was to be phased but commencing slowly from 2017/18

8.13 The proposed scheme now announced is summarised below:

- A threshold of a 0.4% increase in new homes (or "deadweight") before any New Homes Bonus (NHB) will be paid (i.e. 0.4 % growth will need to be achieved before any NHB funding will be paid - for Portsmouth this amounts to circa 294 new homes)
- A reduction in the length of time payments will be made from 6 years to 5 in 2017/18 and then a further reduction to 4 years from 2018/19 and thereafter

- From 2018/19 payments will not be made for residential development allowed on appeal

The introduction of the 0.4% threshold ("deadweight") is significant, and a change from the 0.25% threshold consulted upon. The "deadweight" threshold is a concern to those Authorities where there is more limited potential for housing growth (either through lack of land supply such as Portsmouth or limited opportunities for business growth). Nevertheless, it does emphasise the need to continue the drive towards regeneration and high quality employment in the City as a mechanism to stimulate the Council Tax base.

- 8.14 The Government will publish a response to the Fair Funding review consultation (i.e. the review of the 'needs element' embedded with the Revenue Support Grant and the Business Rates Retention system). This is to be implemented in 2020/21 as part of the overall move to the 100% business rates retention system.
- 8.15 The final grant settlement should be available by early February, it is not expected to vary significantly from the provisional settlement and it is recommended that any variation should be accommodated by a transfer to or from General Reserves.
- 8.16 Whilst the Local Government Finance Settlement is a significant factor in determining the Council's overall financial position and therefore any necessary savings, other significant factors that will affect the Council's future Savings Requirements include Business Rates income, Council Tax income, inflation, interest rates and any new unfunded burdens passed down from Government.
- 8.17 Given that the 2017/18 Local Government Finance Settlement is broadly in line with the Council's forecasts upon which the minimum £9m savings requirement was based, there is no need to seek any further savings beyond those approved at the December 2016 Council meeting.

Retained Business Rates 2017/18 & Future Years

- 8.18 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.
- 8.19 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 baseline funding level (for Portsmouth this would require a fall in Business Rates retained to £41.9m).

- 8.20 In 2017/18 the National Non Domestic Rate system was subject to a re-valuation. This revised both the rateable values and the multiplier. The entire re-valuation is financially neutral at a national level with the increase in rateable values overall offset by a reduction in the multiplier.
- 8.21 Retained Business Rates system for Local Authorities is likewise intended to be financially neutral. Inevitably, this will not be the case and there will be "winners" and "losers" across the country. The key risk is the extent to which successful appeals are greater or less than the assumed allowance for appeals contained within the new multiplier set by Government.
- 8.22 For 2017/18, Retained Business Rates⁶ are estimated at £49.6m which includes a surplus relating to previous years of £1.5m arising from lower than anticipated losses due to appeals. Future estimated Business Rates have been assumed to increase by the rate of inflation only (as estimated by the Office for Budget Responsibility) since revaluation appeals and applications for mandatory business rate reliefs (e.g. charitable relief) can easily offset any growth.
- 8.23 The estimation of business rate receipts is extremely complex, with the potential to be volatile and with many of the factors outside this Council's control. In particular, the Valuation Office Agency will both determine whether a rating appeal is successful and the level of reduction granted with the Council having no right of challenge. To help mitigate against this risk, the Council maintains a reserve to provide the Council with a degree of funding stability in the event of fluctuations within and between years.
- 8.24 Despite the complications and risks associated with appeals, there remains the financial incentive within the system for many Local Authorities (including Portsmouth⁷) 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.

⁶ Includes 49% of all Business Rates received, S.31 Grants in recompense for nationally introduced reliefs and the surplus on the Collection Fund relating to Business Rates and the "Top Up"

⁷ Applies to Local Authorities that, in general, remain above the safety net threshold over time

Council Tax Proposals 2017/18 & Future Years

Council Tax Amount 2017/18

- 8.25 As described in the Budget report to Council in December 2016, the Council currently receives approximately £6.0m per annum less in Council Tax than the average Unitary Authority within its statistical neighbour group, a gap which if closed would reduce the Savings Requirements of the Council by the same sum.
- 8.26 Council Tax currently represents almost 45% of the Council's total revenue funding and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council.
- 8.27 Council Tax for the average Council Tax payer in Portsmouth (Band B) currently amounts to £1,121.08, of which £947.59 (85%) is the City Council element. Not all residents are subject to the full amount of Council Tax with many benefitting from exemptions and discounts (such as the single person discount) and a significant number of residents receiving Local Council Tax Support bringing the level of Council Tax payable to an assessed affordable level. After discounts, exemptions and Local Council Tax support is taken into account, only 52% of all properties are subject to the full level of Council Tax.
- 8.28 The provisional Local Government Finance Settlement for 2017/18 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 2%. Any increase beyond the 2% threshold can only be implemented following a "Yes" vote in a local referendum.
- 8.29 In addition, the level of Council Tax increase for the Adult Social Care precept for 2017/18 and 2018/19 has been confirmed at 3% (compared with the announcement in the Comprehensive Spending Review in December 2015 of 2% for each year). Whilst the threshold for 2017/18 and 2018/19 has been increased, the overall increase over the 3 year period to 2019/20 remains intact. Therefore, it is for Local Councils to agree how to profile the available 6% increase over the 3 year period 2017/18 to 2019/20 within an overall cap of 6% and an annual cap of 3% (for example 2%, 2% and 2% or alternatively 3%,3% and 0%).
- 8.30 The recommendations approved by the City Council in December 2016 included the following:
- (a) That the Council's Budget for 2017/18 be prepared on the basis of a 3.99% Council Tax increase (based on a 1.99% increase for General Purposes and a 2.0% increase for the Adult Social Care Precept)
 - (b) That in the event that the Council has the ability to increase the level of Council Tax beyond 2% in order to fund Adult Social Care pressures, and if the Council elects to do so, that any additional funding that arises is passported direct to Adult Social Care to provide for otherwise unfunded cost pressures

Accordingly, the proposals within this report are for a total Council Tax increase of 4.99% as follows:

- (a) A 1.99% increase yielding £1,341,500 (equating to 36 pence per week for a Band B Tax payer) for general purposes
- (b) A further 3% increase yielding £2,022,300 (equating to a further 55 pence per week for a Band B Tax payer) for the "Social Care Precept" and to be passported direct to Adult Social Care to fund existing and emerging demographic pressures and other cost pressures such as the National Living Wage

- 8.31 The additional flexibility to bring forward the Council Tax increases for the Adult Social Care Precept has been provided in recognition of the extreme cost pressures facing Adult Social Care, both through the increase in the National Living Wage as well as the demographic pressures from a general aging and "living longer" population.
- 8.32 As described in the City Council in December 2016, there are a number of actual and potential cost pressures that either currently exist or will fall on Adult Social Care in 2017/18. This includes the current underlying budget deficit amounting to £0.6m as also reported to Council. In addition, Adult Social Care will face pressures from the rising elderly population generally, the requirements of the Care Act and the 4.2% increase in the National Living Wage. The National Living Wage alone could confer an additional cost of circa £1.4m on the Council.
- 8.33 Given the extent of the unfunded cost pressures, both present and emerging, which amount to far in excess of the value of the additional 1% Adult Social Care Precept flexibility (i.e. amounting to £674,100), it is recommended that the Council increase the Council Tax for the Adult Social Care Precept by 3%. Setting a precept at a lower sum will inevitably result in additional service reductions to Adult Social Care services in 2017/18, this decision therefore will be will be critical for Adult Social Care services and the wider health system in the City.
- 8.34 The Council could elect not to increase the level of Council tax by 4.99% but if it chose to do so would need to identify additional savings over and above the £9m savings approved by the City Council in December 2016. For every 1% reduction in Council Tax, additional savings of £674,100 will be required.
- 8.35 The Council's future forecasts for the period 2018/19 to 2020/21 have been estimated on the following basis:
- i) General Purposes - 1.99% rise each year
 - ii) Adult Social Care Precept - 3.0% rise in 2018/19, 0% for 2019/20 and thereafter

Council Tax Base 2017/18

- 8.36 The Council Tax Base (i.e. the number of Band D equivalent properties paying the full Council Tax) has been determined as **55,329.9** for 2017/18, having taken account of the previous Council decisions on 15th November 2016 relating to the Local Council Tax Support Scheme.

Collection Fund Balance (Council Tax Element) 2016/17

- 8.37 The Collection Fund is the account into which are paid amounts collected in respect of Council Tax and out of which are paid the Council Tax precepts to:
- Portsmouth City Council (84.6% share)
 - Hampshire Police & Crime Commissioner (11.1% share)
 - Hampshire Fire & Rescue Service (4.3% share)

In the event that actual Council Tax income receivable is different from the estimated income (informed by the calculation of the Council Tax Base) upon which the precepts are based, then a surplus or deficit will arise.

- 8.38 For 2016/17, it is estimated that there will be a surplus on the Collection Fund of £1,743,962 which will be shared in proportion to the 2016/17 precepts and distributed to the preceptors as follows:

COLLECTION FUND SURPLUS - 2016/17		
Preceptor	Distribution	
	£	%
Portsmouth City Council	1,474,078	84.6%
Hampshire Police & Crime Commissioner	194,143	11.1%
Hampshire Fire & Rescue Service	75,741	4.3%
Total Surplus 2016/17	1,743,962	100.0%

The Portsmouth City Council Share of the surplus of £1,474,078 is factored into the overall Council Tax income for 2017/18.

Total Council Tax Income 2017/18 & Future Years

- 8.39 Considering the Council Tax increase, Council Tax Base and surplus on the Collection Fund, the total Council Tax income for 2017/18 is estimated at £72,247,660.

8.40 As Government funding reduces, rises in Council Tax income are fundamental to the Council's future financial position and therefore the future sustainability of Council Services. The Council's Medium Term Financial Forecast assumes that Council Tax Income will rise to £77,291,997 by 2020/21 and is based on the following assumptions:

- Annual increases in the amount of Council Tax of 4.99% for 2018/19
- Increases of 1.99% per annum from 2019/20 onwards

Cumulative Effects of the Overall Local Government Funding System

8.41 Over the past 5 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 promote 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 £1,530 p.a. above the "deadweight" threshold of 0.4% (circa 294 homes) in New Homes Bonus grant for a period of 4 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 2017/18 is £8.3m. Each 1% change therefore will represent a cost / saving of £83,000.

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

Summary of Proposed Revenue Budget 2017/18

8.42 The proposed Budget for 2017/18 has been prepared to include the following:

Spending 2017/18:

- Passporting the "Social Care Precept" funding of £2.0m (amounting to the equivalent of a 3% increase in Council Tax) to Adult Social Care for demographic pressures and the costs associated with the National Living Wage
- Funding for additional New Burdens associated with the Care Act amounting to £1.4m

- An overall allowance for inflation of 1.8% (which includes pay at 1.13% and includes the uplift in employers pension contributions) amounting to £2.5m
- The revenue implications arising from the Council's obligations to fund its Capital Programme contained elsewhere on this agenda, including both costs and any savings arising from Invest to Save Schemes
- Overall contingency provision to cover known and anticipated financial risks of the Council amounting to £6.7m (£6.7m in 2016/17), especially those relating to increases in demand for Adult & Children's Social Care services and the delivery of budget savings more generally
- Adjustment to forecast borrowing costs and investment rates
- The £9.0m savings proposals approved by the City Council in December 2016
- Improved trading results from both the Port and MMD amounting to £2.3m

Funding 2017/18:

- Reduction in general Government funding of £8.8m
- An overall increase in Council Tax of 4.99%, yielding £3.3m
- An increase in the Council Tax base equivalent to 1,791 Band D properties yielding £2.3m (which includes the effect of the change to the Local Council Tax Support Scheme)
- An increase in retained Business Rates⁸ of £2.4m, reflecting the uplift arising from the increase in RPI and business rate growth⁹
- Overall "one-off" surplus on the Collection Fund attributable to the City Council amounting to £3.0m, representing a surplus on Council Tax of £1.5m and a surplus on Business Rates retained of £1.5m

8.43 The proposed Budget for 2017/18, including the main changes described above results in net spending of £161,643,000. This amounts to a net increase in spending of £3,650,300 or 2.3% over the Original Budget 2016/17 of £157,992,700.

8.44 The proposed Budget for 2017/18 as described in this Section is recommended for approval.

⁸ This excludes the surplus brought forward on the Collection Fund of £1.5m

⁹ RPI - Retail Price Index each September is used to increase the business rate multiplier that is applied to rateable values and determine rates due.

9. Cash Limits 2017/18

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 2017/18 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
- Adjustments to reflect the revenue costs of the proposed Capital Programme
- Windfall costs and savings
- Other refinements

9.2 The table below shows the proposed Cash Limits for 2017/18 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 2017/18 £'000	Items Outside the Cash Limit £'000	Budget 2017/18 £'000
Children & Education	23,738	105	23,843
Culture Leisure & Sport	6,290	3,870	10,160
Education	5,258	18,989	24,247
Environment & Community Safety	14,012	1,788	15,800
Health & Social Care	42,119	3,314	45,433
Housing	3,298	5,743	9,041
Leader	124	20	144
Planning Regeneration Economic Development	(13,004)	13,041	37
Resources	18,514	4,244	22,758
Traffic & Transportation	13,922	684	14,606
Governance & Audit Committee	41	48	89
Licensing Committee	(231)	16	(215)
PORTFOLIO EXPENDITURE	114,081	51,862	165,943

9.3 Managers will be expected to contain their expenditure in 2017/18 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

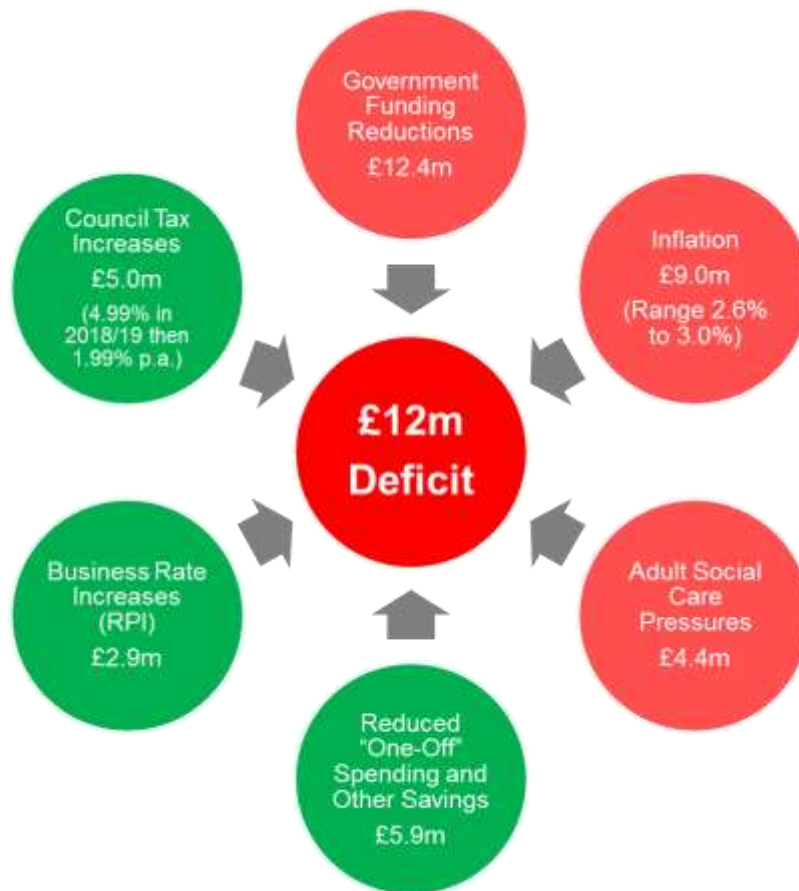
expenditure in future years beyond the agreed Cash Limit for 2017/18, but mindful of the requirement to make savings in future years.

- 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 from the 2018/19 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 S.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 - 2018/19, 2019/20, and 2020/21

- 10.1 A new medium term forecast has now been completed and "rolled on" a further year to cover the period 2018/19 to 2020/21. 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 £24m would be required across the previous 3 year period 2017/18 to 2019/20. The proposed Revenue Budget for 2017/18 provides for £9m of those savings that, based on the "old" forecast, would have left a residual £15m remaining to be found for the following 2 years.
- 10.3 The new medium term forecast takes account of the £9m savings being achieved in 2017/18, comprehensively revises the remaining £15m that was estimated to be required and makes a forecast for the additional year 2020/21. It is now estimated that the savings required for the new 3 year period 2018/19 to 2020/21 will be £12m (or £24m cumulatively over the period) as described in the paragraphs that follow.

10.4 The most significant changes that will affect Local Government and the Council through the period 2018/19 to 2020/21 are as follows:



10.5 The most significant assumptions in the medium term forecasts for the period 2018/19 to 2020/21 are described below:

Spending:

- An overall composite inflationary provision covering all pay and prices amounting to 2.6% for 2018/19, a further 3.0% for 2019/20 and a further 2.9% for 2020/21 amounting to a total for the period of £9.0m
- Demographic cost pressures in Adult Social Care (excluding inflation) of £4.4m
- The ongoing effect of savings and passported funding for new burdens included in the 2017/18 budget
- Any new burdens arising from the Care Act will be funded in full
- Some provision for the potential on-going risks associated with the budget pressures within Children’s and Adult’s Social Care
- Interest rates on any new borrowing of 3.0% for 2018/19, 3.2% for 2019/20 and 3.4% for 2020/21

- Investment rates on any new lending of 0.25% for 2018/19, 0.5% for 2019/20 and 0.75% for 2020/21
- Revenue contributions to Capital to meet existing Council commitments and also to supplement the Capital Resources available for 2018/19 and 2019/20 when capital resources will be extremely limited and far outstrip the Council's obligations and aspirations
- An assumption of a steady state for other budgets

Funding:

- Reductions in overall general Government funding of 12.4m, representing a 31% reduction
- A 4.99% increase in Council Tax for 2018/19 followed by increases of 1.99% per annum thereafter, in total yielding £5.0m
- Indexation uplifts on retained Business Rates of 3.2% for 2018/19, a further 3.6% for 2019/20 and a further 3.0% for 2020/21 in line with forecasts from the Office for Budget Responsibility which in total yields £2.9m
- An underlying zero growth assumption for changes in Business Rates from 2017/18 onwards, to reflect the uncertainty relating to appeals and mandatory reliefs
- That any loss of business rates income arising from the continuation of the cap on increases provided by Government in 2014/15 and future years will continue to be recompensed by Government via S.31 grant funding
- New Homes Bonus grant reductions based on the Government's assumptions of the changes to the scheme
- Changes to the Port dividend for 2018/19, 2019/20, and 2020/21 to reflect current forecasts

10.6 It is important to recognise that this forecast extends beyond the current Comprehensive Spending Review and 4 Year Settlement periods and moves to the year in which the Local Government funding system changes to 100% Business Rate Retention and the simultaneous implementation of the Fair Funding review, which will set the baseline level of funding from Business Rates. Consequently, there remains a significant level of uncertainty surrounding the forecast for 2020/21.

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 summary, the overall savings requirement has been revised downwards for both 2018/19 and 2019/20 by £7m overall and the forecast has been “rolled on” to now include a deficit in 2020/21 of £4m. The overall forecast budget deficit and savings requirement for the 3 year period 2018/19 to 2020/21 is now £12m. The main factors that have given rise to the improvement in the Council's forecasts are:

- Funding for the improved Better Care Fund (BCF), originally assumed to be passported to the BCF but now considered to be non ring-fenced and generally available amounting to £6.2m
- Forecast improvement in the trading results of the Port and MMD £2.8m
- Offset by other costs amounting to £2.0m (including additional pension obligations of £1.1m)

10.9 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.

10.10 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	Revised In Year Target	Revised Cumulative Saving
	£m	£m	£m
2018/19	3.9	4.0	4.0
2019/20	8.9	4.0	8.0
2020/21	11.4	4.0	12.0

10.11 It will be for the Administration to determine how the forecast Savings Requirements are allocated across Portfolios throughout future budget processes.

11. Estimated General Reserves 2016/17 to 2020/21

11.1 In general, maintaining adequate reserves is a measure of responsible financial management and strong financial health. They are required in order to be able to respond to "financial shocks" without having to revert to the alternative of quick and severe reductions in services. Equally, they can be a vehicle to take advantage of any opportunities that may arise which are in the financial interests of the Council (for example, matched funding opportunities which could lever in additional funding for the City or for Spend to Save schemes). Importantly, they also enable differences between expenditure and funding levels to be "smoothed out" and managed in a planned way over time.

11.2 General Fund Revenue Reserves as at 31 March 2017 (Revised Estimate) are anticipated to be £19.2m after transfers to and from other reserves. The Council is expected therefore to remain within the approved level of minimum General Reserves of £7.0m.

- 11.3 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.
- 11.4 The outcome shows that for 2017/18 the City Council should hold a minimum of £7.0m in General Reserves to cover these major risks. It is therefore recommended that the minimum level of General Reserves be maintained at £7.0m as at March 2018. Assuming the savings required to fund the forecast deficit in 2017/18 are achieved, General Reserves as at 31 March 2018 are forecast to be £19.8m.
- 11.5 The minimum level of balances for 2018/19 and future years will be reviewed annually as part of the budget process.
- 11.6 The statement below gives details of the General Reserves in hand at 1 April 2016, together with the proposed use of reserves from 2016/17 to 2020/21, and the resultant balances at 31 March 2021 **assuming that the target savings recommended in Section 10 are achieved.**

General Reserves Forecast - 2016/17 to 2020/21					
Financial Year	Current Year £m	Budget 2017/18 £m	Forecast 2018/19 £m	Forecast 2019/20 £m	Forecast 2020/21 £m
Opening Balance	16.4	19.2	19.8	19.9	19.0
In Year Surplus / (Deficit)	2.8	0.6	0.1	(0.9)	0.6
Forecast Balance	19.2	19.8	19.9	19.0	19.6

- 11.7 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 Reserves below the minimum level determined by the S.151 Officer
 - The balances are predicated on total savings (as yet unidentified) of £12m being achieved over the next 3 years. If those savings are not made, balances would be at the minimum level by 31 March 2020.
 - The uncertainty over the level of funding generally (in particular retained Business Rates), demographic cost pressures for care services, inflation and interest rates in future years

- The uncommitted balance available in the MTRS reserve of just £4.4m¹⁰ means there are only limited funds available to fund the implementation costs of future efficiency savings (see Section 12)

11.8 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 include, the City Deal, Dunsbury Hill Farm and the Investment Property Fund. 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 reserves 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.

12. Medium Term Resource Strategy Reserve

12.1 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

12.2 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 are also diminished, since these are funded from Portfolio Reserves where available. It is important that the reserve is maintained to fund larger scale Spend to Save schemes that would otherwise be unaffordable by a Portfolio.

12.3 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.

12.4 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 £3.0m is transferred into the Reserve in 2016/17 from the forecast underspend in the year, (as set out in Section 6).

¹⁰ Including the transfer into the reserve of £3.0m as recommended in this report

- 12.5 In the event that the recommended £3.0m transfer is not approved, the Reserve will be left with a very modest £1.4m, rendering it largely ineffective as a vehicle for facilitating future Spend to Save schemes of any meaningful scale.
- 12.6 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.

13. Statement of the Section 151 Officer in Accordance with the Local Government Act 2003

- 13.1 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
- 13.2 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 2017/18. Particular uncertainties exist regarding the extent of successful appeals and mandatory reliefs which affect Retained Business Rates, the ability of the Council to continue to make the necessary savings at the required scale and pace, 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.
- 13.3 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.
- 13.4 Should the level of reserves fall below the minimum approved sum of £7.0m as proposed in this report, either arising from an overspend in the previous year or the current year, the S.151 Officer has a duty to report this to the Council with recommendations as to the actions that should be taken to rectify the shortfall. In the most extreme of circumstances, the S.151 Officer can impose a spending freeze until a balanced budget is approved by the Council.

(a) Robustness of the Budget

- 13.5 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.

- 13.6 Estimates and forecasts have been prepared to include all known significant financial factors over the medium term in order to inform spending decisions.
- 13.7 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 2017/18 to 2019/20.
 - A "no growth" assumption for Retained Business Rates on the basis that any income arising from growth will be offset by both appeals and reliefs
 - An assumption that the value of successful appeals against the 2017 rating list will be the equivalent of 4.7% of the business rate multiplier.
 - Increases in Council Tax based on what is likely to be acceptable and in particular that the Council will continue to take advantage of the flexibility to tax for Adult Social Care at 3% in 2017/18 and 2018/19
 - Inflation on Retained Business Rates and prices in accordance with inflation estimates from the Office for Budget Responsibility
 - Provisions for anticipated national policy changes arising out of the Care Act based on Portsmouth's share of "relative need"¹¹
 - Specific provisions for increases in demand for both Adult's & Children's Social Care based on current trends
 - A general provision for (as yet) unknown budget pressures based on the 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 known commitments and estimates of future needs
 - Balances and contingencies based on a risk assessment of all known financial risks
- 13.8 Savings contained within the Budget are those where Portfolio Holders and Directors 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 and Directors and progress will be monitored throughout the year as part of the Budget Monitoring process.

¹¹ Relative need is based on the Government's "Relative Needs Formula" that is used in allocating general government funding

- 13.9 The most volatile budgets are those of Adult's 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.
- 13.10 Additionally, Portfolios will be able to retain any underspendings in 2016/17 and utilise them as necessary in 2017/18 and future years for any purpose but with a clear priority to meet essential cost pressures in the first instance.
- 13.11 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.
- 13.12 Portfolio Holders will be given regular budget updates by Directors 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.
- 13.13 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.
- 13.14 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 2018/19 and future years.
- 13.15 Future years' budgets will remain challenging due to continued funding reductions and uncertainties. The Council's forecasts provide for a savings target of £4m in 2018/19, £4m in 2019/20 and £4m in 2020/21.

(b) The Adequacy of Proposed Financial Reserves

- 13.16 During 2016/17, 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 maintain the minimum level of General Reserves of £7.0m as at 31 March 2018 (£7.0m in the current year).
- 13.17 Balances provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspendings 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 other cost pressures.
- 13.18 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 11. The position will continue to be reviewed and reported to Members on an annual basis.

- 13.19 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 £5.8m as at 31 March 2017 which will be available for 2017/18.
- 13.20 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. 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 £4.4m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any non Portfolio underspendings, transfers from other reserves no longer required or alternatively from the Revenue Budget.
- 13.21 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
- 13.22 The Council's contingency provision for 2017/18 has been set on a risk basis at £6.7m 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.

14. Conclusion

- 14.1 The proposed Budget 2017/18 has been prepared to incorporate the decisions of Council in December 2016 to make savings amounting to £9m and set a Council Tax increase of 4.99%.
- 14.2 The decisions made by the City Council in December 2016 alongside the recommendations within this report are made as part of a co-ordinated package of measures for both the Revenue Budget and Capital Programme that are 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 regeneration of the City, being entrepreneurial and protecting the most important and valued services

14.3 The proposals contained within the December 2016 report and this report, now culminating in the proposed Budget for 2017/18, will:

- Provide a suite of savings amounting to £9m of which the vast majority relate to either efficiency savings (£6.7m) or additional income (£1.4m) leaving just £0.9m, or 10%, to be achieved through service reductions
- In accordance with the Budget Consultation, provide significant protection from savings to both Adults Social Care and Children's Social Care
- Provide for an overall Council Tax increase of 4.99% in 2017/18 comprising 1.99% for General Purposes and 3.0% to be passported direct to Adult Social Care services.
- Provide assurance that with a 3% increase in Council Tax for Adult Social Care that existing and emerging cost pressures can be met therefore avoiding any further reductions to those services in 2017/18 which is critical for Adult Social Care services and the wider health system in the City
- Provide real growth in funding to Adult Social Care (after passporting the ASC Precept and New Burdens Funding)
- Require that for 2018/19 a minimum on-going savings sum of £4.0m be made
- Transfer £3.0m (from 2016/17 underspendings) to the MTRS Reserve recognising this as the Council's primary vehicle for providing funding for Spend to Save initiatives
- Supplement the Capital Resources available in 2017/18 by making a £3.5m transfer from Revenue in 2016/17 from savings achieved from the early implementation of the "Debt Repayment Holiday" to support the Capital Programme where there remains an enormous gap between Service needs, regeneration aspirations and the associated level of capital resources available
- Provide for any further underspendings for 2016/17 arising at the year-end (outside of those made by Portfolios) be transferred to Capital Resources in order to provide funding for known future requirements such as Secondary School Places, Sea Defences and enabling infrastructure for the City's development where there is a known funding shortfall and because this Capital Investment is likely to have a significant transformational effect on the City's growth potential

14.4 The proposed Budget for 2017/18 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 future.

- 14.5 The challenge for the Council continues to be driven by Government funding reductions coupled with the demand led costs from essential care services. Due to prudent financial management over a number of years, the scale of those savings is now starting to reduce and the forecast budget deficit for the 3 year period 2018/19 to 2020/21 is now £12m, amounting to £4m per annum for each of the next 3 years.
- 14.6 The essential care services of Adults Social Care and Children & Education continue to dominate the Council's costs at 66% of all controllable spend. Whilst entrepreneurial activities, income generation generally and improving the City's economy is a strong focus in its Medium Term Financial Strategy in its aim to avoid service reductions, all services of the Council, including essential care services, will need to continue to make meaningful contributions towards the overall £12m Budget Deficit.
- 14.7 Funding uncertainty still remains, particularly in 2020/21 when the Local Government funding system changes to 100% Business Rate Retention alongside the simultaneous implementation of the Fair Funding review, which will set the baseline level of funding from Business Rates.
- 14.8 Looking forward, the main risks to the Council's financial resilience include:
- The ability to make savings to meet the continuing funding reductions from Government
 - The demographic pressures arising from demand led essential Care Services
 - The extent to which new burdens arising from national policy changes will be fully funded
 - The level of Business Rates appeals and reliefs experienced plus the extent of Business growth or contraction
 - The level of uncertainty surrounding the forecast for Local Government funding from 2020/21.
 - The ability of the Council to meet its statutory Capital Investment obligations and aspirations for economic growth in the future
- 14.9 Given the level of savings required over the next 3 years of £12m, 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.

15. Equality Impact Assessment (EIA)

- 15.1 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 2017/18 is based on the savings proposals set out in the report to Council in December 2016. 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.
- 15.2 A city-wide budget consultation took place during September and October to help inform how to make £24m of savings over the period 2017/18 to 2019/20. The consultation took the form of a questionnaire which was also supplemented by a series of public meetings with residents and one public meeting with the business community. The Scrutiny Management Panel also met to consider the proposals contained within this report and have the opportunity to make their representations to the Cabinet prior to their recommendation to the City Council.
- 15.3 With regard to this report, a public meeting of the Scrutiny Management Panel was also held on the 6 February 2017 where a presentation was made of the proposed Council Tax and Revenue Budget 2017/18 and the Council's future financial forecasts for 2018/19 to 2020/21. 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.

16. City Solicitor's Comments

- 16.1 The Cabinet has a legal responsibility to recommend a Budget and Council Tax amount to the Council and the Council has authority to approve the recommendations made in this report.
- 16.2 The S.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 S.151 Officer's Statement within this report fulfils those obligations.

17. S.151 Officer's Comments

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

.....
Signed by: Section 151 Officer

Appendices:

- A** General Fund Summary
- B** Forecast Expenditure 2017/18 to 2020/21

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 Director of Finance & Information Services
Local Government Finance Settlement 2017/18	Office of Director of Finance & Information Services

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 14 February 2017.

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

APPENDIX A

Calculation of the Council Tax 2017/18

<u>Portsmouth City Council</u>	2017/18	2016/17
	£	£
Gross Expenditure	463,193,930	478,280,306
LESS: Gross Income	(352,074,188)	(363,899,471)
Net Expenditure 2017/18	111,119,742	114,380,835
LESS: Government Grants	(40,346,160)	(49,152,909)
Council Tax Requirement - Portsmouth City Council Purposes	70,773,582	65,227,926
Council Tax Base	55,329.9	53,538.8
Council Tax - Portsmouth City Council Purposes at Band D		
<u>70,773,582</u>		
55,329.9 =	£1,279.12	£1,218.33

<u>Hampshire Police & Crime Commissioner Precept</u>	9,154,885	8,590,836
Council Tax - Hampshire Police & Crime Commissioner Purposes at Band D	£165.46	£160.46

<u>Hampshire Fire and Rescue Authority Precept</u>	3,532,261	3,351,529
Council Tax - Hampshire Fire and Rescue Authority Purposes at Band D	£63.84	£62.60

The Council Tax to be levied for all bands in 2017/18 will be as follows :

		Portsmouth City Council £	Hampshire Police & Crime Commissioner £	Hampshire Fire & Rescue Authority £	TOTAL 2017/18 £	TOTAL 2016/17 £
Estimated Valuation as 1 April 1991						
Up to £40,000	A	852.75	110.31	42.56	1,005.62	960.92
£40,001 - £52,000	B	994.87	128.69	49.65	1,173.21	1,121.08
£52,001 - £68,000	C	1,137.00	147.08	56.75	1,340.83	1,281.23
£68,001 - £88,000	D	1,279.12	165.46	63.84	1,508.42	1,441.39
£88,001 - £120,000	E	1,563.37	202.23	78.03	1,843.63	1,761.70
£120,001 - £160,000	F	1,847.62	239.00	92.21	2,178.83	2,082.10
£160,001 - £320,000	G	2,131.87	275.77	106.40	2,514.04	2,402.31
£320,001 and over	H	2,558.24	330.92	127.68	3,016.84	2,882.78

GENERAL FUND SUMMARY - 2016/17 to 2020/21

APPENDIX A

Original Budget 2016/17 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2016/17 £	Original Budget 2017/18 £	Forecast 2018/19 £	Forecast 2019/20 £	Forecast 2020/21 £
24,566,700	Children's Social Care	24,053,500	23,842,700	25,292,700	26,013,400	26,712,800
10,232,060	Culture Leisure & Sport	10,423,760	10,160,860	10,345,160	10,561,460	10,771,560
25,037,557	Education	25,107,657	24,247,457	24,378,857	24,531,257	24,635,857
16,029,713	Environment & Community Safety	15,759,113	15,800,013	16,162,613	16,573,113	16,970,713
42,250,279	Health & Social Care	45,355,779	45,432,879	49,412,779	52,208,479	53,464,279
9,348,628	Housing	9,288,528	9,040,528	9,031,628	9,132,828	9,228,128
257,853	Leader	141,953	144,153	147,353	151,153	154,953
3,688,129	Planning Regeneration Economic Development	2,821,929	37,329	(248,871)	(1,305,271)	(1,984,271)
22,218,534	Resources	22,440,234	22,758,234	23,282,634	24,009,234	24,671,034
14,894,007	Traffic & Transportation	16,022,207	14,605,707	16,409,407	15,882,907	14,262,207
249,700	Governance, Audit & Standards Committee	324,400	88,600	92,100	97,300	103,700
(210,295)	Licensing Committee	(218,995)	(215,595)	(222,895)	(230,095)	(235,395)
168,562,865	Portfolio Expenditure	171,520,065	165,942,865	174,083,465	177,625,765	178,755,565
	Other Expenditure					
0	Precepts	0	0	37,300	38,400	39,400
(125,000)	Portchester Crematorium - Share of Dividend	(130,000)	(135,000)	(130,000)	(130,000)	(130,000)
6,672,000	Pension Costs	6,672,000	7,172,000	7,672,000	8,224,800	8,517,900
6,673,600	Contingency Provision	4,252,200	6,689,000	4,451,000	4,301,000	4,301,000
1,565,500	Revenue Contributions to Capital Reserve	7,208,500	8,000,000	3,600,000	2,500,000	0
(438,300)	Transfer to / (from) Other Reserves	(2,029,700)	764,100	1,131,300	1,592,600	592,600
(27,242,965)	Asset Management Revenue Account	(31,630,765)	(28,702,765)	(29,161,265)	(28,007,265)	(26,362,865)
2,325,000	Other Expenditure	1,135,000	1,912,800	1,912,800	2,662,800	3,412,800
(10,570,165)	Other Expenditure	(14,522,765)	(4,299,865)	(10,486,865)	(8,817,665)	(9,629,165)
157,992,700	TOTAL NET EXPENDITURE	156,997,300	161,643,000	163,596,600	168,808,100	169,126,400
	FINANCED BY:					
(1,426,053)	Contribution (to) from Balances and Reserves	(2,815,954)	(583,761)	3,895,828	8,905,653	11,385,365
30,363,225	Revenue Support Grant	30,363,225	22,313,120	16,956,584	11,482,606	7,033,788
45,620,478	Business Rates Retention	45,659,100	49,632,941	49,678,070	51,445,130	52,522,670
18,433,805	Other General Grants	18,789,684	18,033,040	18,760,829	21,191,007	20,892,580
65,001,245	Council Tax	65,001,245	72,247,660	74,305,289	75,783,704	77,291,997
157,992,700		156,997,300	161,643,000	163,596,600	168,808,100	169,126,400
	BALANCES & RESERVES					
16,395,712	Balance brought forward at 1 April	16,411,215	19,227,169	19,810,930	15,915,102	7,009,449
1,426,053	Deduct (Deficit) / Add Surplus for Year	2,815,954	583,761	(3,895,828)	(8,905,653)	(11,385,365)
17,821,765	Balance carried forward at 31 March	19,227,169	19,810,930	15,915,102	7,009,449	(4,375,916)
7,000,000	Minimum Level of Balances	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
(1,426,053)	Underlying Budget Deficit / (Surplus)	(2,815,954)	(583,761)	3,895,828	8,905,653	11,385,365

APPENDIX B**FORECAST EXPENDITURE 2017/18 to 2020/21**

	Forecast 2017/18 £'000	Forecast 2018/19 £'000	Forecast 2019/20 £'000	Forecast 2020/21 £'000
Service Cash Limits	114,081	122,219	125,752	126,879
Contingency	6,689	4,451	4,301	4,301
Debt financing costs	21,750	21,292	22,446	24,090
Levies and insurance premiums	1,409	1,412	1,421	1,424
Other income/expenditure	17,713	14,222	14,888	12,433
	161,642	163,596	168,808	169,127
<u>Less</u>				
- Council Tax Income	72,248	74,305	75,784	77,292
- Revenue Support Grant	22,313	16,957	11,483	7,034
- Business Rates Retention	49,633	49,678	51,445	52,523
- Other General Grants	18,033	18,761	21,191	20,893
	162,227	159,701	159,903	157,742
Budget (Deficit)/Surplus	585	(3,895)	(8,905)	(11,385)

Deficits in 2018/19 to 2020/21 reflect future savings requirements

Agenda item

Decision maker:	Cabinet City Council
Subject:	Capital Programme 2016/17 to 2021/22
Date of decision:	9 th February 2017 (Cabinet) 14 th February 2017 (City Council)
Report by:	Director of Finance and Information Service & 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 and those that are most likely to drive cost reduction for the Council and economic growth for the City.
- 1.2 The Administration's new scheme proposals contained within this report will lead to additional capital investment totalling £155.7m.
- 1.3 The programme has been designed to support educational attainment by investing £6.6m into school buildings. This will provide sufficient school places for the rising population and also meet the most critical repairs across the school estate, targeting resources at schools with the most acute needs. In addition a further £2.1m is being invested in other council buildings (including Children's Homes, Museums and Libraries) to ensure that they remain fit for purpose.
- 1.4 City Council contributions totalling £1.25m were made in 2016/17 towards an £89m¹ scheme for Sea Defence works across Old Portsmouth, Southsea and Eastney. A further firm contribution of £1.25m is now proposed with a future commitment (subject to sufficient available capital resources) of a further £3.5m in future years. In addition repair schemes at Kings Bastion and Old Portsmouth Sea Walls totalling £0.72m are also planned.
- 1.5 Significant investment continues to be made into core City transport infrastructure amounting to £2m. The continued investment in the Local Transport Plan facilitates economic development by ensuring transport networks are reliable and efficient; improves road and transport safety; manages the adverse impact of transport on the environment and promotes healthier travel. In addition, proposals for

¹ Assuming further contributions from the Council were made available in future periods of £3.5m

improvements to the Eastern Corridor Road Link, enhancements to the neighbourhood living and street environments and installation of variable message signs along Southsea Seafront are also planned by the Administration.

- 1.6 In order to unlock the economic potential of the City, the Administration proposes to increase firm City Council contributions towards a circa £45m² project for an upgraded City Centre access road by £3m. This scheme will ensure that all forms of transport can flow freely in and out of the City Centre in a way that accommodates future growth, enabling residents, tourists and businesses to access the City with ease and facilitating 2,600 additional homes and 9,700 permanent jobs. This will increase the contribution made available by the City Council to £15m in total.
- 1.7 An investment of £3.07m in new technology is planned to enable the replacement of ageing Children's and Adult Social Care software systems, from which the supplier will be withdrawing software support from 2020. These replacement applications will increase capability and ensure resilience whilst reducing annual running costs.
- 1.8 Finally, there are a range of other proposals that seek to both reduce Council costs and increase the income generating capacity of the Council itself, so that the Council is well positioned to meet its future savings requirements of £12m for the period 2018/19 to 2020/21.
- 1.9 To deliver these necessary schemes and to provide funding for the Council's Capital Expenditure commitments through a Revenue Contribution to Capital, the Administration proposes to implement early, the Council's strategy to take a "Debt Repayment Holiday" (originally planned for 2017/18) amounting to £3.1m. 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.
- 1.10 The Council has the opportunity through its capital programme and borrowing powers to invest in both the regeneration of the City and cost reduction schemes for the Council itself. Capital investment needs and aspirations however continue to significantly exceed the resources available. Importantly, there are likely to be opportunities throughout the year to lever in additional external capital funding for schemes that have strong potential to be catalytic for economic growth but only if, the Council itself can provide matched funding contributions. As a consequence, to maximise the Capital Investment opportunities for the City, the "Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21" report, elsewhere on this agenda, proposes that any further underspending, that arises at year end will also be used to supplement the Capital Resources available for 2017/18 and future years.

² Assuming further contributions from the Council were made available in future periods of £0-5.0m

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 any 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 2016/17 and future years in accordance with the Capital Strategy
- Describe and approve the Prudential Indicators arising from the revised Capital Programme 2016/17 to 2021/22
- Delegate authority to the S.151 Officer to alter the mix of capital funding to make best use of City Council resources

3. Recommendations

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

- 1) The Revised Capital Programme 2016/17 to 2021/22 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 S.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
- 3) That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital

funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)

- 4) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2016/17 to 2021/22 and be financed from the available corporate capital resources:

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Education			
	Sufficiency of Secondary School Places	2,670,000	4,470,000
	Future Secondary School Places	1,000,000	1,000,000
	School Condition Projects	1,000,000	1,100,000
Children's Safeguarding			
	Children's Case Management Software Replacement	1,907,000	1,907,000
	Tangier Road Children's Home	495,000	495,000
	Beechside Children's Home	55,000	55,000
Culture, Leisure & Sport			
	Kings Bastion	525,000	600,000
	Charles Dickens' Gardens	25,000	25,000
	D Day Museum	165,000	165,000
	Contribution Towards Resurfacing South Parade Pier	50,000	75,000
	Installation of Shower Facilities at Canoe Lake	10,000	10,000
	Watersedge Park Building	20,000	20,000
	Edwardian Seafront Shelter	70,000	80,000
	Re-provision of Bandstand at West Battery Gardens	40,000	40,000
	Pop Up Kiosks - Southsea Seafront	40,000	40,000
Environment & Community Safety			
	Household Waste Collections	111,200	111,200
	Old Portsmouth Seawalls' Maintenance	120,000	120,000
	Southsea Sea Defences	1,250,000	88,602,400
Health & Social Care			
	Swift Software Replacement	400,000	1,163,000
Housing			
	Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting	16,600	16,600
	Hillside Youth & Community Centre - Outdoor Play	166,000	166,000
PRED			
	City Centre Road	3,000,000	45,000,000
	Renovation of Victoria Park Lodge	100,000	100,000
	Public Realm Improvements - Chaucer House	594,000	594,000
	Portsmouth Area Rape Crisis Service - Building Maintenance	50,000	50,000
Resources			
	Landlord's Maintenance	591,000	831,000
Traffic & Transportation			
	Seafront Variable Message Signs	52,000	75,800

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
	Eastern Corridor Road Link Improvements	500,000	500,000
	Improvements to Neighbourhood Living & Street Environment	200,000	200,000
	Local Transport Plan	1,200,000	1,200,000
	Old Portsmouth Area Study	40,000	40,000
Total Recommended Sum To Be Approved		16,462,800	148,852,000

- 5) 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 S.151 Officer) up to the limit shown:

	Prudential Borrowing Required £
Utilities and Energy Management	1,031,100
Investment in Solar Photovoltaic Cells	3,400,000
Total Recommended Sum to be Approved	4,431,100

- 6) The following Schemes as described in Section 15 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
Secondary School Places 2019/20 to 2021/22
Special Educational Needs Re-modelling
School Condition (roofs, boilers, electrics, windows etc.)
Sea Defences Contribution to £89m Scheme
Enabling Transport Infrastructure match funding - City development
Landlords Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes

- 7) The Prudential Indicators described in Section 16 and set out in Appendix 3 be approved.

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

- 1) That the capital resources proposed to be allocated include £3.5m of funding from Revenue as recommended in the "Budget and Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21" report contained elsewhere on this agenda. In the event that this funding is not approved, schemes with Corporate Capital Resources amounting to £3.5m will be required to be removed from the new schemes starting in 2017/18 detailed in Appendix 2

- 2) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
- 3) As outlined in Section 12 and Appendix 2, the use of The Parking Reserve to fund the refurbishment of lifts at Isambard Brunel Car Park at a cost of £240,000; and a contribution of £23,800 towards the cost of installing Variable Message Signs along Southsea Seafront
- 4) As outlined in Section 13 and Appendix 2, the release of £70,000 from the Culture, Leisure & Sport Portfolio Reserve to fund:
 - a. the relocation of the café and children's play area within Southsea Library and
 - b. the replacement of the automatic main entrance door at Southsea Library
- 5) As outlined in Section 14 and Appendix 2 the use of The Prevention (Public Health) Reserve to fund enhanced Assistive Technology to residents with an Adult Social Care need at a total cost of £300,000
- 6) 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 16

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 (Replaced by "Plan on a Page")
- 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 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 long term Capital Strategy.

4.4 The Administration have focussed a significant proportion of their available Capital Resources towards improving the condition of school buildings and increasing the number of pupil places within secondary schools to meet forecast increases in demand.

4.5 The next large physical regeneration projects planned by the City Council over the next 5 - 10 years are the seafront development and improvements to transport infrastructure to enable city development and growth. The seafront development includes improvement of sea defences and key sites identified in the Seafront Master Plan. Consistent with this plan, the Council expects to be awarded £77m by The Environment Agency to complete improvements to the sea defences along Southsea Seafront. In anticipation of this grant award, the Administration allocated £1.25m match funding in 2016/17 and plans to allocate a further £1.25m match funding in 2017/18. To unlock the economic potential of the City, the Administration proposes to increase firm City Council contributions by £3m towards a circa £45m³ project for an upgraded City Centre access road. This scheme will ensure that all forms of transport can flow freely in and out of the City Centre in a way that accommodates future growth, enabling residents, tourists and businesses to access the city with ease and facilitating 2,600 additional homes and 9,700 permanent jobs. This will increase the contribution made available by the City Council to £15m in total.

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 Business Park at Dunsbury Hill Farm.

³ Assuming further contributions from the Council were made available in future periods of £0-5.0m

- 4.7 There remain significant future capital obligations and aspirations. These include schemes such as the following where funding has yet to be identified to meet them in full but which will likely require funding in the short or medium term:

Capital Scheme - Significant Obligation / Aspiration	Unfunded Requirement £m
Secondary School Places 2019/20 to 2021/22	9.0 - 11.0
Special Educational Needs Re-modelling	4.0 - 5.0
School Condition (roofs, boilers, electrics, windows etc.)	2.0 - 3.0
Sea Defences Contribution to £89m Scheme	4.8 -10.5
Enabling Transport Infrastructure match funding - City development (next 5-10 years)	0 - 5.0
Landlords Repairs & Maintenance	1.0 - 2.0
Local Transport Plan - Road safety and traffic improvement schemes	1.5 -2.0
Total Funding Requirement	22.3 - 38.5

- 4.8 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital grant funding, capital receipts and CIL contributions that the Council receives (circa £10m per annum) plus any Government funding which may be available for school places. With potentially available capital funding of £10m versus core obligations and aspirations of between £22m to £39m of Capital Investment, there is a hugely significant shortfall to be met.
- 4.9 Given that some of this Capital investment is likely to have a transformational effect on the City's growth, there is a recommendation elsewhere on this agenda to transfer any further underspending in 2016/17 arising at the year-end (outside of those made by Portfolios) to Capital Resources in order to provide funding for essential Capital Investment into Secondary School Places, Sea Defences and the enabling transport infrastructure necessary for the City's development and growth.

5. Considerations in Formulating the Revised & Future Capital Programme

- 5.1 In considering the revised Capital Programme for 2016/17 and the future Capital Programme for 2017/18 to 2021/22, the following factors have been taken into account:
- The Medium Term Financial Strategy with its bias towards entrepreneurial activities and driving regeneration
 - The Council's Capital Strategy, which informs the capital investment needs, priorities and aspirations of the Council
 - Any over or underspending 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/savings 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.

5.3 In determining the capital resources available, a small amount has been retained as a contingency to: mitigate the risk of capital receipts; Community Infrastructure Levy and Government Grants being lower than expected; to meet unavoidable increases in costs to approved schemes; as a source of finance to attract match funding from external capital grants that may become available, and as a funding source for small scale capital schemes that arise after the capital programme has been approved.

6. Revised Capital Programme – 2016/17 to 2021/22

6.1 Since the revised Capital Programme 2015/16 to 2020/21 was approved in February 2016, 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 February 2016 (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 2016/17 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 2016/17. 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	Devolved Formula Capital Grant (DFCG) is a grant that allocates capital funding to schools. The grant is used to fund capital improvements/maintenance, remodelling and/or new build. (announcement of 2017/18 is awaited)	£384,900
Health & Wellbeing Board:		
Disabled Facilities Grant	To be allocated in accordance with the arrangements for the distribution of the Better Care Fund (announcement of 2017/18 is awaited)	£1,403,600
Total		1,788,500

8. Forecast of Corporate Capital Resources (Non Passported) 2017/18 & 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 Grants.
- 8.3 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.
- 8.4 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
- 8.5 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 Grant Allocation	Grant Allocated in Previous Years	Available Resources To Be Pooled
		£'000s	£'000s	£'000s
Culture, Leisure & Sport				
S106 (Open Spaces)				29
Education				
LA Basic Need	2017/18	6,418	(6,418)	0
	2018/19	2,508	(2,508)	0
DfE Capital Maintenance	2016/17	1,664	(1,443)	221
	2017/18	1,331	0	1,331
Housing				
S106 (Housing)				44
Housing Capital Receipts				168
Traffic & Transportation				
S106 (Sustainable Transport)				43
LTP IT Block	2017/18	1,851	0	1,851
National Productivity & Investment Fund		552	0	552

Contributions to Corporately Pooled Resources	Full Year Grant Allocation	Grant Allocated in Previous Years	Available Resources To Be Pooled
	£'000s	£'000s	£'000s
Community Infrastructure Levy (CIL)			3,147
City Wide CIL			594
Total Contributions to Corporate Pool			7,980

8.6 It should be noted that:

- the maintenance element of the Local Transport Plan (LTP) and the allocation from the Pothole Action Fund have not been pooled and are earmarked to fund part of the Unitary Charge paid to Ensign under the Highways PFI contract. This amounts to £1.272m and £0.111m respectively in 2017/18.
- Detailed feasibility and design of schemes aimed at increasing the number of school places commencing in 2019/20 are currently being prepared. Based on the limited work undertaken to date, the combined cost of these schemes is expected to be circa £9m - £11m. Bearing in mind the magnitude of the expected cost there is a significant risk that future LA Basic Need grant allocations from Government will not be sufficient to fund the full cost of the school places expansion. The Administration has therefore considered it prudent to allocate £1.0m towards the cost of these schemes now from currently available pooled resources

Revenue Reserve for Capital & Revenue Contributions to Capital

8.7 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 2016 stood at £17.8m. Sums are transferred into this reserve in advance and then drawn from the reserve once the capital expenditure is incurred.

8.8 The balance on the Revenue Reserve for Capital and 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

8.9 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:

- Cosham High Street
- Lighting for the Square Tower
- Grants to Registered Social Landlords

Overspendings / Funding Shortfalls:

- Universal Infant Free School Meals

In Year Additions:

- Civic Offices' Basement Refurbishment
- Investment Properties (Leasehold Disposal of White Hart Road)
- Sports & Leisure Facilities Investment
- Butterfly House at Cumberland House
- Portsmouth Recovery Centre
- Port Leased Plant & Equipment
- EBS Hardware & Configuration
- In-house Parks' Mobilisation - Vehicles & Equipment
- Replacement Homes (HRA)

8.10 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

8.11 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

8.12 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:
 - Chaucer House
 - Great Western
 - Navigators
 - Archive Store
 - Harbour School Fratton
 - Rodney Road Site
- Revisions to reflect the current financial conditions in the property market

Corporate (Non ring-fenced Capital Grants)

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

Summary of Total Available Capital Resources

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

CORPORATE CAPITAL RESOURCES AVAILABLE	£'000s
Corporate Capital Resources (including "Pooled Resources")	£16,463
Add: Funds Released from Uncommitted Schemes	Nil
Total Corporate Capital Resources Available	£16,463

9. Priority Capital Schemes – 2017/18 & Beyond (Corporate Resources)

9.1 The programme has been specifically designed to support educational attainment by investing £6.6m into school buildings. This will provide sufficient school places for the rising population and also meet the most critical repairs across the school estate, targeting those resources towards schools with the most acute needs for new places and repair works.

9.2 The Administration also plan to support the economic growth of the City by; improving the attractiveness of the area around Isambard Brunel Road; progressing the detailed design of sea defences at Southsea in order to protect the City's seafront assets and; a contribution towards a project for an upgraded City Centre access road that will unlock the economic potential of the City.

9.3 Significant investment also continues to be made into other core services such as transportation, including proposals for improvements to the Eastern Corridor Road Link, enhancements to the neighbourhood living and street environments

and installation of variable message signs along Southsea Seafront that will enhance the City's attractiveness to businesses and residents alike.

9.4 At this time, the Administration is recommending the allocation of £16.46m 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 Resources Required £	Total Scheme Value £
Sufficiency of Secondary School Places	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	2,670,000	4,470,000
Future Secondary School Places	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	1,000,000	1,000,000
School Condition Projects	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	1,000,000	1,100,000
Children's Case Management Software Replacement	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose and avoids severe disruption to Service delivery	1,907,000	1,907,000
Tangier Road Children's Home	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	495,000	495,000
Beechside Children's Home	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	55,000	55,000
Kings Bastion	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	525,000	600,000
Charles Dickens' Gardens	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	25,000	25,000
D Day Museum Repairs	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	165,000	165,000
Contribution Towards Resurfacing South Parade Pier	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	50,000	75,000
Installation of Shower at Canoe Lake	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	10,000	10,000
Watersedge Park Building	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	20,000	20,000
Edwardian Seafront Shelter	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	70,000	80,000
Re-provision of Bandstand at West Battery Gardens	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	40,000	40,000
Pop Up Kiosks - Southsea Seafront	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	40,000	40,000
Household Waste Collections	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency	111,200	111,200
Old Portsmouth Seawalls' Maintenance	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	120,000	120,000

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) Or Long Term Aspiration (Portsmouth Vision)	Corporate Resources Required £	Total Scheme Value £
Southsea Coastal Flood Defence Contribution	Category 2 - short / Medium Term Need & Priority - Regenerate the City by improving facilities, encouraging tourism and investment	1,250,000	88,602,400
Swift Software Replacement	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by ensuring "back office" infrastructure is suitable for purpose and avoids severe disruption to Service delivery	400,000	1,163,000
Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting	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	16,600	16,600
Hillside Youth & Community Centre - Outdoor Play	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	166,000	166,000
City Centre Road	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for business to settle	3,000,000	45,000,000
Renovation of Victoria Park Lodge	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
Public Realm Improvements - Chaucer House	Category 2 - Long Term Need & Priority - Regenerate the City by providing an attractive place for business to settle	594,000	594,000
Portsmouth Area Rape Crisis Service - Building 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	50,000	50,000
Landlord's 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	591,000	831,000
Seafront Variable Message Signs	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	52,000	75,800
Eastern Corridor Road Link Improvements	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	500,000	500,000
Improvements to Neighbourhood Living & Street Environment	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	200,000	200,000
Local Transport Plan	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	1,200,000	1,200,000
Old Portsmouth Area Study	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	40,000	40,000
Total Corporate Capital Resources Allocated		16,462,800	148,852,000

9.5 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

10. New Capital Schemes To Be Funded From Prudential Borrowing

- 10.1 To significantly reduce the Council's Carbon Footprint and reduce energy costs, major investment in photovoltaic technology is planned alongside further investment in other energy management schemes.
- 10.2 These schemes meet the Prudential Borrowing Criteria outlined at Paragraph 8.11 and it is recommended that prudential borrowing up to the limit shown for each scheme below (and set out in more detail in Appendix 2) is approved:

Capital Scheme	Capital Strategy Short / Medium Term Need & Priority (Corporate Plan) Or Long Term Aspiration (Portsmouth Vision)	Corporate Resources Required £	Total Scheme Value £
Utilities and Energy Management	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency	1,031,100	1,031,100
Investment in Solar Photovoltaic cells	Category 1 - Short / Medium Term Need & Priority - Contributes to multiple priorities by improved efficiency	3,400,000	3,400,000
Total Capital Schemes To Be Funded From Prudential Borrowing		4,431,100	4,431,100

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 The Parking Reserve

- 12.1 City Council note the use of the Parking Reserve to fund the following schemes:

Isambard Brunel Car Park Lift Refurbishment

It is proposed that 2 lifts are refurbished at a cost of £240,000 as set out in more detail in Appendix 2.

Seafront Variable Message Signs

It is proposed that the Parking Reserve is used to fund £23,800 of a £75,800 scheme to install Variable Message Signs along Southsea Seafront as set out in more detail in Appendix 2.

13. New Capital Schemes To Be Funded From Portfolio Reserve

- 13.1 City Council note the use of the Culture, Leisure & Sport Portfolio Reserve to fund the following schemes:

Southsea Library Café and Children's Play Area

It is proposed that the café and children's play area are re-located within the Library at a cost of £60,000

Southsea Library Automatic Entrance Doors

It is proposed that the automatic main entrance doors are replaced at a cost of £10,000

These schemes, totalling £70,000 are set out in more detail in Appendix 2.

14. New Capital Schemes To Be Funded From Prevention (Public Health) Reserve

Assistive Technology

A scheme to provide enhanced Assistive Technology to residents with an Adult Social Care need is proposed at a cost of £300,000 as set out in more detail in Appendix 2

15. Future Priority Capital Schemes

- 15.1 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
Secondary School Places 2019/20 to 2021/22
Special Educational Needs Re-modelling
School Condition (roofs, boilers, electrics, windows etc.)
Sea Defences Contribution to £89m Scheme
Enabling Transport Infrastructure match funding - City development
Landlords Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes

16. Prudential Borrowing and Prudential Indicators

- 16.1 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

- 16.2 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.
- 16.3 Whilst the City Council is able to set a balanced budget in 2017/18 current forecast revenue deficits amount to £3.9m in 2018/19, £8.9m in 2019/20 and £11.4m in 2020/21. 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.
- 16.4 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
- 16.5 The Prudential Indicators of the Council are determined largely from its Capital Investment decisions and are presented in Appendix 3. 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 11.0% in 2016/17, rising to 13.0% by 2021/22. For the Housing Revenue Account, fixed borrowing costs range from 12.0% in 2016/17, peaking at 13.1% in 2018/19 before falling back to 12.3% by 2021/22. The forecast HRA balance for the next 5 years remains in surplus indicating that this is a sustainable level of borrowing.
- 16.6 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 equivalent to a reduction of £2.43 per annum per taxpayer in 2018/19 or equivalent to a 0.19% decrease in the Council Tax.
- 16.7 The Council's underlying need to borrow to finance its current and future capital expenditure (i.e. its Capital Financing Requirement) is increasing, primarily as a result of planned commercial property investments but will ultimately reduce as these investments are sold. The Council's 2016/17 revised Operational Boundary is £599.5m and is forecast to decrease to £570.9m over the period to 2021/22.

16.8 The Council's Limit for External Debt, recommended for 2017/18, 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.

17. Conclusion

17.1 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.

17.2 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.

17.3 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.

18. Equality Impact Assessment

18.1 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.

19. City Solicitor's Comments

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

20. S.151 Officer's Comments

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

Chris Ward

Director of Finance and Information Service & 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 2017/18	Office of Deputy Director 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 14th February 2017

Signed:

**CAPITAL
PROGRAMME
&
FINANCING**

2016/17 - 2021/22

This page is intentionally left blank

Summary of Capital Programme (All Services)	Expenditure to 31 March 16 £	Revised Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021 / 22 £	Expenditure in Subsequent Years £	Final Cost £
Children's Social Care	85,724	59,276	1,927,000	580,000	0	0	0	0	2,652,000
Culture, Leisure & Sport	25,400,807	1,866,534	6,981,909	943,566	25,000	0	0	0	35,217,816
Education	47,657,275	8,635,496	12,285,565	5,818,200	3,220,000	1,000,000	0	0	78,616,536
Environment & Community Safety	8,303,823	6,050,736	10,528,829	12,010,029	13,199,429	15,875,427	14,554,428	51,366,628	131,889,329
Health & Social Care (Adults Services)	3,642,521	1,599,158	881,383	579,000	500,000	0	0	0	7,202,062
Planning Regeneration & Economic Development	99,426,040	154,285,696	93,717,892	81,215,760	28,277,700	21,627,700	3,000,000	0	481,550,788
Commercial Port	24,440,518	3,134,739	8,388,026	3,786,397	3,500,000	2,200,541	0	0	45,450,221
Resources	24,185,929	10,192,048	6,396,524	3,037,066	1,458,888	0	0	0	45,270,456
Traffic & Transportation	79,095,038	14,443,561	12,697,344	5,591,192	3,230,930	1,502,306	1,449,327	30,348,663	148,358,361
Total Capital Programme (Excluding Housing Investment Programme)	312,237,675	200,267,244	153,804,472	113,561,210	53,411,947	42,205,974	19,003,755	81,715,291	976,207,569
Housing Investment Programme	140,188,646	36,679,591	44,352,224	22,507,773	23,342,034	29,338,790	24,591,093	24,999,256	345,999,407
Total Capital Programme	452,426,321	236,946,835	198,156,696	136,068,983	76,753,981	71,544,764	43,594,848	106,714,547	1,322,206,976
Analysis of Programme by Source of Finance									
Unsupported Borrowing		66,073,268	84,594,873	9,485,421	5,218,506	5,445,041	0	0	170,817,110
Corporate Reserves (Including Capital Receipts)		61,291,054	26,084,847	29,170,343	4,124,259	5,079,127	3,806,151	1,431,857	130,987,638
Revenue & Reserves		26,463,135	21,422,488	44,692,937	21,074,981	21,163,862	22,470,882	51,847,919	209,136,204
Grants		75,666,121	54,366,484	34,026,784	24,409,063	25,836,700	16,124,800	52,311,000	282,740,952
Contributions		7,453,257	11,688,004	18,693,498	21,927,172	14,020,034	1,193,015	1,123,771	76,098,751
Total Financing		236,946,835	198,156,696	136,068,983	76,753,981	71,544,764	43,594,848	106,714,547	869,780,655

RESOURCES AVAILABLE

	Revised Estimate 2016/17 £	Estimate 2017/18 £	Estimate 2018/19 £	Estimate 2019/20 £	Estimate 2020/21 £	Estimate 2021 / 22 £	Expenditure in Subsequent Years £	Final Cost £
Specific Resources								
Borrowing	0	0	0	0	0	0	0	0
Unsupported Borrowing	66,073,268	84,594,873	9,485,421	5,218,506	5,445,041	0	0	170,817,110
Other Capital Receipts	5,181,575	5,463,631	2,589,590	3,037,410	4,327,323	1,458,993	1,400,000	23,458,522
Other Capital Reserves	25,529,057	20,855,888	44,667,937	21,049,981	21,163,862	22,470,882	51,847,919	207,585,526
Other Contributions	4,311,675	9,541,413	14,973,513	17,807,400	8,400,411	1,110,545	1,100,000	57,244,957
Government Grants	3,146,872	1,155,683	0	0	0	0	0	4,302,555
Other Grants	60,748,744	32,848,980	22,412,100	21,658,700	24,836,700	15,483,000	52,311,000	230,299,224
Sub Total - Specific Resources	164,991,191	154,460,468	94,128,561	68,771,997	64,173,337	40,523,420	106,658,919	693,707,894
Specific Resources Used	164,991,191	154,460,468	94,128,561	68,771,997	64,173,337	40,523,420	106,658,919	693,707,894
Specific Resources Available	0	0	0	0	0	0	0	0
Corporate Resources								
Corporate Capital Receipts	82,808,732	1,248,252	0					84,056,984
Corporate Capital Reserves	23,352,801	1,745,034	(75,000)					25,022,835
Corporate S106 Contributions & CIL	10,724,034	2,684,759	1,329,278	0	0			14,738,071
Capital Settlement - Non Ring Fenced Grants	39,363,226	7,624,882	1,151,000	0				48,139,108
Corporate Grants	4,115,763	0	0	0				4,115,763
Sub Total - Corporate Resources	160,364,556	13,302,927	2,405,278	0	0	0	0	176,072,761
Corporate Resources Used	71,955,644	43,696,228	41,940,422	7,981,984	7,371,427	3,071,428	55,628	176,072,761
Corporate Resources Available	88,408,912	58,015,611	18,480,467	10,498,483	3,127,056	55,628	0	0
Total Resources Available	325,355,747	167,763,396	96,533,839	68,771,997	64,173,337	40,523,420	106,658,919	869,780,655
Total Resources Used	236,946,835	198,156,696	136,068,983	76,753,981	71,544,764	43,594,848	106,714,547	869,780,655
Total Remaining Resources Available	88,408,912	58,015,611	18,480,467	10,498,483	3,127,056	55,628	0	0

CHILDREN'S SERVICES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Adaptations to Foster Carer Properties	CROC CorpRsv	85,724 0	14,276 45,000	50,000						150,000 45,000
	Sub Total		85,724	59,276	50,000	0	0	0	0	0	195,000
2	Children's Case Management Software Replacement	CorpRsv	0		1,422,000	485,000					1,907,000
3	Tangier Road Children's Home	CorpRsv CP(DCSF)BN	0 0		371,500 28,500	95,000					371,500 123,500
	Sub Total		0	0	400,000	95,000	0	0	0	0	495,000
4	Beechside Children's Home	CorpRsv	0		55,000						55,000
Grand Total			85,724	59,276	1,927,000	580,000	0	0	0	0	2,652,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Mountbatten Centre Redevelopment	CorpRsv	3,480,071	4,168							3,484,239
		OG(DCLG)CD	318,240								318,240
		UB	10,795,382								10,795,382
		OG	5,490,000								5,490,000
		S106(OS)	42,768								42,768
	Sub Total		20,126,461	4,168	0	0	0	0	0	0	20,130,629
2	Seafront Improvements	CorpRsv	91,240		45,557						136,797
		OG(DCLG)CD	10,290								10,290
	Sub Total		101,530	0	45,557	0	0	0	0	0	147,087
	Re-provision of Wymering and Hillside Centres	CorpRsv	33,913	29,572							63,485
		OG(DCLG)CD	371,515								371,515
		OC	1,000,000								1,000,000
		CMR	60,000								60,000
	Sub Total		1,465,428	29,572	0	0	0	0	0	0	1,495,000
4	Indoor Tennis Centre	CorpRsv	42,355	10,271							52,626
		OG(DCLG)CD	251,831								251,831
		OC	834,387								834,387
		OR	38,000								38,000
		UBS	28,353	2,229							30,582
	Sub Total		1,194,926	12,500	0	0	0	0	0	0	1,207,426
5	Hilsea Splashpool	CorpRsv	74,200								74,200
		S106(OS)	265,246	27,120							292,366
	Sub Total		339,446	27,120	0	0	0	0	0	0	366,566
6	Lights at the Land Side of the Hot Walls	CorpRsv	65,266								65,266

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
7	Coastal Communities Bid (ARTches)	CorpRsv	7,461	103,328	34,734						145,523
		CP(DFI)IT	0	100,000							100,000
		OG	685,256	879,112	4,266						1,568,634
		OG(DCLG)CD	44,972								44,972
		PUSH	40,000								40,000
	Sub Total		777,689	1,082,440	39,000	0	0	0	0	0	1,899,129
8	Drayton Park - Tennis Court Conversion	S106(OS)	135,000								135,000
		CILNRsv	71,426	5,049							76,475
	Sub Total		206,426	5,049	0	0	0	0	0	0	211,475
9	Rock Gardens - Replacement of CCTV	S106(OS)	0		20,000						20,000
10	Southsea Seafront Investment - D Day 75	CorpRsv	23,906			401,366					425,272
		RCCO	0		53,600	25,000	25,000				103,600
		LOT	35,864	500,000	3,013,845						3,549,709
		OG	186,650								186,650
		OC	0		302,107						302,107
	Sub Total		246,420	500,000	3,369,552	426,366	25,000	0	0	0	4,567,338
11	Relocation of Archive Store to Southsea Library	CorpRsv	6,547	23,085							29,632
		OG(DCLG)CD	570,368								570,368
	Sub Total		576,915	23,085	0	0	0	0	0	0	600,000
12	Kings Theatre - Capital Grant	CRGG	0		140,000						140,000
		OG(DCLG)CD	60,000								60,000
	Sub Total		60,000	0	140,000	0	0	0	0	0	200,000
13	New Theatre Royal (Loan)	CROC	150,000								150,000
14	Installation of Skate Park Equipment at Milton Park	OC	4,000								4,000
		CILNRsv	12,300	6,600							18,900
	Sub Total		16,300	6,600	0	0	0	0	0	0	22,900

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
15	Cycle Track Fencing at Mountbatten Centre	OR	17,000	3,000							20,000
		OG	40,000								40,000
		OC	17,000	3,000							20,000
	Sub Total		74,000	6,000	0	0	0	0	0	0	80,000
16	Round Tower Improvement Works	CP(DCSF)CM	0		80,000						80,000
17	Sports and Leisure Facilities Investment	UB	0		2,400,000						2,400,000
18	Butterfly House at Cumberland House	PR	0		130,000						130,000
	In-house Parks' Mobilisation - Vehicles & Equipment	RCCO	0	150,000	170,000						320,000
	Kings Bastion	CorpRsv	0		135,000	465,000					600,000
21	Charles Dickens' Gardens	CorpRsv	0		9,400						9,400
		CRGG	0		15,600						15,600
	Sub Total		0	0	25,000	0	0	0	0	0	25,000
22	D Day Museum	CorpRsv	0		132,800	32,200					165,000
23	Contribution Towards Resurfacing South Parade Pier	S106(OS)	0		29,200						29,200
		Croc	0		20,800						20,800
		CILNRsv	0		25,000						25,000
	Sub Total		0	0	75,000	0	0	0	0	0	75,000
24	Installation of Shower Facilities at Canoe Lake	CRGG	0		10,000						10,000

CULTURE LEISURE AND SPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
25	Watersedge Park Building	CRGG	0	20,000							20,000
26	Edwardian Seafront Shelter	CorpRsv CILNRsv	0 0		70,000 10,000						70,000 10,000
	Sub Total		0	0	80,000	0	0	0	0	0	80,000
27	Re-provision of Bandstand at West Battery Gardens	CorpRsv	0		40,000						40,000
28	Pop Up Kiosks - Southsea Seafront	CorpRsv	0		20,000	20,000					40,000
29	Modifications to Southsea Library	PR	0		70,000						70,000
	Grand Total		25,400,807	1,866,534	6,981,909	943,566	25,000	0	0	0	35,217,816

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Primary Capital Programme	GGR(DCSF)DF	621,700	19,766							641,466
		GGR(DCSF)PC	3,233,032								3,233,032
		GGNR(DCSF)LAM	2,274,318								2,274,318
		B	2,000,894								2,000,894
		UB	(2,224)								(2,224)
		GGR(DCSF)DSG	350,512								350,512
		CRGG	415,720								415,720
		CorpRsv	95,248								95,248
		OG(DCLG)CD	3,438,533								3,438,533
		OC	216,383								216,383
		GGR(DCSF)SSEYC	639,840								639,840
		CP(DCSF)BN	811,272	816,004	730,000						2,357,276
		GGR(DCSF)TC	121,151								121,151
		CP(DCSF)CM	52,454	135,359							187,813
		CP(EFA)2YR	7,278								7,278
		LOT	26,724								26,724
	Sub Total		14,302,836	971,129	730,000	0	0	0	0	0	16,003,965
2	Victory School	GGR(DCSF)DF	161,200								161,200
		GGNR(DCSF)LAM	3,043,300								3,043,300
		GGR(DCSF)TC	2,005,481								2,005,481
		CP(DCSF)CM	0	20,890							20,890
		GGR(DCSF)PC	4,579,448								4,579,448
		B	115,000								115,000
		OG(DCLG)CD	146,307								146,307
		CorpRsv	142,710								142,710
	Sub Total		10,193,446	20,890	0	0	0	0	0	0	10,214,336

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
3	Sufficiency Programme Phase One 2013- 2015	OG(DCLG)CD	2,912,328								2,912,328
		EEA	1,740,058								1,740,058
		S106(EC)	670,338								670,338
		GGR(DCSF)DF	55,192								55,192
		CP(DCSF)BN	433,009	311,164	166,650						910,823
		CorpRsv	0	179,607							179,607
		GGR(DCSF)SF	27,287								27,287
		CP(DCSF)CM	14,508	3,552							18,060
		LOT	42,060								42,060
	Sub Total		5,894,780	494,323	166,650	0	0	0	0	0	6,555,753
4	Sufficiency Programme Phase Two 2015- 2017	CP(DCSF)BN	519,170		249,879	1,284,200					2,053,249
		CorpRsv	0	1,754,746	5,496,336						7,251,082
		CIL	635,710								635,710
	Sub Total		1,154,880	1,754,746	5,746,215	1,284,200	0	0	0	0	9,940,041
	Secondary School Feasibility Study	S106(EC)	41,202	58,798	50,000						150,000
6	Temporary Accommodation	S106(EC)	300,000								300,000
		CP(DCSF)CM	12,890								12,890
		CP(DCSF)BN	3,296	16,874							20,170
	Sub Total		316,186	16,874	0	0	0	0	0	0	333,060
7	Vanguard Centre	CP(DCSF)BN	143,941		1,083,759	200,000					1,427,700
		CorpRsv	0	156,059	77,341	300,000					533,400
		CP(DCSF)CM	0		78,000	300,000					378,000
		S106(EC)	0		121,900						121,900
		CP(DCLG)DFG	0		39,000						39,000
	Sub Total		143,941	156,059	1,400,000	800,000	0	0	0	0	2,500,000

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
8	King Richard School Rebuild 900-1000 places	GGR(DCSF)TC CorpRsv	10,000 0	1,241,400 234,104	200,000						1,251,400 434,104
	Sub Total		10,000	1,475,504	200,000	0	0	0	0	0	1,685,504
9	Portsmouth College Sufficiency Post 16	CP(DCSF)CM OG(DCLG)CD	148,115 92,443	3,410							151,525 92,443
	Sub Total		240,558	3,410	0	0	0	0	0	0	243,968
10	Schools Devolved Formula Capital 2010-16	GGR(DCSF)DF GGR(DCSF)DSG SRCCO GGNR(DCSF)LAM	3,203,275 4,586,884 1,136,059 335,598								3,203,275 4,586,884 1,136,059 335,598
	Sub Total		9,261,816	0	0	0	0	0	0	0	9,261,816
11	Universal Infant Free School Meal Works	OG CorpRsv CP(DCSF)CM RCCO	582,063 123,450 0 0	80,000 87,587							582,063 123,450 80,000 87,587
	Sub Total		705,513	167,587	0	0	0	0	0	0	873,100
12	Universal Infant Free School Meal Provision	CRGG GGR(DCSF)SSEYC OC OG(DCLG)CD CP(DCSF)CM	22 273 176,388 415,012 1,444	35,563							35,585 273 176,388 415,012 1,444
	Sub Total		593,139	35,563	0	0	0	0	0	0	628,702

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
13	Salix	UBS RCCO	57,533 0	2,780 10,691							60,313 10,691
	Sub Total		57,533	13,471	0	0	0	0	0	0	71,004
14	St Edmunds SI Provision	CP(DCSF)CM OC GGR(DCSF)SF GGR(DCSF)SSEYC CorpRsv OG(DCLG)CD	256,994 77,324 11,469 341 10,866 121,329	9,859							266,853 77,324 11,469 341 10,866 121,329
	Sub Total		478,323	9,859	0	0	0	0	0	0	488,182
	Access SEN Pupils	B OG(DCLG)CD CP(DCSF)CM CP(EFA)2YR	67,529 85,409 95,031 0	9,356 25,894							67,529 85,409 104,387 25,894
	Sub Total		247,969	35,250	0	0	0	0	0	0	283,219
16	ALN Lift Repairs	CP(DCSF)BN OG(DCLG)CD CP(DCSF)CM	41,033 1,028 (979)	1,108							41,033 1,028 129
	Sub Total		41,082	1,108	0	0	0	0	0	0	42,190
17	Mayfield East Field	CP(DCSF)CM	750	0							750
18	Schools Conditions Projects - Modernisation	CP(DCSF)CM GGR(DCSF)DF CP(EFA)2YR	1,073,558 123,193 31,000	84,475 149,983	24,000						1,182,033 273,176 31,000
	Sub Total		1,227,751	234,458	24,000	0	0	0	0	0	1,486,209

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
19	School Condition Projects 2014-2016	B	1,000								1,000
		UB	42,120								42,120
		CorpRsv	64,026								64,026
		SRCCO	8,727								8,727
		GGR(DCSF)DF	346,615	41,829							388,444
		GGR(DCSF)SF	365								365
		GGNR(DCSF)LAM	33,998								33,998
		CP(DCSF)BN	3,464								3,464
		CP(DCSF)CM	544,944	110,885	3,500						659,329
		CP(EFA)2YR	63,733								63,733
		OG(DCLG)CD	1,571,898								1,571,898
		OG	7,936								7,936
	Sub Total		2,688,826	152,714	3,500	0	0	0	0	0	2,845,040
20	Portsmouth Primary Emergency Lighting	CP(DCSF)CM	7,000								7,000
		B	21,750								21,750
		GGR(DCSF)DF	10,812								10,812
	Sub Total		39,562	0	0	0	0	0	0	0	39,562
21	School Conditions Project 2016/17	CP(DCSF)BN	17,182	725,000							742,182
		CP(DCSF)CM	0	114,000	55,200						169,200
		GGR(DCSF)DF	0	90,018							90,018
		OC	0	25,000							25,000
	Sub Total		17,182	954,018	55,200	0	0	0	0	0	1,026,400
22	Secondary School Places Expansion Phase (1)	CorpRsv	0		478,598	620,000					1,098,598
		CROC	0	300,000	101,402						401,402
	Sub Total		0	300,000	580,000	620,000	0	0	0	0	1,500,000

EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
23	Special Education Needs - Building Alterations	CP(DCSF)BN	0	100,000	252,900						352,900
		CP(DCSF)CM	0	97,560	741,100						838,660
		OC	0		36,000	1,464,000	500,000				2,000,000
	Sub Total		0	197,560	1,030,000	1,464,000	500,000	0	0	0	3,191,560
24	Schools DFC Balances and devolved 2016-17	GGR(DCSF)DF	0	384,917							384,917
		GGR(DCSF)DF	0	1,197,258	1,100,000						2,297,258
		GGR(DCSF)DSG	0								0
	Sub Total		0	1,582,175	1,100,000	0	0	0	0	0	2,682,175
25	Sufficiency of Secondary School Places	CorpRsv	0				489,437				489,437
		CP(DCSF)BN	0		100,000	1,650,000	2,230,563				3,980,563
	Subtotal		0	0	100,000	1,650,000	2,720,000	0	0	0	4,470,000
26	Future Secondary School Places	CP(DCSF)BN	0					448,100			448,100
		CP(DCSF)CM	0					551,900			551,900
	Subtotal		0	0	0	0	0	1,000,000	0	0	1,000,000
27	School Conditions Project 2017-18	OC	0		100,000						100,000
		CP(DCSF)CM	0		1,000,000						1,000,000
	Subtotal		0	0	1,100,000	0	0	0	0	0	1,100,000
Grand Total			47,657,275	8,635,496	12,285,565	5,818,200	3,220,000	1,000,000	0	0	78,616,536

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management	OGENV	6,290,932	4,730,000	5,335,000	6,035,000	5,535,000	4,827,000	4,600,000	6,871,000	44,223,932
2	Air Quality Action plan	GGR(DEFRA)AQME CorpRsv	150,080 0	21,701 13,000							171,781 13,000
	Sub Total		150,080	34,701	0	0	0	0	0	0	184,781
3	Horsea Island Country Park - Fencing	CorpRsv S106(OS) CP(DFT)IT	0 36,473 0		2,600 45,000 7,100	2,600 45,100 7,100					5,200 134,600 14,200
	Sub Total		44,500	0	54,700	54,800	0	0	0	0	154,000
4	CCTV Upgrades	GGNR(HO)SSC CorpRsv RCCO	65,200 0 0		4,300 20,000 50,000						69,500 30,000 50,000
	Sub Total		65,200	10,000	74,300	0	0	0	0	0	149,500
5	CCTV Systems and Control Room Infrastructure	CorpRsv OG(PHE)CS	132,963 15,000								132,963 15,000
	Sub Total		147,963	0	0	0	0	0	0	0	147,963
6	In House Vehicle Purchases	CorpRsv	29,475								29,475
7	Public Conveniences - Charging Mechanisms	CorpRsv OG(DCLG)CD	24,240 35,750								24,240 35,750
	Sub Total		59,990	0	0	0	0	0	0	0	59,990
8	Weekly Waste Collection Support Scheme	CorpRsv OG(DCLG)CD	31,524 344,881								31,524 344,881
	Sub Total		376,405	0	0	0	0	0	0	0	376,405

ENVIRONMENT & COMMUNITY SAFETY PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
9	Southsea Enhancement Design	S106(OS) CorpRsv	15,801 0	39,572 31,857	39,572 31,857	39,572 31,857	39,572 31,857	39,570 31,857	39,570 31,858	23,771 31,857	277,000 223,000
	Sub Total		15,801	71,429	71,429	71,429	71,429	71,427	71,428	55,628	500,000
10	Surface Water Separation	CorpRsv	11,983	53,017							65,000
11	Emergency Repairs to Southsea Sea Defences	OGENV	407,102	257,589							664,691
12	Southsea Coastal Flood Defence	OGENV OC CorpRsv CP(DCSF)CM	704,392 0 0 0	894,000 907,000 250,000 750,000	2,973,000 1,214,000 815,100 184,900	3,557,000 1,707,000 500,000	5,346,000 1,745,000	9,232,000 9,883,000	44,440,000		77,029,392 5,573,000 1,565,100 934,900
	Sub Total		704,392	894,000	4,880,000	5,771,000	7,553,000	10,977,000	9,883,000	44,440,000	85,102,392
	Household Waste Collection	CorpRsv	0		83,400	27,800					111,200
14	Old Portsmouth Seawalls' Maintenance	CorpRsv	0		30,000	50,000	40,000				120,000
Grand Total			8,303,823	6,050,736	10,528,829	12,010,029	13,199,429	15,875,427	14,554,428	51,366,628	131,889,329

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Mental Health Supported Capital Expenditure - Various Schemes	B UB GGNR(DH)MH	208,277 6,871 63,900								208,277 6,871 63,900
	Sub Total		279,048	0	0	0	0	0	0	0	279,048
2	4 Sites Project	CorpRsv OG(DCLG)CD MTRS UB	1,060,785 1,016,137 249,670 247,295								1,060,785 1,016,137 249,670 247,295
	Sub Total		2,573,887	0	0	0	0	0	0	0	2,573,887
	Common Assessment Framework	GGR(DH)CAF	60,029		51,383						111,412
	New & Improved Models of Care (East Lodge)	CP(DH)CG OG(DCLG)CD CorpRsv	93,744 587,189 3,176								93,744 587,189 3,176
	Sub Total		684,109	0	0	0	0	0	0	0	684,109
5	Autism Capital Grants	OG	17,215	1,285							18,500
6	Reconfiguration of Corben Lodge	S106(Hsg) CP(DCSF)CM	8,127 0	50,873 1,091,000							59,000 1,091,000
	Sub Total		8,127	1,141,873	0	0	0	0	0	0	1,150,000
7	Refurbishment of Hilsea Annexe	S106(Hsg)	0	140,000							140,000
8	Canvas Coffee Shop	OG(PHE)Health	20,106								20,106
9	Portsmouth Recovery Centre	OG(PHE)Health	0	266,000							266,000
10	Better Care Fund	BCF(OG)DOH	0	50,000	446,000						496,000

HEALTH AND SOCIAL CARE PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
11	Swift Software Replacement	CROC	0				80,200				80,200
		CRGG	0				700				700
		CP(DH)CG	0				319,100				319,100
		OR	0			163,000	100,000				263,000
		BCF(OG)DOH	0		234,000	266,000					500,000
	Sub Total		0	0	234,000	429,000	500,000	0	0	0	1,163,000
12	Assistive Technology	OR	0		150,000	150,000					300,000
Grand Total			3,642,521	1,599,158	881,383	579,000	500,000	0	0	0	7,202,062

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Palmerston Road Improvements	CorpRsv	326,299	57,900	115,801						500,000
2	City Centre Development - Road	CorpRsv	0					719,947	2,315,300		3,035,247
		CP(DFT)IT	(5,801)	123,920	314,780				623,000		1,055,899
		UB	8,291								8,291
		OG(DCLG)CD	1,036,008								1,036,008
		CIL	0	176,080	585,220	500,000	4,000,000	5,580,053			10,841,353
		S106(ST)	0						42,900		42,900
		S106(EW)	5,440								5,440
		CRGG	0						18,800		18,800
		OC	0		2,200,000	9,000,000	11,000,000	2,000,000			24,200,000
		CROC	32,566								32,566
	Sub Total		1,076,504	300,000	3,100,000	9,500,000	15,000,000	8,300,000	3,000,000	0	40,276,504
	Enterprise Centre Dilapidations	CorpRsv	0	40,000							40,000
		RCCO	0		30,000						30,000
	Sub Total		0	40,000	30,000	0	0	0	0	0	70,000
4	Cosham High Street	CP(DFT)IT	1,378								1,378
		OG(DCLG)CD	32,007								32,007
	Sub Total		33,385	0	0	0	0	0	0	0	33,385
5	Dunsbury Hill Farm - Access Road	CorpRsv	0	181,046							181,046
		OG(DCLG)CD	568,954								568,954
		OC	4,540,000								4,540,000
		LEP	241,078								241,078
		UB	1,981,008	2,073,307	414,607						4,468,922
	Sub Total		7,331,040	2,254,353	414,607	0	0	0	0	0	10,000,000
6	Dunsbury Hill - Utilities & Enabling	UB	248,607	2,495,174	56,219						2,800,000

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
7	Dunsbury Hill - Plot 2	UB	525,977	8,722,323							9,248,300
8	City Deal	OG(DCLG)CD	4,072,035								4,072,035
		CorpRsv	0			1,227,787					1,227,787
		CIL	0			972,213					972,213
		OC	22,000								22,000
		ORCD	0			786,280					786,280
	Replacement Financing For City Deal Grant	UB	0			3,128,267					3,128,267
		CP(DCSF)CM	0		3,722,451						3,722,451
		CP(DCSF)BN	0		4,478,312						4,478,312
		CP(DH)CG	0	654,533							654,533
		CP(DFT)IT	0		767,237	2,684,045					3,451,282
		CP(DFT)HM	721			2,012,773					2,013,494
		CP(DCLG)DFG	206,864	46,215		412,968					666,047
		CRGG	0			1,031,772					1,031,772
		CROC	0			1,438,617					1,438,617
		MTRS	0	775,705							775,705
		ORCD	730,000			8,596,938					9,326,938
		OR	0			13,392,000					13,392,000
		CP(EFA)2YR	0	331,656							331,656
		S106(ST)	0	161,376							161,376
		S106(OS)	0	105,515							105,515
	Sub Total		5,031,620	2,075,000	8,968,000	35,683,660	0	0	0	0	51,758,280
9	Hampshire Community Bank	UB	86,985	2,413,015	1,250,000	1,250,000					5,000,000
		CorpRsv	0	35,300	22,115	6,000					63,415
		MTRS	0	66,395	18,905						85,300
		OC	0	20,790	6,980						27,770
	Sub Total		86,985	2,535,500	1,298,000	1,256,000	0	0	0	0	5,176,485

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
10	Limberline Phase III	CorpRsv	0	459,716							459,716
		LEP	302,284								302,284
		UB	1,266,032	2,221,968							3,488,000
		PR	0	185,000							185,000
	Sub Total		1,568,316	2,866,684	0	0	0	0	0	0	4,435,000
11	City Centre Public Realm Improvements	S106(OS)	0			800					800
		CorpRsv	0	72,980	202,320	99,200					374,500
		CROC	0	98,920	22,680						121,600
		CP(DFT)IT	780	2,320	0						3,100
	Sub Total		780	174,220	225,000	100,000	0	0	0	0	500,000
12	London Road, North End	CorpRsv	21,987	78,013							100,000
		RCCO	0	60,000							60,000
	Sub Total		21,987	138,013	0	0	0	0	0	0	160,000
13	Seafront Developments	CorpRsv	0		61,600						61,600
		CROC	0		38,400						38,400
	Sub Total		0	0	100,000	0	0	0	0	0	100,000
14	Local Enterprise Partnership	OC	15,000,000	1,310,300	5,350,000	2,500,000	3,500,000	3,550,000			31,210,300
		LEP	29,461,432	43,198,600	18,982,000	10,817,900	9,252,700	9,252,700			120,965,332
		LEPCapRec	0	352,790							352,790
		LEP(DCLG)	1,075,000	3,664,210	267,300	736,200	525,000	525,000			6,792,710
		LEP(OG)	4,446,867	2,643,100							7,089,967
	Replacement Financing For LEP	UB	0	241,100							241,100
		CorpRsv	0	302,300							302,300
		CRGG	0	456,600							456,600
	Sub Total		49,983,299	52,169,000	24,599,300	14,054,100	13,277,700	13,327,700	0	0	167,411,099

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
15	Re-provision of Children's Home	MTRS	501,442	81,558							583,000
		CorpRsv	0	35,000							35,000
	Sub Total		501,442	116,558	0	0	0	0	0	0	618,000
16	Medina House Refurbishment	CorpRsv	138,114	177,886							316,000
		RCCO	0	125,000							125,000
	Sub Total		138,114	302,886	0	0	0	0	0	0	441,000
17	Commercial Property Acquisition Fund	UB	32,545,035	31,100,000	46,354,965						110,000,000
		CorpRsv	0		7,734,000	20,000,000					27,734,000
	Sub Total		32,545,035	31,100,000	54,088,965	20,000,000	0	0	0	0	137,734,000
	Investment Properties	CorpRsv	0	45,414,000							45,414,000
19	Freehold Acquisition of Land Adjacent to MMD	UB	4,049	745,951							750,000
		PR	0	34,500							34,500
	Sub Total		4,049	780,451	0	0	0	0	0	0	784,500
20	Public Realm Improvement by The Hard	CP(DCSF)CM	0		300,000						300,000
21	Guildhall Investment (Match Funding)	CP(DCSF)CM	0			300,000					300,000
22	Purchase of New Depot	UB	2,601	2,197,399							2,200,000
		RCCO	0	150,000							150,000
		PR	0	147,235							147,235
	Sub Total		2,601	2,494,634	0	0	0	0	0	0	2,497,235
23	Civic Offices' Basement Refurbishment	RCCO	0	249,000							249,000

PLANNING, REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
24	Renovation of Victoria Park Lodge	CorpRsv	0		75,000	25,000					100,000
25	Public Realm Improvements - Chaucer House	CWCIL	0		297,000	297,000					594,000
26	Portsmouth Area Rape Crisis Service - Building Maintenance	CorpRsv	0		50,000						50,000
Grand Total			99,426,040	154,285,696	93,717,892	81,215,760	28,277,700	21,627,700	3,000,000	0	481,550,788

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	New Terminal Building	UB	15,900,350								15,900,350
		OG(DCLG)CD	139,396								139,396
		EUG	421,058								421,058
		CorpRsv	11,261	4,739							16,000
	Sub Total		16,472,065	4,739	0	0	0	0	0	0	16,476,804
2	Dredging - Albert Johnson & Flathouse Quays	B	238,500								238,500
		CorpRsv	2,857,469	(30,000)							2,827,469
		OG(DCLG)CD	453,544	30,000							483,544
	Sub Total		3,549,513	0	0	0	0	0	0	0	3,549,513
3	Port Infrastructure	CorpRsv	0			680,471					680,471
		CRGG	0			926					926
	Sub Total		0	0	0	681,397	0	0	0	0	681,397
	Port Master System	CorpRsv	0	60,000	113,026						173,026
		OG(DCLG)CD	24,274								24,274
	Sub Total		24,274	60,000	113,026	0	0	0	0	0	197,300
5	Port Regeneration	OG(DCLG)CD	43,362								43,362
		LEP	456,638								456,638
		UB	3,059,459	1,800,000	650,000	2,300,000	3,500,000	2,200,541			13,510,000
	Sub Total		3,559,459	1,800,000	650,000	2,300,000	3,500,000	2,200,541	0	0	14,010,000
6	Automatic Line Handling Equipment	MTRS	24,328								24,328
		OG(DCLG)CD	427,792	(30,000)							397,792
		EUG	28,981	30,000							58,981
	Sub Total		481,101	0	0	0	0	0	0	0	481,101

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
7	Check-in Canopies	CorpRsv OG(DCLG)CD	7,274 346,832								7,274 346,832
	Sub Total		354,106	0	0	0	0	0	0	0	354,106
8	Purchase of Linkspan Berth 3	UB	0	10,000		690,000					700,000
9	Purchase of Linkspan Berth 4	CorpRsv UB	0 0	1,000,000 260,000	7,625,000	115,000					1,000,000 8,000,000
	Sub Total		0	1,260,000	7,625,000	115,000	0	0	0	0	9,000,000
	Grand Total		24,440,518	3,134,739	8,388,026	3,786,397	3,500,000	2,200,541	0	0	45,450,221

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Project Management	CorpRsv	0		44,900						44,900
2	Landlord's Maintenance	CorpRsv	2,268,649	1,592,746	377,683	547,500					4,786,578
		RCCO	0		113,000	0					113,000
		S106(Hsg)	0			43,500					43,500
		CP(DCSF)CM	331,301								331,301
		CP(DFT)IT	175,115								175,115
		OG(DCLG)CD	1,859,528	(92,745)							1,766,783
		CMR	65,750								65,750
		CROC	0		1,317	383,183					384,500
	Sub Total		4,700,343	1,500,001	492,000	974,183	0	0	0	0	7,666,527
3	Landlord's Maintenance - Capital Contingency	CorpRsv	0		215,000						215,000
		CRGG	0		196,000						196,000
	Sub Total		0	0	411,000	0	0	0	0	0	411,000
4	MMD - Capital Advances	UB	7,894,000	160,000	30,000						8,084,000
		OG(DCLG)CD	250,000								250,000
	Sub Total		8,144,000	160,000	30,000	0	0	0	0	0	8,334,000
5	Port Leased Plant and Equipment	UB	0	2,175,000	1,500,000						3,675,000
6	Asset Management System	B	114,558								114,558
		UB	12,250	57,000	57,622						126,872
		OG(DCLG)CD	58,587								58,587
	Sub Total		185,395	57,000	57,622	0	0	0	0	0	300,017

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
7	Major Repairs to Corporate Property Portfolio	CorpRsv	419,736	53,210							472,946
		OG(DCLG)CD	225,024								225,024
		CROC	11,500								11,500
		CRGG	229,900								229,900
		MTRS	200,000								200,000
		CMR	65,000								65,000
		OC	10,000								10,000
	Sub Total		1,161,160	53,210	0	0	0	0	0	0	1,214,370
8	IS Data Centre	CorpRsv	828,746	37,101							865,847
		OG(DCLG)CD	39,453								39,453
	Sub Total		868,199	37,101	0	0	0	0	0	0	905,300
	IS Data Centre Chillers	CMR	134,400								134,400
10	Transformation Programme - Customer Management	UB	84,866	31,601							116,467
		OG(DCLG)CD	68,533								68,533
	Sub Total		153,399	31,601	0	0	0	0	0	0	185,000
11	IS Road Map	CorpRsv	95,683	41,309	500,000						636,992
		OG(DCLG)CD	321,482								321,482
		CP(DCLG)DFG	151,400								151,400
		CRGG	2,320								2,320
		CP(DFT)IT	196,000								196,000
		ITR	0	233,176							233,176
	Sub Total		766,885	274,485	500,000	0	0	0	0	0	1,541,370

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
12	HR Self Serve & I Expenses	OR	137,677	5,740							143,417
		MTRS	409,588	13,412							423,000
		OG(DCLG)CD	96,583								96,583
	Sub Total		643,848	19,152	0	0	0	0	0	0	663,000
13	Legal Case Management Software	MTRS	(2,513)		13,600						11,087
		OG(DCLG)CD	84,913								84,913
	Sub Total		82,400	0	13,600	0	0	0	0	0	96,000
14	Guildhall Capital Works	CorpRsv	1,081,307	313,264							1,394,571
		OG(DCLG)CD	307,669								307,669
	Sub Total		1,388,976	313,264	0	0	0	0	0	0	1,702,240
15	Revenue and Benefits EDMS replacement	CorpRsv	(888)	21,780							20,892
		OG(DCLG)CD	74,108								74,108
	Sub Total		73,220	21,780	0	0	0	0	0	0	95,000
16	Call Recording System	CorpRsv	(7,734)	0							(7,734)
		OG(DCLG)CD	37,500								37,500
	Sub Total		29,766	0	0	0	0	0	0	0	29,766
17	Working Anywhere	CorpRsv	133,778	103,387							237,165
		OG(DCLG)CD	67,344								67,344
		MTRS	47,325								47,325
		CP(DCLG)DFG	626,166								626,166
	Sub Total		874,613	103,387	0	0	0	0	0	0	978,000

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
18	Commercial Letting of Brunel Wing	CorpRsv	310,440	57,728							368,168
		RCCO	0	40,000							40,000
		OG(DCLG)CD	326,286								326,286
	Sub Total		636,726	97,728	0	0	0	0	0	0	734,454
19	World War 2 Memorial Guildhall Square	CorpRsv	31,664	(4,664)							27,000
		OC	0	70,000							70,000
	Sub Total		31,664	65,336	0	0	0	0	0	0	97,000
20	PSN CoCo Compliance	CorpRsv	63	0	92,553						92,616
		OG(DCLG)CD	99,384								99,384
		ITR	30,400	22,600							53,000
	Sub Total		129,847	22,600	92,553	0	0	0	0	0	245,000
21	Replacement Emergency Generator	CP(DCSF)CM	15,250								15,250
		CorpRsv	7,486	4,632							12,118
		OG(DCLG)CD	162,632								162,632
	Sub Total		185,368	4,632	0	0	0	0	0	0	190,000
22	Civic Office Ducting	CP(DCSF)CM	(754)		6,166						5,412
		CorpRsv	250								250
		OG(DCLG)CD	69,338								69,338
	Sub Total		68,834	0	6,166	0	0	0	0	0	75,000

RESOURCES PORTFOLIO
CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
23	Refurbishment of Data Centre Accommodation	CorpRsv	76,346	545,010							621,356
		OG(DCLG)CD	88,644								88,644
	Sub Total		164,990	545,010	0	0	0	0	0	0	710,000
24	Superconnected Cities	OG	2,914,907	14,405							2,929,312
25	Guildhall Internal Works	CorpRsv	0	80,000							80,000
26	Municipal Bonds Agency	OG(DCLG)CD	150,000								150,000
27	IS - Server & Database	CorpRsv	0	50,000	150,000						200,000
	BI Hardware & Implementation	CorpRsv	245	440,400	269,800	114,000	25,555				850,000
	EBS Hardware & Configuration	OR	0	230,800	50,000						280,800
	Web Phase 2 / Channel Shift	CorpRsv	229,203	361,897	90,000						681,100
		RCCO	0	61,800							61,800
	Sub Total		229,203	423,697	90,000	0	0	0	0	0	742,900
31	Utilities' Management 2015/16	UB	467,541	612,459							1,080,000
		CMR	0	26,000							26,000
	Sub Total		467,541	638,459	0	0	0	0	0	0	1,106,000
32	Utilities' Management 2016/17	UBS	0	250,000							250,000
		CROC	0	633,000	350,000						983,000
	Sub Total		0	883,000	350,000	0	0	0	0	0	1,233,000
33	Investment in Solar Photovoltaic Cells	UB	0	1,950,000							1,950,000

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
34	Council Chamber Modernisation	RCCO	0		150,000						150,000
35	Utilities and Energy Management	UB	0		515,550	515,550					1,031,100
36	Investment in Solar PV Cells	UB	0		1,433,333	1,433,333	1,433,334				4,300,000
37	Landlord's Maintenance - Isambard Brunel Car Park Lift Refurbishment	PARK	0		240,000						240,000
Grand Total			24,185,929	10,192,048	6,396,524	3,037,066	1,458,889	0	0	0	45,270,456

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Congestion Monitoring (ANPR)	UB	36,181								36,181
		GGNR(DFT)LTPIT	109,501								109,501
	Sub Total		145,682	0	0	0	0	0	0	0	145,682
2	Contribution to PFI	HwayPFI	16,545,430	2,688,920	2,448,747	3,434,820	3,030,930	1,502,306	1,449,327	30,348,663	61,449,143
		OG(DCLG)CD	2,772,625								2,772,625
		EUG	(10,427)								(10,427)
		OG	145,167								145,167
		UB	2,306,379								2,306,379
		CP(DFT)HM	4,057,353	1,311,000	1,383,000	1,151,000					7,902,353
	Sub Total		25,816,527	3,999,920	3,831,747	4,585,820	3,030,930	1,502,306	1,449,327	30,348,663	74,565,240
	Tipner Motorway Junction & Park & Ride	OG(DFT)Sec31	19,487,001								19,487,001
		OG(DCLG)CD	5,883,986								5,883,986
		CorpRsv	1,998,942	1,028,016							3,026,958
		S106(ST)	226,143								226,143
		S106(EW)	381,412								381,412
		PUSH(NGP)	1,460,000								1,460,000
		OC	520,000								520,000
	Sub Total		29,690,329	1,295,171	0	0	0	0	0	0	30,985,500
4	Northern Road Bridge	UB	331,688								331,688
		OC	90,996	(168)							90,828
		GGNR(DFT)LTPIT	529,810								529,810
		OG(DFT)Sec31	10,762,124	195,490							10,957,614
		CP(DFT)IT	60								60
	Sub Total		11,714,678	195,322	0	0	0	0	0	0	11,910,000

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
5	Local Transport Plan & Road Safety 3	UB	0	70,000							70,000
		CorpRsv	196,000	51,000							247,000
		S278	23,644								23,644
		CP(DFT)IT	2,646,886	800,000	1,910,614						5,357,500
		S106(ST)	446,994	33,973							480,967
		OG(DFT)LSTFSec31	3,118,870	(319,718)							2,799,152
		OG(DFT)TFSHSec31	1,669,778								1,669,778
		CP(DCSF)BN	0	30,000							30,000
		OG	0	80,000							80,000
	Sub Total		8,102,172	745,255	1,910,614	0	0	0	0	0	10,758,041
	The Hard Public Transport Interchange	CIL	(2,805)	2,805							0
		UB	0	19,003	2,098						21,101
		CP(DCSF)BN	0	3,365,593							3,365,593
		CP(DFT)IT	0	12,907							12,907
		CP(DCLG)DFG	0	135,700							135,700
		OC	2,542,800	2,289,200							4,832,000
		CROC	0	567,092							567,092
		S106(OS)	0		345,800						345,800
		PARK	0		500,000						500,000
		OG(DFT)LSTFSec31	289,014	319,718							608,732
		OG(DFT)TFSHSec31	244,355								244,355
		CorpRsv	269,062	6,166	592,230	265,672					1,133,130
	Sub Total		3,342,426	6,718,184	1,440,128	265,672	0	0	0	0	11,766,410
7	Replace Residential Street Lighting With LED	UB	0	300,000	2,740,000						3,040,000
8	Copnor Bridge Maintenance	CorpRsv	21,555	26,445							48,000
		OC	20,480								20,480
	Sub Total		42,035	26,445	0	0	0	0	0	0	68,480

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
9	Clean Vehicle Technology	OG	126,171								126,171
10	Eastern Rd Waterbridge	CorpRsv	0		227,500	29,700					257,200
		CP(DFT)IT	144	288,108	776,648						1,064,900
		OG(DFT)Sec31	0		377,900						377,900
		OC	71,418		28,582						100,000
	Sub Total		71,562	288,108	1,410,630	29,700	0	0	0	0	1,800,000
11	Angelsea Road Footbridge	CP(DFT)IT	22,190	300,000	278,425						600,615
		OC	5,385		20,000						25,385
	Sub Total		27,575	300,000	298,425	0	0	0	0	0	626,000
	Verge Hardening	CorpRsv	15,881	93,938							109,819
	Traffic Management Centre - System Review	PARK	0	281,218							281,218
14	Traffic Signal Upgrade Packages	CorpRsv	0	200,000	260,700						460,700
		S106(ST)	0		2,400						2,400
		S106(OS)	0		10,000						10,000
		CROC	0		15,900						15,900
		CP(DFT)IT	0		421,000						421,000
	Sub Total		0	200,000	710,000	0	0	0	0	0	910,000
15	Isambard Brunel Car Park Upgrade	PARK	0		50,000	400,000					450,000
16	Seafront Variable Message Signs	CP(DFT)NPIF	0		52,000						52,000
		PARK	0		23,800						23,800
	Sub Total		0	0	75,800	0	0	0	0	0	75,800

TRAFFIC AND TRANSPORTATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
17	Eastern Corridor Road Link Improvements	CP(DFT)NPIF	0		100,000	200,000	200,000				500,000
18	Improvements to Neighbourhood Living and Street Environment	CP(DFT)IT	0		100,000	100,000					200,000
19	Old Portsmouth Area Study	CorpRsv	0		30,000	10,000					40,000
Grand Total			79,095,038	14,443,561	12,697,344	5,591,192	3,230,930	1,502,306	1,449,327	30,348,663	148,358,361

HOUSING PORTFOLIO (GF)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
1	Support For Vulnerable People	CorpRsv	1,887,492	469,420	32,765						2,389,677
		CP(DCLG)DFG	1,124,300								1,124,300
		CP(DCSF)BN	250,729								250,729
		CP(DH)CG	762,300								762,300
		GGR(DCLG)PSR	179,526								179,526
		GGR(DCLG)DF	634,100								634,100
		OC	1,246,206	186,580	190,744	195,513	200,400	205,411	210,545	200,000	2,635,399
		LR(HIP)	891,082		448,891	293,697	6,040	18,691	31,658		1,690,059
		BCF(DFG)DCLG	748,367	1,403,597	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	8,151,964
		OC	0			200,000	500,000	500,000	500,000	500,000	2,200,000
		OG(DCLG)CD	1,318,131								1,318,131
	Sub Total		9,042,233	2,059,597	1,672,400	1,689,210	1,706,440	1,724,102	1,742,203	1,700,000	21,336,185
	Removal of Hazards & Risks Within The Home	GGR(DCLG)PSR	372,963								372,963
		LR(HIP)	1,263,661	333,509	341,847	150,393	359,153	368,132	377,335	350,000	3,544,030
		CorpRsv	0			200,000					200,000
	Sub Total		1,636,624	333,509	341,847	350,393	359,153	368,132	377,335	350,000	4,116,993
3	Grants to Registered Social Landlords	S106(Hsg)	97,000	450,000							547,000
		CorpRsv	1,994								1,994
		LR(HIP)	162,000								162,000
	Sub Total		260,994	450,000	0	0	0	0	0	0	710,994
4	Green Deal Communities	OG	559,679								559,679
Grand Total			11,499,530	2,843,106	2,014,247	2,039,603	2,065,593	2,092,234	2,119,538	2,050,000	26,723,851

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	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)	5,389,168								5,389,168
		UB(HRA)	2,541,431								2,541,431
	Sub Total		12,617,569	0	0	0	0	0	0	0	12,617,569
2	Old London Road	RCCO(HRA)	556,349								556,349
		CRec(HRA)	90,356								90,356
	Sub Total		646,705	0	0	0	0	0	0	0	646,705
3	HRA Assets (Non Dwelling)	B(HRA)	3,714,358								3,714,358
		CorpRsv	0		300,000						300,000
		RCCO(HRA)	9,547,518	511,658	215,000	215,000	215,000	215,000	215,000	215,000	11,349,176
		OC	81,368								81,368
		UB(HRA)	246,614								246,614
		OG(DFT)LSTFSec31	30,000								30,000
	Sub Total		13,619,858	511,658	515,000	215,000	215,000	215,000	215,000	215,000	15,721,516
4	Total Major Repairs Dwellings	B(HRA)	134,210								134,210
		OC	3,589,798	407,500	400,000	400,000	400,000	400,000	400,000	400,000	6,397,298
		RCCO(HRA)	82,511,855	20,210,491	16,910,836	17,529,899	17,704,051	19,446,556	20,806,555	21,284,256	216,404,499
		OG	1,054,584								1,054,584
		UB(HRA)	11,841,361								11,841,361
		CRec(HRA)	290,822								290,822
		CorpRsv	85,000								85,000
	Sub Total		99,507,630	20,617,991	17,310,836	17,929,899	18,104,051	19,846,556	21,206,555	21,684,256	236,207,774

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
5	King William Street	UB(HRA)	0	73,278	95,710						168,988
		CRec(HRA)	75,814								75,814
		OCRec(HRA)	203,428	376,735							580,163
		S106(Hsg)	0	7,000							7,000
		OC	0	7,500							7,500
		OG	0	325,000							325,000
	Sub Total		279,242	789,513	95,710	0	0	0	0	0	1,164,465
6	Southsea Community Centre	UB(HRA)	0	420,000	1,459,155						1,879,155
		CRec(HRA)	99,837	180,000	625,352						905,189
		RCCO(HRA)	641								641
		OCRec(HRA)	94,982								94,982
		Sub Total		195,460	600,000	2,084,507	0	0	0	0	0
Plot 2 Wellington Street	CRec(HRA)	219,517	676,299	26,836							922,652
	RCCO(HRA)	7,445									7,445
	OCRec(HRA)	443,668	1,578,032	62,617							2,084,317
	Sub Total		670,630	2,254,331	89,453	0	0	0	0	0	3,014,414
8	Arthur Pope House	UB(HRA)	0		3,341,912		131,173				3,473,085
		CRec(HRA)	77,101	240,000	2,100,000	145,500	56,217				2,618,818
		RCCO(HRA)	1,732								1,732
		OCRec(HRA)	467,787	560,000	1,558,088	339,500					2,925,375
	Sub Total		546,620	800,000	7,000,000	485,000	187,390	0	0	0	9,019,010
9	Development Internal Charges	UB(HRA)	0		50,000		50,000	50,000			150,000
		CRec(HRA)	56,889								56,889
		OCRec(HRA)	198,648	50,000		50,000			50,000	50,000	398,648
	Sub Total		255,537	50,000	50,000	50,000	50,000	50,000	50,000	50,000	605,537

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
10	Hambrook Street	UB(HRA)	0								0
		CRec(HRA)	4,950								4,950
	Sub Total		4,950	0	0	0	0	0	0	0	4,950
11	Kingsclere Avenue	UB(HRA)	0	1,978,371	5,750,000						7,728,371
		OCRec(HRA)	45,663			235,818					281,481
	Sub Total		45,663	1,978,371	5,750,000	235,818	0	0	0	0	8,009,852
12	Blendworth Crescent	UB(HRA)	0	2,500,000	5,451,641						7,951,641
		OCRec(HRA)	182,622			250,000					432,622
	Sub Total		182,622	2,500,000	5,451,641	250,000	0	0	0	0	8,384,263
	Nessus Street	UB(HRA)	0	12,000	228,061						240,061
		OCRec(HRA)	67,649			37,890					105,539
		OG	0	954,311	215,669						1,169,980
	Sub Total		67,649	966,311	443,730	37,890	0	0	0	0	1,515,580
14	Holybourne Road	UB(HRA)	0	885,000	900,000	53,271					1,838,271
		CRec(HRA)	45,291								45,291
		OCRec(HRA)	0			5,792					5,792
	Sub Total		45,291	885,000	900,000	59,063	0	0	0	0	1,889,354
15	Longdean	UB(HRA)	0					2,415,673			2,415,673
		CRec(HRA)	0				441,000	1,140,000			1,581,000
		OCRec(HRA)	0				1,029,000	244,327			1,273,327
	Sub Total		0	0	0	0	1,470,000	3,800,000	0	0	5,270,000

HOUSING PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2016	Revised Estimate for 2016/17	Estimate for 2017/18	Estimate for 2018/19	Estimate for 2019/20	Estimate for 2020 / 21	Estimate for 2021 / 22	Exp. in Subsequent Years	Final Cost
16	Highgrove House	UB(HRA)	0				104,000	778,827			882,827
		CRec(HRA)	0				75,000	700,500			775,500
		OCRec(HRA)	0				71,000	855,673			926,673
	Sub Total		0	0	0	0	250,000	2,335,000	0	0	2,585,000
17	Green & Clean Rest Areas	OCRec(HRA)	0	67,000							67,000
18	Eastern Rd New Properties	S106(Hsg)	0								0
		UB(HRA)	0	53,000	1,589,000						1,642,000
		OG	0	402,000							402,000
		OCRec(HRA)	0			81,000					81,000
	Sub Total		3,690	451,310	1,589,000	81,000	0	0	0	0	2,125,000
	Doyle Avenue New Build Properties	OCRec(HRA)	0	15,000							15,000
	Replacement Homes	CRec(HRA)	0	405,000	300,000	300,000	300,000	300,000	300,000	300,000	2,205,000
		OCRec(HRA)	0	700,000		700,000	700,000	700,000	700,000	700,000	4,200,000
		UB(HRA)	0	245,000	700,000						945,000
	Sub Total		0	1,350,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	7,350,000
21	Phase 1: Refresh of the Allaway Ave Green and Surrounding Planting	CorpRsv	0		16,600						16,600
22	Hillside Youth & Community Centre - Outdoor Play	CorpRsv	0		41,500	124,500					166,000
Grand Total			128,689,116	33,836,485	42,337,977	20,468,170	21,276,441	27,246,556	22,471,555	22,949,256	319,275,556

This page is intentionally left blank

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution/ Borrowing £	Total Capital Cost £	Revenue Cost/ (Saving) £
Education				
Sufficiency of Secondary School Places	This bid is to provide additional Secondary School places in order to meet the future demand for places in 2019/20. Over the next few years, further capital allocations will be required to meet the increasing demand for secondary places.	2,670,000	4,470,000	
Future Secondary School Places	This bid is for the provision of further additional secondary school places in order to meet the future demand for secondary school places. Over the next few years, further capital allocations will be required to meet the increasing demand for secondary school places and detailed design work will be progressed to prepare a detailed plan to address the longer term secondary school place requirement.	1,000,000	1,000,000	
School Condition Projects	Addresses urgent school condition issues (Priority 1: Urgent Repairs that require remedy within the next 1 -2 years); identified as priority items raised via the Asset Management Plan; priority items raised in the school condition surveys; and other statutory items recommended as a priority by Property & Housing Services.	1,000,000	1,100,000	
Children's Safeguarding				
Children's Case Management Software Replacement	To procure a new case management system for Children's Social Care that provides flexible and efficient record management and reporting requirements and meets both service and inspection needs. The new system will support new ways of working and Social Work Matters developments. The current system will be de-supported by the software provider from 2020.	1,907,000	1,907,000	(10,000)
Tangier Road Children's Home	In its current form, the plot and building make a poor use of space and resources. The scheme aims to maximise the site's potential and place staff and managers within the main working environment, as well as freeing up valuable space within the lodge that can be converted into residential use.	495,000	495,000	
Beechside Children's Home	Improvements to the Beechside Children's home to improve the overall experience of children living at the home.	55,000	55,000	

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution/ Borrowing £	Total Capital Cost £	Revenue Cost/ (Saving) £
Culture, Leisure and Sport				
Kings Bastion	The site is listed under the Ancient Monument and Archaeological Areas Act, the fortifications include Kings Bastion, Long Curtain Moat and Saluting Battery. To preserve the structures a programme of repair and conservation is required. There are numerous areas of concern and large areas of eroded pointing.	525,000	600,000	
Charles Dickens' Gardens	The boundary wall to Charles Dickens Garden, adjacent to Victoria Street is constructed in brickwork . A structural survey has been undertaken which has identified full height vertical cracks. The lean of the wall measured is becoming unsafe and is also substantially higher than recommended. Sections of the boundary wall will be demolished and rebuilt as appropriate.	25,000	25,000	
D Day Museum	The D Day museum requires works to its pitched and flat roofs, external brick walls and timber doors	165,000	165,000	
Contribution towards Resurfacing South Parade Pier	Works are required to provide full visitor access to the exterior of the pier that will permit the pier buildings to be refurbished and opened to the public. (Contribution subject to the negotiation of a public access agreement or other community benefit)	50,000	75,000	
Installation of shower facilities at Canoe Lake	Installation of a free-standing shower unit adjacent to the toilet blocks at Canoe lake. The shower will be free standing on a purpose built and drained hard-standing, with a low-level railing surround.	10,000	10,000	600
Watersedge Park Building	To demolish the old pre-fabricated Watersedge Park Building, grass the area and adjust the fence line. This will open up the park and create a more pleasant amenity space, with potential for improvements to the play space at a later date. The southern hedge boundary will be reduced in height, making the green space more visible from Southampton Road.	20,000	20,000	(2,300)
Edwardian Seafront Shelter	Restoration of an Edwardian cast iron shelter on Southsea Seafront	70,000	80,000	
Re-provision of Bandstand at West Battery Gardens	Re-provisioning of the Bandstand at West Battery Gardens that addresses Health & Safety concerns following the increased popularity of the free concert programme.	40,000	40,000	

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution/ Borrowing £	Total Capital Cost £	Revenue Cost/ (Saving) £
Pop Up Kiosks - Southsea Seafront	To allow for the purchase of between 6 - 8 small kiosks to enable a series of 'pop-ups' to be leased to diverse Small Medium Enterprises businesses along the Seafront to enhance and support the resident and visitor offer.	40,000	40,000	
Environment and Community Safety				
Household Waste Collection	Extension of a trial providing households with wheelie bins for their rubbish, previously placed in black sacks. The trial will extend to four parts of the city, following on from a successful pilot in the Highbury area of Cosham. Circa 6,500 homes will have new wheelie bins for their rubbish. The trial will also include placing new lifting equipment on a waste collection vehicle.	111,200	111,200	(42,800)
Old Portsmouth Seawalls' Maintenance	Maintenance of Grade 1 and Grade 2 Heritage structures at Old Portsmouth. The work will focus on the seaward side. The area to be maintained includes the Saluting Platform, Ten Gun Battery, St James Gate and the Hotwalls.	120,000	120,000	
Southsea Coastal Flood Defence Contribution	This scheme is for flood defence refurbishment to protect Portsmouth's waterfront sites across Old Portsmouth, Southsea and Eastney and to protect business and employment in the local and surrounding areas. It will also make Portsmouth's seafront more attractive and support Portsmouth as a world class destination, a great place to live and encourage increased entrepreneurial activities.	1,250,000	88,602,400	
Health and Social Care				
SWIFT Software Replacement	This project will replace the existing Adult Social Care case management and assessment software with a new web-based system integrated with the National Health Service.	400,000	1,163,000	(100,000)
Housing & Property				
Phase 1: Refresh of the Allaway Avenue Green and Surrounding Planting	This will allow for improvement to the green on Allaway avenue and for a refresh of the Allaway Avenue park	16,600	16,600	
Hillside Youth & Community Centre - Outdoor Play	To provide a new Ball Court and kick about area, landscaping, workshop for the bike project and seating area.	166,000	166,000	

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution/ Borrowing £	Total Capital Cost £	Revenue Cost/ (Saving) £
PRED				
City Centre Road	<p>Additional match funding to an existing scheme that will fundamentally re-design the City's most strategic access route into the City Centre and beyond to the Naval Dockyard. It strengthens network connectivity both North to the "City Deal" development sites at Tipner and Horsea Island as well as South to Gunwharf (retail and leisure centre), the Historic Dockyard and the Seafront.</p> <p>The proposed new road layout stretches from the bottom of the M275 to Unicorn Gate serving the western corridor.</p>	3,000,000	45,000,000	
Renovation of Victoria Park Lodge	The renovation of Victoria Park lodge will include remedial works to the lodge; updating the on-site facilities; fitting out and equipping the kitchen, and modifications to internal decorations, fixtures and fittings. In the future, the facilities will be used to provide employment and training support services for those with learning difficulties.	100,000	100,000	
Public Realm Improvements - Chaucer House	This scheme improves the public realm around the former Chaucer House site, which is currently being redeveloped.	594,000	594,000	
Pottrsmouth Area Rape Crisis Service - Building Maintenance	To provide a capital grant to the current lessee in exchange for the surrender and renewal of the current lease. The new lease will transfer repair responsibility of the building to the current tenant.	50,000	50,000	
Resources				
Landlord's Maintenance	Housing and Property Services have landlord maintenance responsibility for over 2,000 operational assets. Detailed surveys are carried out and updated annually, to ensure that the maintenance needs of all assets are recognised and planned for within a medium term maintenance programme. Remediation requirements are categorised according to their severity and impact. Only works classified as being of the highest priority will proceed.	591,000	831,000	
Traffic and Transportation				
Seafront Variable Message Signs	Installation of Variable Message Signs (VMS) along the seafront replacing existing redundant VMS signs while introducing new signs that compliment the Council's Seafront and Parking Strategies.	52,000	75,800	1,000

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution/ Borrowing £	Total Capital Cost £	Revenue Cost/ (Saving) £
Eastern Corridor Road Link Improvements	Improvements to the Eastern Corridor Road Link that will deliver sustainable transport choices; improved air quality; reduced noise; reduced travel time and congestion. The Council will collaborate with Highways England to complement any planned work for the A27.	500,000	500,000	
Improvements to Neighbourhood Living and Street Environment	Funding to enable the construction of neighbourhood and street improvements resulting in better use of 'fence to fence' space and improved access arrangements for pedestrians, cyclists and motor vehicles across the city.	200,000	200,000	
Local Transport Plan	The Local Transport Plan (LTP) is proactive planning in advance of the City centre development and City centre road plans. The bid will be used to finance a programme of capital schemes that contribute towards our Corporate Priorities and a range of transport objectives including the promotion of sustainable transport.	1,200,000	1,200,000	
Old Portsmouth Area Study	The Old Portsmouth Area Wide Review is a detailed review of traffic and transportation issues in the Old Portsmouth area, with the aim of identifying the key concerns and deliverable interventions to address them.	40,000	40,000	
Total of New Schemes Starting in 2017/18 Relying on Available Corporate Resource:		16,462,800	148,852,000	(153,500)

Schemes to be approved in principle 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 S.151 Officer. (Revenue is net of borrowing costs)

Resources

Utilities and Energy Management	The bid identifies engineering works which will enable Property and Housing Services to improve utility/energy management and reduce energy use by c£145,000 per annum. It is also estimated that the City Council's carbon footprint will reduce and lead to savings of £1,500 per annum from the Carbon Reduction Commitment.	1,031,100	1,031,100	(146,500)
Investment in Solar Photovoltaic Cells	Installation of solar technology at various PCC owned properties to generate a sustainable income for the Council over the next 20 years from the Feed in Tariff subsidy, sale of power and savings on buildings' power consumption.	3,400,000	3,400,000	(260,000)
Total of New Schemes Starting in 2017/18 Relying on Prudential Borrowing		4,431,100	4,431,100	(406,500)

NEW SCHEMES STARTING IN 2017/18

CAPITAL PROGRAMME

Description of Scheme	Scheme Details	Council Contribution/ Borrowing £	Total Capital Cost £	Revenue Cost/ (Saving) £
Schemes being wholly or partially funded from Reserves				
Culture, Leisure and Sport				
Southsea Library - Modification of Café, Children's Area & External Doors	Replacement of automatic main entrance doors and control gear, as well as internal alterations within Southsea library relocating both the café and children's library areas. To be wholly funded from the 'Portfolio Reserve'	70,000	70,000	
Health and Social Care				
Assistive Technology	There is potential to improve and rationalise the social care support supplied to residents with a social care need by the enhanced use of Assistive Technology. This project would introduce this technology to over 750 people. To be wholly funded from the 'Prevention (Public Health) Reserve'	300,000	300,000	
Resources				
Landlord's Maintenance - Isambard Brunel Car Park Lift Refurbishment	Refurbishment of 2 lifts within Isambard Brunel Car Park To be wholly funded from the 'Parking Reserve'	240,000	240,000	
Traffic and Transportation				
Seafront Variable Message Signs	Installation of Variable Message Signs (VMS) along the seafront replacing existing redundant VMS signs while introducing new ones that fit in with the Council's Seafront and Parking Strategies. To be partially funded from the 'Parking Reserve'	23,800	75,800	1,000
Total of New Schemes Starting in 2017/18 Relying on Reserves		633,800	685,800	1,000

PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix 1

Ratio of Financing Costs to Net Revenue Stream							
	2015/16 Actual	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Non - HRA	11.9%	11.0%	12.0%	11.6%	11.9%	12.7%	13.0%
HRA	13.1%	12.0%	12.6%	13.1%	13.0%	12.6%	12.3%

Capital Financing Requirement							
	2015/16 Actual £'000s	2016/17 Estimate £'000s	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s
Non - HRA	280,516	326,083	401,622	408,084	409,468	408,928	402,028
HRA	154,734	168,865	170,804	167,850	164,896	161,942	158,988

HRA Limit on Indebtedness							
	2015/16 Actual £'000s	2016/17 Estimate £'000s	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s
HRA	181,701	181,701	181,701	181,701	181,701	181,701	181,701

Authorised Limit for External Debt							
	2015/16 Estimate £'000s	2016/17 Estimate £'000s	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s
Borrowing	418,861	536,633	530,222	523,811	522,449	526,888	530,324
Other Long Term Liabilities (ie Credit Arrangements)	84,388	81,167	77,333	74,639	71,133	65,478	58,908
Total	503,249	617,800	607,555	598,450	593,582	592,365	589,231

PRUDENTIAL INDICATORS

Operational Boundary for External Debt							
	2015/16 Actual £'000s	2016/17 Estimate £'000s	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s
Borrowing	399,129	518,333	511,922	505,511	504,801	508,887	511,962
Other Long Term Liabilities (ie Credit Arrangements)	84,388	81,167	77,333	74,639	71,133	65,478	58,908
Total	483,517	599,500	589,255	580,150	575,934	574,364	570,870

Incremental Impact of Capital Investment Decisions on the Council Tax							
	2016/17 Estimate £'000s	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	
Revenue effect of existing capital programme	869	3,854	5,919	5,932	6,106	6,188	
Revenue effect of proposed capital programme	869	3,798	5,784	5,750	5,922	6,003	
Increase in revenue effect	0	(56)	(134)	(182)	(184)	(184)	
Increase in Council Tax Band D	£0.00	(£1.01)	(£2.43)	(£3.29)	(£3.33)	(£3.33)	

Incremental Impact of Capital Investment Decisions on Housing Rents							
	2016/17 Estimate £'000s	2017/18 Estimate £'000s	2018/19 Estimate £'000s	2019/20 Estimate £'000s	2020/21 Estimate £'000s	2021/22 Estimate £'000s	
Revenue effect of existing capital programme	754	670	954	967	1,041	1,096	
Revenue effect of proposed capital programme	89	463	747	752	812	867	
Increase in revenue effect	(665)	(207)	(207)	(215)	(229)	(229)	
Effect on average weekly rent	(£0.85)	(£0.27)	(£0.27)	(£0.28)	(£0.30)	(£0.30)	