NOTICE OF MEETING

CABINET

THURSDAY, 28 SEPTEMBER 2017 AT 12.00 PM

EXECUTIVE MEETING ROOM - THE GUILDHALL - FLOOR 3

Telephone enquiries to Joanne Wildsmith, Democratic Services Tel 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 Hannah Hockaday
Councillor Simon Bosher	Councillor Frank Jonas BEM
Councillor Jennie Brent	Councillor Robert New
Councillor Ryan Brent	Councillor Linda Symes

(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.

A G E N D A

1   **Apologies for Absence**

2   **Declarations of Interests**

3   **Record of Previous Decision Meetings - 29 June and 27 July 2017** (Pages 5 - 26)

A copy of the records of the previous decisions taken at Cabinet on 29 June and 27 July 2017 are attached.

RECOMMENDED that the records of decisions by Cabinet of 29 June and 27 July 2017 be approved as correct records and signed by the Chair.

4   **ECYP Scrutiny Panel's report into Child Sexual Exploitation** (Pages 27 - 98)

The Education Children & Young People (ECYP) Scrutiny Panel will be represented by Councillor Suzy Horton (subject to teaching commitments) on behalf of the panel's Chair Councillor Neill Young who sends his apologies for absence.

The response report will be presented by Alison Jeffery as Director of Children's Services.

The Education, Children and Young People Scrutiny Panel has conducted a review into how well Portsmouth City Council and partners are preventing and dealing with child sexual exploitation. The purpose of this report is to set out the response of the PCC officers (Children, Families and Education Service, Licensing and Public Health) to the Scrutiny Panel's recommendations.

RECOMMENDED
    (1) That the Panel is thanked for its work in undertaking the review

    (2) That the Cabinet notes and supports the recommendations of the review, which are listed at the end of the Scrutiny Panel's report at appendix 1 and the response of officers which are set out in section 3 of the Director of Children's Services report.

5   **Response report to EDCL Scrutiny Panel's Review on Smart Cities** (Pages 99 - 144)

Councillor Steve Hastings, as the new Chair of Economic Development, Culture & Leisure Scrutiny Panel (EDCL) and as the Vice-Chair for this review will present the panel's report.

Claire Upton-Brown, Assistant Director of Culture & City Development will present the joint directors' response report.

RECOMMENDED:

(1)   That the Panel is thanked for its work in undertaking the review.

(2)   That the Economic Development Culture and Leisure Scrutiny Panel's recommendations be approved in line with the responses noted in item 4 of the report by the Assistant Director of Culture & City Development.

(3)   That there is a visit arranged by the Assistant Director of Culture and City Development to Bristol to consider some of the initiatives that have been implemented and further consideration be given to how the City develops a Smart City Strategy.

6   **Revenue Budget Monitoring 2017/18 Quarter 1 - to end June 2017** (Pages 145 - 156)

The report by the Director of Finance & Information Service is to update members on the current Revenue Budget position of the Council as at the end of the first quarter for 2017/18 in accordance with the proposals set out in the "Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21" report approved by the City Council on the 9th February 2017.

RECOMMENDED that:

(1)   The forecast outturn position for 2017/18 be noted:
(a) An underspend of £1,529,600 <u>before</u> further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve

(b) An underspend of £684,600 <u>after</u> further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve.

(2) 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 2018/19 Cash Limit.

(3) 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 2018/19 Portfolio cash limit will be managed to avoid further overspending during 2018/19.

7   Treasury Management Outturn Report 2016/17 (Pages 157 - 176)

The purpose of the report by the Director of Finance is to inform members and the wider community of the Council's treasury management activities in 2016/17 and of the Council's treasury management position as at 31 March 2017.

RECOMMENDED to Council that:

(a)   The actual prudential indicators based on the unaudited draft accounts, as shown in Appendix A of the report, be noted.

(b)   The actual treasury management indicators for 2016/17, as shown in Appendix B, be noted.

8   Treasury Management Mid-Year Review 2017/18 (Pages 177 - 186)

The purpose of the report by the Director of Finance is to inform members and the wider community of the Council's Treasury Management position at 31 July 2017 and to amend the Council's Treasury Management Strategy to reflect the Council's current circumstances.

In March 2009 the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Panel issued a bulletin on Treasury Management in Local Authorities. The bulletin states that "in order to enshrine best practice it is suggested that authorities report formally on Treasury Management activities at least twice yearly". The report in Appendix A covers

the first four months of 2017/18.

RECOMMENDED to Council:

(1) That the authorised limit for external debt be increased by £10,600,000 from £607,555,000 to £618,155,000

(2) That the operational boundary for external debt be increased by £10,600,000 from £589,255,000 to £599,855,000

(3) That non-specified investments of up to £20m are permitted in the Council's subsidiary companies including but not restricted to MMD (Shipping Services) Ltd

(4) That the actual Treasury Management indicators for July 2017 in Appendix A be noted.

9   Changes to some Cabinet decision meeting dates (information item)

Please note that there have been some adjustment to Cabinet meeting dates during this municipal year:

The meeting scheduled for Thursday 7th December moves to Monday 11th December at 12 noon.

The meeting scheduled for Thursday 15th March 2018 moves to the next day, Friday 16th March at 12 noon.

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.

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Thursday, 29 June 2017 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Donna Jones (in the Chair)

Councillors   Luke Stubbs
               Simon Bosher
               Jennie Brent
               Ryan Brent
               Hannah Hockaday
               Frank Jonas BEM
               Robert New
               Linda Symes

16. Apologies for Absence (AI 1)

All members of the Cabinet were present; David Williams, Chief Executive had his apologies for absence.

17. Declarations of Interests (AI 2)

There were no declarations of members' interests.

18. Record of Previous Decision Meeting - 9 March 2017 (AI 3)

The record of the decisions of the Cabinet meeting of 9 March 2017 were approved as a correct record, to be signed by the Leader.

19. Homeless Working Group (AI 4)

Steve Macer presented the report on behalf of the Housing Options Manager. The report set out the work of the Homeless Working Group (HWG) since it was established in July 2016, which had looked at the reasons behind recent increases in homelessness which was reflected nationally and in response to the rise in prices in private sector renting and the decline in the availability of public sector stock. Appendix 2 had been slightly revised to include information relating to Community Wardens. Whilst good practice elsewhere had been considered there was no evidence that those interventions could be successfully replicated here.

Councillor Paul Godier, who had been the Chair of the HWG, was present to endorse the report (but would leave the Cabinet Members to decide which option would be best for the way forward). He felt that the process had been successful in raising public awareness of issues and in promoting work with the voluntary services and in helping to empower members of the local community. He was grateful to the Cabinet for their

support and wished to place on record his thanks to those voluntary groups who had been key to this review and for the work they undertake.

Councillor Robert New, as Cabinet Member for Environment & Community Safety, would favour option (b) for a steering group to continue and praised the work of the cross-party HWG and noted the areas of cross-over with the Safer Portsmouth Partnership (SPP) in addressing complex needs (for which SPP would be making a bid for a further post). He also credited the work of Flick Drummond for hosting a local conference, Councillor Godier and the voluntary sector.

Councillor Ryan Brent wished to recommend appointing Councillor Godier as 'Homeless Community Champion for PCC' and this was supported by Councillor Donna Jones as Leader having discussed it with other colleagues.

Councillor Donna Jones was proud of the work that had been undertaken through the working group and the engagement with homeless individuals and also looking at the concerns of local retailers. She also thanked Elaine Bastable and all involved in the HWG and the PCC officers also looking out for those needing help, including wardens and security guards. The Leader thanked Councillor Godier for his passion in helping take this forward to help the homeless in Portsmouth and all members of the panel.

Councillor Godier was honoured by the suggestion that he be made the Council's Homeless Community Champion and reported that he was continuing to work with Flick Drummond to run more awareness sessions and he hoped that there would be positive press coverage for these.

DECISIONS:
(1) The Cabinet clarified the future role of the Homeless Working Group, with the disbanding of the group, the role of a Homeless Community Champion is formed and Councillor Paul Godier was appointed to take this role.
(2) The Cabinet gave support and approval for the following recommendations:
   a) To complete the Safer Portsmouth Partnership complex needs work to understand how services work together (housing, mental health, substance misuse etc) when dealing with individuals with multiple & complex needs, including findings from Scrutiny Panels.
   b) To complete the review of the supported housing provision for the homeless, and use the findings to redesign/recommission services to meet the increased demand and more challenging support needs.
   c) Undertake community asset mapping to maximise the contribution of the voluntary & community sector.
   d) Consider an annual event and/or regular forum that would raise awareness and help co-ordinate the work of voluntary & community sector working groups.

e) **Review current enforcement measures and develop a co-ordinated approach to enforcement between police and PCC to reduce duplication of operational responses.**

20. **Appointments to Outside Bodies (AI 5)**

DECISION: Appointments were made as detailed on a separate schedule, to be published with the minutes of this Cabinet meeting.

21. **Street Lighting Replacement Programme (AI 6)**

The report of the Director of Transport, Environment & Business Support was presented by his Assistant Director, Pam Turton who outlined the proposals to upgrade lighting, extending this beyond residential lighting, made possible through prudential borrowing, with benefits of reduction energy consumption.

Councillor Donna Jones, as Leader, welcomed the proposals for their environmental and financial benefits for the city.

RECOMMENDATIONS TO COUNCIL

(1)   Cabinet approved the Report for submission to Full Council to approve a change to the Capital Programme as set out in (2) below

(2)   That Council give approval to increase the currently approved LED Residential Street Lighting Replacement Capital budget of £3.04m by a further £2.21m to £5.25m in order to upgrade the City Council's Street Lighting with LED lighting and a Central Management System.

(3)   That the additional capital budget requirement of £2.21m be financed from Prudential Borrowing.

22. **Membership of Transport for the South East (TfSE) - Shadow Board (AI 7)**

Alan Cufley, Director of Transport, Environment and Business Support, explained this amongst the transport authorities and LEPs across the South East of England to encourage economic growth and seek improved infrastructure across the area. The Shadow Board had met earlier in the week and the intention was for Portsmouth to continue to participate in the shadow board jointly with Southampton CC. This would mean that the costs of membership would be shared and there would be a single vote with membership of the Leader/Cabinet Member and supporting officer rotating between the two authorities. Councillor Donna Jones, as Leader, welcomed this proposal for a joint, strategic approach to be taken in this way. She reported that in the first year Councillor Jacqui Rayment from Southampton CC would be the voting member, supported by PCC's officer, with the roles being reversed in the following year. She expressed her dismay that at a recent Solent LEP meeting Highways England had made a presentation showing the extension of the M27 smart motorway would end at Junction 11 of M27, thereby missing the opportunity to improve the connectivity of the two

cities. Cllr Jones was intending to lobby Highways England and the Department of Transport on this matter.

Councillor Simon Bosher, as Cabinet Member for Traffic & Transportation, was liaising with Cllr Rayment and both wished for the improvements to include the motorway between Junctions 11 and 12.

DECISION - Cabinet agreed that:
> **(1) Portsmouth City Council and Southampton City Council jointly join TfSE as a single member with a single vote. The membership cost for the first year is £20k which will be shared between the 2 authorities.**
> **(2) To reflect the joint approach the meetings will be attended by the relevant transport portfolio holder from 1 authority with officer support from the other authority.**
> **(3) The success of the joint arrangement should be jointly reviewed with Southampton City Council after a year to ensure that the interests of both cities and the wider Solent area is being represented effectively with this proposed approach.**

23. **Digital Advertising (AI 8)**

Chris Ward, Director of Finance and IS, presented the report which explored the opportunities for developing digital advertising and for marketing more assets, with tendering to generate income streams and provide new facilities for PCC. Councillor Donna Jones reported on the involvement of former Cabinet Member for Resources Councillor Lee Mason in this project working with Greg Povey and Louise Wilders and their teams, and she welcomed the innovative approach to maximise advertising opportunities.

Councillor Simon Bosher, Cabinet Member for Traffic & Transportation, supported the proposals and the need to use expertise in this constantly evolving area of technology. He asked that consideration be given to ensure a joined up approach to works with the Eastern Corridor programme. The Leader felt that the report gave flexibility and scope so further developments would be brought back to Cabinet.

DECISIONS:
(1)   in order to explore further the potential digital advertising opportunities within the City, the council embarks on a tender exercise to identify the optimum mix of digital advertising within the city and the most appropriate operating model.

(2)   the tender exercise takes the form of a "multiple lot" strategy reserving the right to choose between lots and award in any combination. The lots being structured as follows:

- **Lot 1 - Location Hard Interchange - Model 1**
- **Lot 1 - Location M275 (iconic structure) - Model 1**

- **Lot 1 - Location Eastern Road - Model 1**
- **Lot 1 - Location Way Finders - Model 1**
- **Lot 2 - Location as per Lot 1 - Model 2**
- **Lot 3 - Existing advertising sites (subject to serving notice)**
- **Lot 4 - Toilets (and news-stands)**
- **Lot 5 - Wireless advertising (Beacon technology)**

(3) **Subject to a satisfactory financial appraisal approved by the Section 151 Officer, the Director of Finance & Information Service in consultation with the Leader of the Council be given delegated authority to award in any combination the Lots outlined in resolution (ii) above.**

(4) **Subject to meeting the MTRS spend to save criteria, of payback within 4 years, any "upfront" investment costs arising from the award of Lots 2, 3, 4 or 5 be funded from the MTRS reserve.**

24. **Public Health Transformation Fund (AI 9)**

Claire Currie, Public Health Consultant, presented the report by the Director of Public Health which sought the creation of this fund and advocated the promotion of a healthy lifestyle through a partnership approach, to address common goals. The 8 key areas in the Business Plan were linked to local and national priorities. The report also set out how the effectiveness of the projects would be monitored. Susan Aistrope, Finance Manager, reported on the previous underspend in Public Health, with £4.8m being used on the Public Health Transformation Fund to help respond to the demands on services and to encourage future sustainability in helping the most vulnerable residents. Councillor Luke Stubbs, as Cabinet Member for Health and Social Care, and also as a member of the PHTF panel, commended the report which was in response to the huge demands on Adult Social Care and health services.

DECISIONS - The Cabinet:
(**1) Noted the drivers of public health activity in Portsmouth, and the priority areas;**
(2) Approved the designation of a Public Health Transformation Fund, as set out in section 7 of the report;
(3) Authorised the Director of Public Health, the Section151 officer (or representative) and Cabinet Member for Adult Social Care and Public Health to approve allocations from the Fund, and keep progress against approved schemes under review.

25. **Resilience in Children's Social Care (AI 10)**

Alison Jeffery, Director of Children's Services, introduced her report which set out the proposals for additional posts and some reorganisation of staff to address the overspend situation via an investment to make savings. This would result in reducing expensive residential placements and to increase the attractiveness of PCC as an employer in this marketplace. The aim was to bring the caseloads down for social workers.

Councillor Ryan Brent, as Cabinet Member for Children and Families, welcomed this responsible approach to continue to bring down the deficit and address the unprecedented demand for adolescent placements. He welcomed the aim to reduce the caseload to 15 per social worker which would help in the preparations for future Ofsted inspections.

Councillor Donna Jones, as Leader, thanked Alison Jeffery, Sarah Newman and Councillor Brent, who she had been working closely with to bring forward these changes and the wider Social Care Team for their work. This should assist with recruitment and in addressing the extra pressures such as unaccompanied asylum seekers.

DECISIONS:
Cabinet endorsed an increase in social work capacity, through an investment of £499K, in order to improve our offer to teenagers and their families in particular, working more proactively within the community to effect whole family solutions and avoid external residential care placements. The increase in social work capacity will be created as follows:

(i) Increase front-line Social workers staffing numbers by eight so that social work caseloads can be brought down to a level (15 children per FTE) that affords pro-active, timely and risk sensible intervention. This will enable us to drive the highest possible quality social work support to vulnerable children and families, to avoid the need to take them into our care; and

(ii) Increase service leader numbers by three; reducing the size of three teams and providing better management oversight.

26. **Transforming Adult Social Care (AI 11)**

Innes Richens, as the Director of Adult Services, presented his joint report with Chris Ward the Section 151 Officer, which set out the local position and the plan for Adult Social Care delivery through the establishment of the ASC Transformation Fund to meet the national and local pressures. The local provision of domiciliary care had been successful through the use of excellent providers, and there was a need to ensure sustainability.

Chris Ward explained the financial background to addressing the deficit position to help meet the rising pressures due to demographic growth. There had been lobbying resulting in an additional £7.8m over 3 years for PCC for Adult Social Care. There remained an ongoing financial challenge of £3.8m, and there was a one off £8.5m funding opportunity but there was still the need to make on-going savings.

Councillor Luke Stubbs, as the Cabinet Member for Health & Social Care, reported that this authority was seeking to address this national funding problem, and was helped by having plans in place with the health service partners to tackle the situation. The Leader thanked the officers for their report.

DECISIONS - Cabinet:
(1)   Noted the acknowledged pressure on adult social care, and the local position
(2)   Endorsed the principles for developing the "blueprint" for social care
(3)   Endorsed the measures being taken to ensure financial stability and sustainability in the service
(4)   Approved the designation of an Adult Social Care Transformation Fund amounting to £8.5m, as set out in section 7 (of the report)
(5)   Authorised the Director of Adult Services, the s151 officer (or representative) and Cabinet Member for Adult Social Care and Public Health, in consultation with the Leader, to approve allocations from the Fund, and keep progress against approved schemes under review.

27. **Exclusion of Press and Public (AI 12)**

(With the withdrawal of the item relating to the Municipal Energy Company this item was not necessary)

28. **Opportunity to establish a Municipal Energy Company (AI 13)**

(This item was withdrawn from the agenda, the report not having been circulated, and was not considered.)

29. **Forward Plan Omission (agenda item 15 - Retrofitting of Sprinklers in Council Housing) (AI 14)**

Councillor Jones, as Leader, reported that she had agreed to the supplementary item as a matter of urgency in response to the national situation and locally the investigation of the safety of cladding on high rise council housing. Councillor Scott Harris had therefore been consulted as the Chair of Scrutiny Management Panel and also agreed to its inclusion as a Forward Plan Omission.

DECISION: The Forward Plan Omission and reasons for urgency were noted.

30. **Retrofitting of Sprinklers in Council Housing (AI 15)**

Due to press interest, the agenda order was varied for this to be considered at the start of the meeting (along with the Forward Plan Omission item).

Chris Ward as Director of Finance and Information Services presented his report and circulated revised recommendations. His report was seeking to make preparations for retrofitting of sprinklers in advance of further government direction, and the cost of £12.2m was not affordable in the current capital programme therefore the revised recommendations were to prepare for a state of readiness and for lobbying of government for these new burdens for the authority. Councillor Donna Jones, Leader, had agreed to the inclusion of the supplementary and urgent item so that the council would be in a position to make a fully costed bid and there was also the need to carefully

consider where there was the benefit and suitability for having sprinklers in properties.

Councillor Robert New, as Cabinet Member Environment & Community Safety, supported the approach being taken to ensure safety for residents. Councillor Jones reported on the recent meeting held which had been attended by 20 residents from the 2 blocks identified with cladding concerns and these had fire marshals on site and contact had been made with all the residents and it had been a difficult time for all social landlords. The Leader wished to thank the Housing Officers in Portsmouth and Gosport for their hard work in responding to the results of the cladding testing.

DECISIONS:
(1)   That in advance of any future Government direction in relation to the retrofitting of sprinklers, that a full review of all of the Council's high rise and sheltered blocks is undertaken, including site surveys where necessary, to establish where it may be necessary to retrofit sprinkler systems

(2)   That it be noted that, at a potential cost of £12.2m, the cost of retrofitting sprinklers to the Council's high rise and sheltered blocks is not affordable within the Council's approved Capital Programme and resources available (the Cabinet will not be proposing a Council Tax rise but notes that the potential cost at £12.2m is substantial and equivalent to a Council Tax increase of £220 per taxpayer)

(3)   That the Leader of the Council and the Chief Executive lobby the Government to make funds available and that joint lobbying with Southampton City Council, other Local Authorities and the Local Government Association be pursued

(4)   Upon receipt of Government direction and expected funding relating to the retrofitting of sprinklers (as a "new burden"), that the Cabinet Member for Housing reviews all Budgets for Housing Repairs and Maintenance to accommodate the highest priority necessary repairs and maintenance and retrofit sprinkler systems within the funding available

(5)   Once the scope of the retrofit for sprinklers into the Council's high-rise and sheltered blocks has been determined, that authority is delegated to the Director of Housing and Property Services in consultation with the Section 151 Officer and the Cabinet Member for Housing, to undertake the procurement process and appoint a contractor to undertake any necessary retrofitting of sprinklers

(6)   That it be noted that capacity constraints in the industry, post Grenfell Tower disaster, are likely and that any programme of retrofitting of sprinklers would be provided through a multi-year programme

(7)   That authority be delegated to the Director of Housing and Property Services in consultation with the Section 151 Officer to amend

the Capital Programme to reflect any reprioritisation of capital schemes to fund the retrofitting of sprinklers into the Council's high-rise and sheltered blocks.

The meeting concluded at 2.20 pm.

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Councillor Donna Jones
Leader of the Council

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Appointing body	Name of Body	Period of service	Number of Appointees required	Appointments
Children & Social Care	**Motiv8** (Registered charity and Company)	Annual	1	**Ryan Brent**
	Portsmouth Fostering Panel	3 years	1	Hannah Hockaday
Education	**Education Advisory Board**	Annual	Cabinet Member for Education, spokespersons and Chair of Education, Children & Young People Scruitny Panel	**Hannah Hockaday** **Suzy Horton (opposition spokesperson)** **Neill Young (Chair of ECYP Scrutiny Panel)**
	Elementary Education Act Trust board	Annual	5	**Hannah Hockaday** **Ryan Brent** **Donna Jones** **Hugh Mason**
	Standing Advisory Council for Religious Education	4 Years	4	**Jim Fleming, Ryan Brent, David Tompkins and Suzy Horton**
	University of Portsmouth Nominations Committee	Annual	1	**David Tompkins**
	Aspex Visual Arts Trust (Registered Charity and Company)	Annual	1 (observer)	**John Ferrett**
	Baffins Community Association (Registered Charity)	Annual	1	**Alicia Denny**
	Buckland Community Association (Registered Charity)	Annual	2	**Colin Galloway** **Ian Lyon**
	City of Portsmouth Sports Council	Annual	3	**Scott Harris** **Linda Symes** **Ryan Brent**
	Cosham Community Association – Management Committee (Registered Charity)	Annual	1	**Hannah Hockaday**
	Duke of Edinburgh Award Scheme – Hampshire Forum (Registered Charity)	Annual	1	**Ryan Brent**
	Eastney Area Community Association (Registered Charity)	Annual	1	**Jennie Brent**

Appointing body	Name of Body	Period of service	Number of Appointees required	Appointments
Culture Leisure & Sport	**Farlington Marshes Management Committee**	Annual	4	**Ken Ellcome** **Simon Bosher** **Steve Wemyss** **Lynne Stagg**
	Fratton Community Association	Annual	1	**Dave Ashmore**
	Hampshire Archives Trust - Annual Meeting	Annual	1	**Linda Symes**
	International boatbuilding Training College Portsmouth	Annual	1	**Alicia Denny**
	Kings Theatre Trust Ltd (Charitable Company)	Annual	3	**Hugh Mason** **Neill Young** **Linda Symes**
	Landport Community Association (Registered Charity)	Annual	1	**Yahiya Chowdhury**
	Maritime Archaelogy Trust (formerly Hants & Isle of Wight Trust for Maritime Archaeology).	Annual	1	**Alicia Denny**
	Mary Rose Trust (Registered Charity and Company)	Annual	2 nominations (for Trust approval) + Lord Mayor ex oficio	**John Ferrett** **Linda Symes (& Lord Mayor)**
	Milton Village Community Association (Registered Charity)	Annual	1	**Ben Dowling**
	New Theatre Royal Trust (Registered Charity and Company)	Annual	1 or 2	**Neill Young** **Susan Aistrope**
	Overlord Embroidery Trust Liaison Committee	Annual	Cabinet Member for Culture, Leisure & Sport + 2 others.	**Linda Symes** **Frank Jonas** **Simon Bosher**
	Paulsgrove Community Association (Registered Charity)	Annual	1	**John Ferrett**
	Peter Ashley Activity Centre Management Committee (Registered Charity)	Annual	Only 1 Councillor required now.	**Hannah Hockaday**
	Portsmouth Royal Dockyard Historical Trust	Annual	1	**Alicia Denny**
	Royal Naval Museum and HMS Victory (Friends)	Prefers indefinite whilst a councillor	1	**Alicia Denny**
	Stacey Community Centre Management Committee	Annual	1	**Alicia Denny**

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Appointing body	Name of Body	Period of service	Number of Appointees required	Appointments
	Stamshaw & Tipner Community Centre Assocation (GMC)	Annual	1	**Colin Galloway**
	Warrior Preservation Trust	2 years	1	**Donna Jones (NB to continue until body disbands)**
Environment and Community Safety	**Coastline - Standing Conference on Problems Associated with the Coastline** (SCOPAC)	Annual	1	**Rob New**
	LGA Coastal Issues Special Interest Group	Annual	1	**Rob New**
	Portchester Crematorium Joint Committee	Annual	2 Cabinet Members	**Rob New Frank Jonas**
	Project Integra Strategic Board	Annual	1 + deputy	**Rob New Donna Jones (deputy)**
	Safer Portsmouth Partnership	Ongoing	Since June 2016 only Cabinet Member for Environment & Community Safety	**Rob New**
	Solent Sea Rescue Organisation	Annual	1	**Steve Hastings**
	Southern Inshore Fisheries & Conservation Authority (formerly Southern Sea Fisheries Cttee)	Annual	1	**Matthew Winnington**
Health & Social Care	**Portsmouth Disability Forum** (Registered Charity and Company)	Annual	2	**Jennie Brent + vacancy**
Housing	**Portsmouth and Havant Joint Housing Group**	Annual	5	**Jennie Brent Darren Sanders + vacancies**
	Portsmouth & District Friendly Sociaety Homes	4 years	3 nominations	**Jennie Brent Ben Dowling Gerald Vernon-Jackson**
	Fratton Big Local	Annual	1 Fratton Ward Councillor	**Julie Bird**
	Hampshire & Isle of Wight Community Foundation	5 years	1 nomination. Must be an elected member.	**Lee Mason**

Appointing body	Name of Body	Period of service	Number of Appointees required	Appointments
Leader	Hampshire & Isle of Wight Local Government Association	Annual	3	Donna Jones Lee Mason Gerald Vernon-Jackson
	Honor Waites Almhouses	4 years	1	Hugh Mason
	Improvement & Efficiency South East (IESE) LGA representative	Annual	1	Ryan Brent
	Port Advisory Board	On-going	1 ex-officio (Cabinet Member for PRED) + 5 Plus deputies if required	Simon Bosher, Donna Jones, Frank Jonas, John Ferrett and Gerald Vernon-Jackson)
	Portsmouth Naval Base Property Trust	3 years	2	Frank Jonas (replacing Linda Symes) and Lee Mason
	Public Service Board	Ex officio for the Leader.	1	Donna Jones
	PUSH (Partnership for Urban South Hampshire) Joint Committee	Annual	1 + 1 deputy	Donna Jones Luke Stubbs (deputy)
	PUSH Overview & Scrutiny Committee	For time being	1 + deputy	John Ferrett
	SIGOMA (Special Interest Group of Municipal Authorities administered by the LGA)	Annual	1 + deputy	Lee Mason
	St Thomas's Cathedral Council	Annual	1	Ryan Brent
PRED	Building Control Partnership	Annual	1	Donna Jones
	Hampshire Buildings Preservation Trust – Annual Meeting (Registered Charity)	Annual	1	Lee Mason
	Minerals and Waste Development Framework Members' Steering Group	Annual	Ex officio for Cabinet Member PRED.	Donna Jones
	PATCH Ltd (Registered Company)	Annual	Up to 3	Ryan Brent Rob Wood (& Tom Wood to be asked regarding vacancy)
	Solent Forum	Annual	1	Donna Jones
	Tourism South East (Registered Company)	Annual	2	Steve Hastings Scott Harris

Appointing body	Name of Body	Period of service	Number of Appointees required	Appointments
RESOURCES	Caen/ Portsmouth / Firendship Committee	3 years	5 including the Leader and Lord Mayor + 2	**Linda Symes plus Peter Eddis, Terry Hall, Lee Mason, Will Purvis, Donna Jones & David Fuller**
	Solent Transport Joint Committee (formerly known as Transport for S Hants - Joint Committee	Annual	Ex-officio Cabinet Member for T&T	**Simon Bosher**
	South East Employers	Annual	2 (+ 2 deputies may also be appointed to attend full meetings of SEE on behalf of the authority's representatives)	**Lee Mason John Ferrett with Stephen Morgan and Jim Fleming as standing deputies**
Traffic and Transportation	**National Parking Adjudication Service Management Committee**	Ex officio Cabinet Member for T&T	1	**Simon Bosher**
	Transport Liaison Group	Annual	4 ex officio (usually Cabinet Member + group spokespersons)	**Simon Bosher Yahiya Chowdhury (Spokesperson) Lynne Stagg (spokesperson)**

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CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Thursday, 27 July 2017 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Donna Jones (in the Chair)

Councillors   Luke Stubbs
               Simon Bosher
               Jennie Brent
               Ryan Brent
               Hannah Hockaday
               Frank Jonas BEM
               Robert New
               Linda Symes

31. Apologies for Absence (AI 1)

There were no apologies for absence with all Cabinet members attending, but there were apologies for late arrivals.

32. Declarations of Interests (AI 2)

Councillor Hannah Hockaday declared a pecuniary interest, by virtue of her employment, for the item relating to establishing an energy company and would therefore take no part in that discussion and would leave the room.

33. Eldon Arms - Appeal: decision not to list as an asset of community value (AI 3)

Toby Ayling, Planning Policy Manager, presented the report which was a review of the decision taken by Claire Upton-Brown, Assistant Director of Culture & City Development (who was also present to answer any questions). He outlined the process and the outcome of the review which had concluded that the Eldon Arms did not meet the criteria for being identified as an Asset of Community Value.

DECISION: The Cabinet declined to list the Eldon Arms Pub as an Asset of Community Value.

34. Local Plan Review Process (AI 4)

Deputations were made, which are summarised:

i) Celia Clark wished to represent anxious residents regarding the designs of sea defences following a presentation made by Walter Menteth at the Cathedral, Old Portsmouth; Ms Clark wanted further consideration of the option of soft engineering to protect the seafront as an important tourist location.

ii) Mr Halloran, on behalf of Friends of Old Portsmouth (FOOPA), outlined concerns on the options report regarding transport, pollution, flooding and the sea defences - there was only 1 sentence in the draft plan referring to flood defences which they felt was a key issue. They would therefore wish to be involved in the consultation process (along with Walter Menteth) and were concerned that the 'soft option' was being dismissed, and that the hard option of a wall would attract graffiti and steps would have algae which could be dangerous.

iii) Deniz Beck spoke as a local resident and architect, and also opposed the 'hard option' as a solution. She recommended visiting Katwijk to see the maintenance free sea defences there. Southsea deserved a good solution.

iv) Councillor Gerald Vernon-Jackson then spoke to raise issues for himself and referred to a written submission by Mr Menteth. He personally wished to query the choice of opportunity areas, the lack of educational provision (especially in Milton where extra homes were planned), hoped that HMS Temeraire would remain open space, and he asked that recommendation (2) of the report would be widened to include other spokespersons. On behalf of Mr Menteth he raised his concerns that the Local Plan address the UN's pillars of sustainability (economic sustainability, social sustainability and environmental protection) and went on to detail his concerns on the current proposals for coastal defences and their impact for future generations, so there was a need to consider all suggestions.

(A written deputation by Ms Hilary Reed had been circulated, which asked for an extension to the consultation period.)

Toby Ayling, Planning Policy Manager, presented the Assistant Director of Culture & City Development's report. He explained the need for an updated plan in response to new evidence on housing and economic development needs as well as changes in national policy. The consultation period was being extended from 6 to 8 weeks due to the school holiday overlap. There would be a series of social media campaigns and exhibitions in the city. A report would come back to members on the results of the consultation and then a final version of the Local Plan would be submitted to reflect the consultation in approximately one year's time. This would include a full Equalities Impact Assessment (EIA) statement. It was confirmed that minor editorial changes would be needed such as to improve the wording on affordable housing, and to update the capacity of the Milton/Langstone sites.

Councillor Donna Jones, as Leader, welcomed this comprehensive piece of work and thanked all those who had made verbal and written deputations. It was a legal requirement to consult and say how the review process would be carried out (as had been reported to her Planning, Regeneration & Economic Development portfolio meeting). The 8 week consultation period would allow

for public workshops to take place around the city before results come back to a later decision meeting. She stressed that the editorial changes would be of a minor nature and would not be material changes. The Local Plan would need to be approved by full Council before going to public inquiry, so there were still many chances for public participation.

Claire Upton-Brown, Assistant Director of Culture & City Development, answered the questions raised by speakers and stressed that the sea defences was a specific project, and that the current Local Plan has a policy for sea defences; the review document did not have details of a specific plans for Southsea. The Leader also stated that a planning application would need to be judged on the current Local Plan.

Councillor Robert New, as Cabinet Member for Environment & Community Safety, reported the good news from DEFRA that Portsmouth would not have to have a Clean Air Quality Management Zone imposed on it. He detailed the history of exploring options for the sea defences for which positive work had been taking place since 2010. There had been well attended open days with the Eastern Coastal Partnership and he thanked the project team for all their hard work. Councillor New wished to stress that there was not a uniform design for the seafront and soft and hard options were being considered to find a pleasing solution.

Councillor Donna Jones explained that some indicative drawings had been prepared for procurement purposes for the appointment of engineering consultants, but that the final design was not pre-determined. There was £5.9m government funding for the appointment of a design company and there was the opportunity for interest groups (such as the University of Portsmouth) to be involved to help find a solution that would protect homes and businesses.

Questions were also asked on other issues such as inclusion of reference to student buildings, which was within the housing options. Claire Upton-Brown also explained that to further extend the consultation period would impact on the timetable leading to public inquiry and that the consultation framework allowed for the involvement of all sectors of the community.

Councillor Stubbs wished to add a third recommendation regarding the Habitats Regulations assessment, which was supported by the Cabinet Members.

Councillor Bosher asked how the consultation would ensure public engagement; it was reported that there would be an advert in the News and press releases as well as use of social media and a series of exhibitions around the city.

DECISIONS The Cabinet:
(1) Approved the Portsmouth Local Plan Issues and Options document for 8 weeks of public consultation and consequential amendments to the Council's published Local Development Scheme.

(2) Delegated authority to the Assistant Director of Culture and City development to modify and make editorial changes to the Local Plan Issues and Options document and supporting documents in consultation with the Leader as Cabinet Member for PRED (if required).

(3) Noted that the list of potential site allocations referenced in figure 1 and Tables 6a and 6b of the Habitats Regulations assessment is indicative only and has not been reviewed by the Cabinet.

35. Exclusion of Press and Public (AI 5)

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 contains information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972 - Appendix 1 only of the report 'Opportunity to establish a Municipal Energy Company'.

36. Opportunity to establish a Municipal Energy Company (AI 6)

The report was discussed in exempt session following the exclusion of the press and public, due to the need to refer to information contained within the confidential appendix 1 of the report.

Councillor Hannah Hockaday withdrew from the meeting due to her earlier declaration of pecuniary interest.

Councillors Gerald Vernon-Jackson and Hugh Mason addressed the Cabinet.

Councillor Donna Jones, as Leader, thanked the officers involved for their report and undertook to ensure that there are regular briefings for key members on the progress of the project.

DECISIONS by the Cabinet:

(1)   The Outline Business Case (contained within Exempt Appendix 1) and the operating model contained therein was approved.

(2)   Subject to the above resolution (1), delegated authority be given to the Director of Finance & S151 Officer, in conjunction with the Leader of the Council to approve the Final Business Case subject to the milestones and gateways (set out in the Outline Business Case) being successfully achieved with a maximum investment payback period of 4 years, provided that any changes between Outline Business Case and Final Business Case (each of which shall include a Base Case) do not, in the opinion of the Director of Finance and S151 Officer, materially change either the amount of investment required or the level of financial and reputational risk that the Council will be exposed to.

(3) That the investment required from the City Council to support the capital investment and working capital requirements of the Energy Supply Company be funded from the MTRS Reserve.

(4) Delegated authority to the Director of Finance & S151 Officer, in consultation with the Leader of the Council, to conclude the terms of the agreement with the Joint Venture partner (including equity arrangements, security arrangements and exit arrangements); once concluded, authorise the City Solicitor to enter into such company constitutional, and associated and ancillary documents as required.

(5) Subject to the approval of a Final Business Case, authority be delegated to the City Solicitor to form the Joint Venture company and associated relevant corporate structures that will best serve the objectives of the licensed energy supply company as described in this report and the Outline Business Case in order for the company to progress into Controlled Market Entry and subsequent full launch.

(6) Prior to the establishment of the Joint Venture company and associated Corporate Structures, a Governance Board is established to guide the delivery of the Final Business Case, approve associated milestones and gateways and oversee overall progress; the Governance Board to be chaired by the Leader of the Council and comprise the Director of Finance & S151 Officer, the Joint Venture Partner, an Energy Consultant and the City Solicitor or his representative.

(7) In the event that any contractual arrangements or other assurances are necessary for the smooth implementation with third party suppliers prior to the establishment of the Joint Venture company and associated Corporate Structures, that the City Solicitor, in conjunction with the Director of Finance and S151 Officer and the Leader of the Council, is authorised to enter into any such agreement.

(8) Delegated authority to the Director of Finance & S151 Officer, in consultation with the Leader of the Council, to liaise with Office of Gas and Electricity Markets (OFGEM), Department of Business, Energy and Industrial Strategy (BEIS) or any other statutory or regulatory body necessary for the formulation or functioning of the Joint Venture Company.

(9) Delegated authority to the City Solicitor, Director of Finance & S151 Officer, in consultation with the Leader of the Council to establish appropriate Council-side shareholder oversight arrangements.

The meeting concluded at 3.07 pm.

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Councillor Donna Jones
Leader of the Council

Portsmouth
CITY COUNCIL

Title of meeting:	Cabinet
Date of meeting:	28 September 2017
Subject:	Response to the Education, Children and Young People Scrutiny Panel report on child sexual exploitation
Report by:	Alison Jeffery
Wards affected:	All
Key decision:	No
Full Council decision:	No

1.   Purpose of report

1.1 The Education, Children and Young People Scrutiny Panel has conducted a review into how well Portsmouth City Council and partners are preventing and dealing with child sexual exploitation. The purpose of this report is to set out the response of the PCC officers (Children, Families and Education Service, Licensing and Public Health) to the Scrutiny Panel's recommendations.

2.   Recommendations

2.1 That the Panel is thanked for its work in undertaking the review

2.2 That the Cabinet notes and supports the recommendations of the review, which are listed at the end of the Scrutiny Panel's report at appendix 1 and the response of officers which are set out in section 3 of this report.

3.   Background

31. The key questions explored by the Scrutiny Panel and the evidence considered are set out in the Executive Summary of the report at appendix 1.

3.2 Over recent years there has been increasing awareness of the incidence of sexual exploitation of children and its impact, with a number of high profile prosecutions. Officers very much welcomed the decision of the Scrutiny Panel to review the effectiveness of work not just within the council but also by partner agencies.

3.3 The Panel's report contains some positive reflections on actions which have been taken and current approaches being pursued by the council and partners to ensure that exploitation is identified and that the response to it is effective. While we share the view of

the Panel that there are some strengths in the work done in this area in the city we also strongly share the Panel's view that a high level of continued vigilance is very important and that there is no room for complacency.

3.4 The following section sets out the response of the Children, Families and Education Service to the specific recommendations of the Panel, considered in turn.

Recommendation 1: Although good work is taking place to tackle CSE within Portsmouth, partners should not be complacent and should continue to raise awareness. CSE should be seen at all times as a corporate council and wider Children's Trust responsibility. In addition, as protection of vulnerable children is one of the priorities of the Safer Portsmouth Partnership (SPP), the Partnership should take a greater role in addressing CSE. It would be helpful for the SPP to include a representative from children's services.

3.5 We strongly agree that tackling CSE must be seen as a corporate council and partnership responsibility. Within the council, investment in this area has been increased this year through the use of the Public Health Transformation Fund to create a new Missing, Exploited and Trafficked Coordinator post, to promote the use of a risk assessment tool and to analyse information gathered through its use, to inform needs assessment work. The Director, Children, Families and Education is now a member of the Safer Portsmouth Partnership, which is currently refreshing a needs assessment for the city to guide its work. Knowledge about the current risks around CSE will be included within the assessment. This will provide a basis for on-going consideration by the Partnership of whether current actions and approaches are sufficient.

Recommendation 2: That the Portsmouth Safeguarding Children Board (PSCB) ensure that consistent information on children at risk is obtained and shared between partners. All partners should maintain efforts to ensure that all sectors of the city receive the support they need. PCC and commissioned services should draw on all possible sources of support in order to link well with all young people

3.6 We will share this recommendation with the PSCB. Tackling CSE is one of the three key priorities of the Safeguarding Board for 2017-2018.

Recommendation 3: That all schools devote time to issues of emotional and mental wellbeing and healthy relationships and promote consistent approaches to identifying and prevention of CSE.

3.7. As Cabinet will be aware, the school curriculum is a matter for schools, subject to legal requirements. Through the new Portsmouth Education Partnership, however, the council is strongly championing a new strategy for promoting emotional wellbeing and mental health in education. We are funding a full time post to support the Partnership with particular focus this year on the implementation of this strategy, which includes rolling out restorative approaches to managing conflict and sustaining healthy relationships. Guidance and training specifically on identifying and preventing CSE is available through the Safeguarding Board. The council will also be working with schools this year to draw up a new Portsmouth Schools Safeguarding Charter, articulating a high level of commitment

to effective safeguarding, including an effective response to the risk of CSE, and sharing examples of good practice. We expect this work to be strongly supported by the new Chair of the PSCB who has a particular interest and expertise in safeguarding practice in education.

Recommendation 4: That careful evaluation and continued thought be given on the way that children can raise concerns about CSE. The PSCB should work with schools to raise awareness of the NSPCC app which will refer concerns directly to the relevant LA. The CSE publicity campaigns should continue to encourage children to report concerns to an adult and these should be evaluated and continue to be monitored. Schools should be forthright and have a dialogue with parents and guardians about CSE and the importance of relationship education at school.

3.8 The council will continue to press for multi- agency commitment to effective awareness raising around CSE including how young people can seek help. We will encourage evaluation of the impact of the recent "Alice" CSE campaign by Hampshire Constabulary. Dialogue between schools and parents will be addressed as part of the work referenced in relation to recommendation 3.

Recommendation 5: That the PSCB continues its focus on online safety and getting key messages across to families about the risks of the online world.

3.9 The PSCB already has a programme of awareness raising for families, including a set of local workshops. There is no scope for extending this programme within current resourcing levels but we will continue to encourage schools to direct families to well-regarded sources of on-line advice in this area.

Recommendation 6: That as part of judging the effectiveness of the Stronger Futures Strategy, regular discussions should take place with schools about the nature of the support available and the role of both the council and schools in supporting families. This will also help to remind schools about the services available to children and schools in their work in supporting families.

3.10 Cabinet will recall that as part of the council's "Stronger Futures" strategy for promoting the resilience of families and ensuring children's services are sustainable, a new targeted early help service has been created. We are in regular dialogue with schools to ensure that they are aware of the new service and can provide feedback to us on how effective they believe it is. We also encourage feedback to us on the support we provide to schools through regular locality network meetings bringing together professionals from our three area based Multi Agency Teams with pastoral and safeguarding colleagues from schools. So far feedback from schools on this support is very positive.

Recommendation 7: That the PSCB and Hampshire Constabulary consider holding further Operation Makesafe training sessions for all taxi drivers, hoteliers and employees of licensed premises. This will be subject to monitoring the continuing feedback of the effectiveness of the sessions.

3.11 The PSCB will be reviewing its business plan including support for the CSE priority at its meeting on 18 October. The Directorate will continue to encourage appropriate investment by HCC where possible in well-judged training.

Recommendation 8: That PCC makes CSE training mandatory for taxi drivers and the possibility of other licensees. Officers should investigate how other local authorities have achieved this and explore the best model for Portsmouth.

3.12 The training arrangements for taxi and private hire drivers have now been modified to include a mandatory section within the knowledge test for CSE matters. In summary, applicants are tested as follows:

•   Upon making an application for a driver licence, all applicants are provided with a hard copy of the attached presentation which they are asked to read. It is also explained to them that they will be formally assessed on their knowledge of CSE and preventative actions they can take.

•   As part of the testing requirements, there is a specific module for CSE assessment which applicants have to pass in order to progress their application. As part of this applicants refresh their memory on key measures and they must read each page before they can undertake the assessment.

•   Approximately 7 questions are then posed and the pass rate is 60% for this module.

As regards the recommendation relating to making CSE training mandatory for other licensees, this is unlikely to be possible as other licensing regimes such as the Licensing Act 2003 (alcohol, entertainment and late night refreshment) and the Gambling Act 2005 (licensing of gambling premises) are strictly controlled by statute and associated regulations and do not allow for a great deal of discretion by the local licensing authority in terms of imposing conditions requiring mandatory training.

Recommendation 9: That a whole family approach be undertaken to understand the whole family unit in order to support families and children at risk of CSE.

3.13. Where the council is providing targeted support to young people at risk of CSE, whether through the statutory social work service or the new targeted early help service, a "whole family" approach is always followed, recognising the importance of relationships within families (consistent with the message from young people in the Scrutiny review).

Recommendation 10: That there is a lead professional for children and young people who have been identified at risk of CSE as continuity of contact and the relationship with an individual worker is important. This should be in a form that is empowering not intimidating to vulnerable young people.

3.14. Whenever we provide targeted support to individual young people and their families there is always a lead professional responsible for coordinating that support, whether that is a social worker or an early help worker. We very much recognise the power of what is

known as "relationship based practice" to helping people to bring about change in their lives.

Recommendation 11: That the PCC Cabinet should be encouraged to pay close attention to the information about CSE in the annual report by the PSCB and that aggregate information on cases open to Children's Social Care should be included within quarterly performance reports to the Governance Audit and Standards Committee.

3.15. The Children, Families and Education Directorate will ensure that information about the numbers of young people known to be at risk of CSE and receiving support from PCC is included within the quarterly returns to the GAS committee.

Recommendation 12: To review the delivery of workforce training around sexual health

3.16 The new contract in place with Solent NHS Trust to deliver an integrated sexual health service includes comprehensive training requirements - in relation to the internal workforce, the local sexual health network (i.e. clinicians working in other settings), and in relation to multi-agency partners. In relation to the wider workforce this includes the provision of sexual health training for practitioners and organisations working with children and young people, and the co-facilitation of local authority SRE training programmes. Discussions are underway between Solent NHS Trust, the Early Help Team and Public Health to develop the training offer, including awareness raising of the Sexual Health pathways with schools and other partners and settings.

Recommendation 13: That a report on the progress against the above recommendations be monitored and a report received by the Scrutiny Management Panel 6 months after the report has been signed off.

3.17. A progress report to the Scrutiny Panel will be coordinated as requested by the Deputy Director, Children Families and Education (Children and Families).

4.   Reasons for recommendations

4.1 The Children, Families and Education Directorate shares the view of the Scrutiny Panel that the recommendations set out in its report will strengthen the response in Portsmouth to the threat and incidence of child sexual exploitation. CSE is expected to continue to be a significant threat to the well-being of young people in the city.

5.   Equality impact assessment

5.1 The recommendations are designed to have a positive impact on young people at risk of CSE; there are no proposals to reduce the current levels of support provided. A preliminary EIA was completed and forms part of the panel's report.

6.   Legal implications

6.1 None (these are covered within section 10 of the panel's report)

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7.   **Director of Finance's comments**

7.1 The approach to the recommendations by the CFE Directorate set out in this report can be delivered within the current budget plans for the Directorate.

……………………………………………
Signed by:

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

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

……………………………………………
Signed by:

EDUCATION, CHILDREN AND YOUNG PEOPLE
SCRUTINY PANEL

A REVIEW INTO HOW WELL PORTSMOUTH CITY COUNCIL AND PARTNERS ARE PREVENTING AND DEALING WITH CHILD SEXUAL EXPLOITATION.

Date published: 11 July 2017

Under the terms of the Council's Constitution, reports prepared by a Scrutiny Panel should be considered formally by the Cabinet or the relevant Cabinet Member within a period of eight weeks, as required by Rule 11(a) of the Policy & Review Procedure Rules.

PREFACE

The Education, Children and Young People Scrutiny Panel undertook a review into how well Portsmouth City Council and partners are preventing and dealing with child sexual exploitation (CSE).

During the review which was carried out between June 2016 and December 2016, the Panel received evidence from a number of sources and learned about the excellent work taking place in the city to tackle CSE. The panel used this to draw up a series of conclusions and recommendations to Cabinet to ensure that this excellent work is continued and built upon.

The panel noted that although there are multiple services and partners involved in helping to tackle CSE, continued vigilance and care needs to be taken that any changes to service due to budget decisions do not affect the support available to young people at risk.

I would like to convey, on behalf of the panel my sincere thanks to all the officers and external witnesses who contributed to making this review a success. In particular I would like to thank the three young people who provided the panel with details of the support they received and the Director of Children's Services who has supported the panel during this review.

…………………………
Councillor Will Purvis
Chair, Education, Children and Young People Scrutiny Panel.

Date: 11 July 2017

CONTENTS

EXECUTIVE SUMMARY

1. To understand and evaluate the work of the MET operational group.

The panel received evidence from strategic managers about the work of the Portsmouth Safeguarding Children Board (PSCB) and the Missing, Exploited and Trafficked (MET) operational group. The panel learned that the group has multi-agency representation with the aim of ensuring that they work together to prevent children and young people being sexually exploited by understanding the issues associated with this activity and raising awareness. It reviews the information they have to ensure that the response is appropriate to the level of risk and will share intelligence on hotspots of activity, parties, perpetrators etc.

The panel were pleased to note that all members of the MET have a real commitment to attending meetings and ensuring that interventions are put in place to minimise the potential for harm for those children on the MET at risk list. The group are now considering how best to use the Barnados BME worker to get the messages across to these communities. The MET are also using the database developed by the Youth Offending Team (YOT) to map young people in the city and are using this to look at dispersing groups.

The CSE peer review that took place at the end of 2016 found that the Council's MET strategy is a live strategy with multi-agency ownership and oversight. The peer review also concluded that the MET operational group is robust and there is good commitment across agencies.

2. To understand and evaluate how effectively young people in Portsmouth at risk of CSE are identified and to evaluate the interventions offered to young people who have been exploited sexually or who are at risk of being exploited.

A number of different agencies provided evidence to the panel about the excellent work they are doing to identify young people at risk and how they are supporting young people who have been sexually exploited. The panel learned that there are a number of interventions offered to young people at risk or young people who have been exploited and excellent work is taking place.

3. To consider how effectively the risks of exploitation are being minimised both by the Council and other partners on an individual basis and across the city, and what evidence supports this taking into account experience in other areas of the country.

The panel learned during the review that the PSCB offers an extensive training programme for people working directly with children which has been well received. The council's part time online safety officer also has

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organised a number of training sessions for school staff and training for parents.   The Operation Makesafe training held last year was well attended by a number of representatives from different organisations and positive feedback was received from this. They also heard about a number of CSE awareness campaigns including Alice's diary and 'Is this Love?' All witnesses involved in the review considered that cross city working relationships were strong.

4. **To review feedback from services users.**

Three young people who had previously been at risk of CSE met with the Health Development Officer to talk about their experiences and which organisations had supported them. Their responses were valuable to the panel for understanding first-hand the experiences and support available to young people identified at risk of CSE. The panel learned that one of the drivers for the young people leaving home was that there was not a good relationship within the family unit. The panel therefore considered that this needed to be improved and noted the importance of the whole family dynamic in addressing CSE. The feedback also highlighted that young people considered intimidated by the number of professionals involved in the Team around the Child (TAC) meetings.

5. **To investigate how effectively the local authority works with other agencies to tackle sexual and other forms of exploitation of children and how they ensure prosecution of perpetrators.**

The panel received evidence about the work of the Multi-Agency Safeguarding Hub (MASH) which consists of several agencies including Hampshire Constabulary, Education and Children's Social Care and means they can quickly share information. They also heard about the work of Hampshire Constabulary and Barnados and how they are working with the council to ensure that CSE is minimised in the city. The panel were impressed with the work of the MASH and considered that there is a real multi-agency approach to tackling CSE. The recent peer review also concluded that the MASH is functioning well and information is being shared across agencies appropriately.

<u>Conclusions</u>

Based on the evidence and views it has received during the review process the Panel has come to the following conclusions:

1. Following high profile cases in some other local authorities, the panel was keen to hear about the local response to CSE. Overall the panel was impressed by the evidence it saw of work to prevent and deal with CSE in the city and commended the work of all the witnesses. The panel was clear, however, that continued vigilance is important and the positive work it heard about needs to continue. (paragraphs 3.9-3.16).

2. The panel was pleased to note that when partners are aware of a child at risk, they are responding to this quickly and steps are put in place to protect the child. The panel were encouraged by the work of the Multi-Agency Safeguarding Hub (MASH) and noted that the feedback from the recent peer review of CSE about the MASH was complimentary. The panel noted however that the sexual health service is using a different risk assessment tool. They also noted continued reflection on whether there might be unmet need among the BME community given the low numbers of BME young people on the at risk lists monitored by PCC and partners. (paragraphs 3.22, 5.51, 7.1-7.10, 7.18 and 7.32).

3. The effective tackling of CSE requires the full participation of all partners. The MET operational group appears robust and the peer review feedback supported the impression of the panel that there is good commitment across all agencies. The panel received evidence to suggest that engagement with CSE issues amongst schools can be variable and felt that it is therefore important that all schools are encouraged to take CSE seriously. The panel also felt that in some organisations, the level of engagement might be driven by individuals rather than the organisation (paragraphs 3.1-3.25, 5.53-5.64)

4. The panel noted that the protection of vulnerable children is one of the priorities of the Safer Portsmouth Partnership (SPP). It also noted the feedback from the peer review that links between the PSCB and SPP should be strengthened. (paragraphs 7.36 & 7.38).

5. The panel noted that a lot of positive work is taking place in terms of awareness campaigns and praised the partners involved with this. The monitoring of the effectiveness of the campaigns however will be important. The panel noted that Hampshire Constabulary will be completing a detailed evaluation of the Alice's diary campaign in early 2017 and felt this would be interesting to receive when available (paragraphs 4.9, 4.10, 5.33-5.40, 5.42, 5.47).

6. Personal, Social, Health and Economic (PSHE) provision is not a statutory requirement for schools and there is currently no data on which schools provide PSHE provision. Data is also not held on how many children are opting out of PSHE lessons. The panel considered however that whilst schools have a crucial role to play in educating about the risks of CSE, there should be equal emphasis on youth workers, taxi drivers and hoteliers. There should be an aim to educate a broader pool of people who have contact with children that it is acceptable to raise concerns without the fear that harm will be caused to any innocent person (paragraph 5.63).

7. It is important that children develop an appreciation of what a healthy relationship feels like and all partners have a role to play in promoting healthy relationships. (paragraph 5.38, 5.48, 5.50).

8. The recent Operation Makesafe training was attended by 217 participants including bar staff, taxi drivers, hoteliers, security staff and PCC Public Health and licensing colleagues. Excellent feedback was received from this session from participants. (paragraph 5.14 & 5.15)

9. The panel noted that the granting of taxi licences is not dependent on receiving training on CSE. Currently CSE is part of the taxi drivers' compulsory test but this is a reading exercise only to give awareness, with a link if drivers wish to obtain further information. (paragraph 5.25, 5.31)

10. The online world is largely unregulated and the online risks of CSE are a huge issue. The landscape is always changing and new technology, social media etc. will always be introduced. It is therefore not about tackling one medium but tackling all areas. (paragraph 5.50, 5.54, 7.3 & 7.9)

11. The feedback from the three young people highlighted that one of the drivers for them leaving home was that there was not a good relationship within the family. The panel felt that the council and partners need to improve working with families and noted the importance around the whole family dynamic in tackling CSE. (paragraphs 6.6 and 6.8).

12. The feedback from the young people also highlighted that young people felt intimidated by the number of professionals involved in the Team Around the Child (TAC) meetings. (paragraphs 6.4 and 6.6).

13. The co-ordination of the joint training offer from sexual health and public health services has ceased due to savings made in administrative support, so that no response is currently made to training requests. (paragraph 4.23).

Recommendations
1. Although good work is taking place to tackle CSE within Portsmouth, partners should not be complacent and should continue to raise awareness. CSE should be seen at all times as a corporate council and wider Children's Trust responsibility. In addition, as protection of vulnerable children is one of the priorities of the Safer Portsmouth Partnership (SPP), the Partnership should take a greater role in addressing CSE. It would be helpful for the SPP to include a representative from children's services. (conclusions 1 &4).

2. That the PSCB ensure that consistent information on children at risk is obtained and shared between partners. All partners should maintain efforts to ensure that all sectors of the city receive the support they need. PCC and commissioned services should draw on all possible sources of support in order to link well with all young people. (conclusion 2).

3. That all schools devote time to issues of emotional and mental wellbeing and healthy relationships and promote consistent approaches to

identifying and prevention of CSE. (conclusion 3 & 7).

4. That careful evaluation and continued thought be given on the way that children can raise concerns about CSE. The PSCB should work with schools to raise awareness of the NSPCC app which will refer concerns directly to the relevant local authority. The CSE publicity campaigns should continue to encourage children to report concerns to an adult and these should be evaluated and continue to be monitored. Schools should be forthright and have a dialogue with parents and guardians about CSE and the importance of relationship education at school. (conclusion 6).

5. That the PSCB continues its focus on online safety and getting key messages across to families about the risks of the online world. (conclusion 10).

6. That as part of judging the effectiveness of the Stronger Futures Strategy, regular discussions should take place with schools about the nature of the support available and the role of both the council and schools in supporting families. This will also help to remind schools about the services available to children and schools in their work in supporting families. (conclusion 6)

7. That the PSCB and Hampshire Constabulary consider holding further Operation Makesafe training sessions for all taxi drivers, hoteliers and employees of licenced premises. This will be subject to monitoring the continuing feedback of the effectiveness of the sessions. (conclusion 8).

8. That PCC makes CSE training mandatory for taxi drivers and considers the possibility of making this mandatory for other licensees. Officers should investigate how other local authorities have achieved this and explore the best model for Portsmouth. (conclusion 9)

9. That a whole family approach be undertaken to understand the whole family unit in order to support families and children at risk of CSE (conclusion 11).

10. That there is a lead professional for children and young people who have been identified as at risk of CSE as continuity of contact and the relationship with an individual worker is important. This should be in a form that is empowering not intimidating to vulnerable young people. (conclusion 12).

11. That the PCC Cabinet should be encouraged to pay close attention to the information about CSE in the annual report by the PSCB and that aggregate information on cases open to Children's Social Care should be included within quarterly performance reports to the Governance Audit and Standards Committee. (conclusion 1).

12. To review the delivery of workforce training around sexual health. (conclusion 13).

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13. That a report on the progress against the above recommendations be monitored and a report received by the Scrutiny Management Panel six months after the report has been signed off. (conclusion 1).

The budgetary and policy implications of these recommendations are set out in section 12 on page 49.

1. **Purpose.**
The purpose of this report is to present the Cabinet with the recommendations of the Education, Children and Young People Scrutiny Panel following its review into how well Portsmouth City Council and partners are preventing and dealing with child sexual exploitation (CSE).

2. **Background.**

2.1 The Scrutiny Management Panel agreed on 31 July 2015 that the Education, Children and Young People Scrutiny Panel's second topic for the previous municipal year should be to review how well Portsmouth City Council and partners are preventing and dealing with child sexual exploitation.

2.2 The review was undertaken by the Education, Children and Young People Scrutiny Panel, which comprised:

Councillors Will Purvis (Chair)
David Tompkins (Vice Chair)
Ben Dowling
Paul Godier
Suzy Horton
Gemma New

Standing Deputies were: Councillors Dave Ashmore, Ken Ellcome, Hannah Hockaday and Matthew Winnington.

2.3 Following Annual Council on 16 May 2017 Councillor Neill Young was appointed chair and the panel comprised
Councillors Ben Dowling
Paul Godier
Suzy Horton
Will Purvis
David Tompkins (Vice Chair)

2.4 At its meeting on 21 June 2016, the Panel agreed the following objectives:

- To understand and evaluate the work of the MET Committee and the MET operational group
- To understand and evaluate how effectively young people in Portsmouth at risk of CSE are identified and to evaluate the interventions offered to young people who have been exploited sexually or who are at risk of being exploited.

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- To consider how effectively the risks of exploitation are being minimised both by the Council and other partners on an individual basis and across the city, and what evidence supports this taking into account experience in other areas of the country.
- To review feedback from service users
- To investigate how effectively the local authority works with other agencies to tackle sexual and other forms of exploitation of children and how they ensure prosecution of perpetrators.

2.5   The Panel met formally to discuss the review on seven occasions between 21 June 2016 and November 2016.

2.6   A list of meetings held by the Panel and details of the written evidence received can be found in *appendix one*. A glossary of terms used in this report can be found in *appendix two.* The minutes of the Panel's meetings and the documentation reviewed by the Panel are published on the council's website www.portsmouthcc.gov.uk.

National Context

2.7   CSE became an issue of national concern following a number of high profile cases (including Derby, Rochdale, Rotherham, Oxfordshire and Torbay) that highlighted serious shortcomings in the response to this particular type of child sexual abuse.

2.8   In February 2017 the Department of Education (DfE) published updated guidance defining child sexual exploitation as a distinct form of sexual abuse:

Child sexual exploitation is a form of child sexual abuse. It occurs where an individual or group takes advantage of an imbalance of power to coerce, manipulate or deceive a child or young person under the age of 18 into sexual activity (a) in exchange for something the victim needs or wants, and/or (b) for the financial advantage or increased status of the perpetrator or facilitator. The victim may have been sexually exploited even if the sexual activity appears consensual. Child sexual exploitation does not always involve physical contact; it can also occur through the use of technology.

3.0   To understand and evaluate the work of the MET Operational Group.

3.1   As part of their review of how well Portsmouth City Council and partners are preventing and dealing with CSE the panel members heard evidence on the work of the MET operational group from strategic managers.

Background
3.2   The Portsmouth Safeguarding Children Board (PSCB) Business Manager explained that the PSCB has overall responsibility for ensuring there is a coordinated, multi-agency response to children at risk of sexual exploitation, going missing or being exploited and/ or trafficked.

3.3   The PSCB established its own CSE strategy group to oversee the work of agencies in Portsmouth to ensure there was sufficient cooperation locally. It

used the learning that was happening operationally to develop a CSE risk assessment toolkit designed to best measure risk as well as support practitioners in this process. Other local authorities use the SERAF (Sexual Exploitation Risk Assessment Framework) tool but Portsmouth decided to develop its own which is easier to explain.

3.4   In March 2015, the former 4LSCB MET Strategic Group was disbanded as each area had developed its own group as this was seen as duplication. The Portsmouth CSE group broadened its remit in response to this to include oversight of the issues arising from children who go missing from home or care and those who may be trafficked.

3.5   The Deputy Director of Children's Services explained that the Missing, Exploited and Trafficked (MET) Group, was established to provide strategic oversight of missing, exploited and trafficked children. This group has multi-agency representation and is responsible for the policy and performance of the work to address these issues and improve practice.

MET Strategy
3.6   The PCSB's MET Strategy runs from April 2016 to March 2019. Its vision is to safeguard children and young people from harm as a result of going missing; child sexual exploitation; or trafficking (or exploitation arising as a consequence of being the victim of trafficking). To achieve this 5 key practice pillars underpin the local response:

1. Scrutiny and Oversight
2. Understanding & Identifying
3. Preventing
4. Intervention & Support
5. Disruption & Justice

These activities are monitored through a working action plan that is scrutinised and updated on a regular basis to determine progress.

Membership of the MET Operational Group
3.7   The Chair of the MET operational group advised the panel that the MET Group brings together all the main organisations who work with children and families in Portsmouth, with the aim of ensuring that they work together effectively to keep children safe. There are now 20 different agencies who attend MET meetings. Partners include Children's Social Care (CSC), Hampshire Constabulary, Barnardo's. Portsmouth CCG, Solent NHS Trust, probation, an education representative and Portsmouth Abuse and Rape Counselling Service (PARCS).

3.8   More recent representatives invited to attend meetings include the youth service, as they work with young people on a daily basis, a housing representative and a police analyst who attends to advise on patterns and areas that might need dispersal.

3.9   There are also now better links with special schools and the risk assessment toolkit has been disseminated to them. Harbour School now regularly attend

MET meetings and the Group are considering whether other agencies dealing with vulnerable young people should be invited to attend meetings.

Current Practice and Performance

3.10 The Chair of the MET operation group and Deputy Director of Children's Services advised the panel that the MET Operational Group meets monthly to look at all children identified as being at risk of CSE and to monitor and develop the front-line practices across Portsmouth in relation to the five key pillars. Strategically the aim of the MET Group is to prevent children and young people being sexually exploited by understanding the issues associated with this activity and raising community awareness, so as to equip our neighbourhoods, schools and workforce with the knowledge and tools to tackle the problems.

3.11 All members of the MET Group have a real commitment to attending meetings. Partners want to continue to identify those children and young people who are at risk of sexual exploitation so as to intervene robustly to minimise the potential for harm, disrupt the problematic behaviours and use criminal procedures as appropriate.

3.12 A better understanding of the indicators of CSE by frontline practitioners has resulted in a steady increase in the number of children being identified and monitored by the group. Children are categorised as being at one of three levels of risk:
- High - the child will be open to CSC;
- Medium - the child will have a lead professional;
- Low - the child will be known to and checked on by professionals.

As the children at high risk are already open to CSC, discussion at MET meetings focusses on those children at medium and low risk. The Deputy Director of Children's Services advised that at the end of October 2016 there were 46 children at risk of CSE being discussed at the MET (1 high, 25 medium and 20 low). Updated figures were requested from the Deputy Director of Children's Services and as of 24 March 2017 the figures were 0 high, 12 medium and 9 low risk.

3.13 When the group meets, it reviews the information they have to ensure that the response is appropriate to the level of risk and will share intelligence on hotspots of activity, parties, activity of perpetrators/subjects etc. The group focuses on ensuring sufficient and robust safety plans are in place for those children at high risk and those at medium risk who are nearing high risk. The risk assessment tool is then used along with other data to assess whether the work they are doing is effective in terms of identifying at risk children.

3.14 The group maintains a list of all children and young people who have been identified as missing, trafficked or at risk of CSE that includes:
- The number of high, medium and low risk flags;
- Gender split;
- Age profile;
- Ethnicity;

- Accommodation (whether the child/young person is with family or in foster/residential care);
- Missing person hotspots;
- Information on victims, perpetrators, locations and intelligence gaps.

Statistics

3.15 The Chair of the MET operational group advised the panel that:
- The majority of children discussed at the operational group are open to CSC.
- 75% of children identified as at risk of CSE are female.
- The average length of time a child is on the 'at risk' list is 3-4 months. A child will only be removed from the list once the risk has gone.
- The majority of children discussed at meetings are at medium risk.
- There have never been more than five high risk children on the list, it is currently at two.
- 50% of children identified as at risk of CSE are aged between 13 and 15 years.
- 90% of children identified as at risk of CSE are white British.
- A high number of the children are experiencing education difficulties or are not in school. The team are linking with the education team on this.
- There has been a reduction in cases where psychoactive substances are involved.
- There has been an increase in the number of children at risk of online CSE - this is a national issue.

Progress and ongoing work

3.16 The Deputy Director of Children's Services explained that Portsmouth's CSE Strategy was deemed to be 'good' when Ofsted inspected the local authority in 2014, although the report noted that 'work must continue to ensure that all practitioners across the city are appropriately trained and made aware of the issues.'

3.17 Since then, Ofsted has developed a thematic inspection to evaluate the effectiveness of local authorities' (and their partners') response to CSE, identifying a number of key issues and making a series of recommendations that have informed the ongoing development of our MET Strategy and strengthened our action plan. These include:
- The need to cross-reference information and soft intelligence relating to children who are frequently absent from school with work to identify children and young people at risk of CSE;
- Ensuring that local strategies and plans are informed by the opinions and experiences of those who have been at risk or victims of CSE;
- The importance of evaluating training and awareness-raising with a focus on how it makes a positive difference to keeping children and young people safer;
- The need to improve victims' experience of court where a prosecution is brought;

- The need to audit CSE case files (LA and multi-agency) to identify deficits in practice and develop plans to improve practice;
- The need to start awareness-raising in schools at primary phase;
- The need for targeted work to raise awareness amongst particular communities including Black and Minority Ethnic (BME) communities and the lesbian, gay and bisexual transgender (LGBT) community.

3.18 The Chair of MET operational group advised that she had recently attended the 'Regional Problem Profile' workshop which looked at issues other LA's are experiencing with regard to CSE to see if they are relevant to Portsmouth and if so look to put plans in place. Examples included issues with criminality so the MET now has a YOT worker on the group and children not in education, employment and training (NEET's) who are being missed and the MET now is addressing this through its education representatives.

3.19 A bespoke piece of work mapping which schools are most at risk of CSE is being undertaken by the MET group. The MASH education worker is the link to schools and supports them with the risk assessment toolkit. The PSCB have been providing training to schools and individuals working with families on CSE and the signs to look out for.

3.20 The database developed by YOT which maps young people at risk of CSE is now being used to look at gaps in the city and dispersing groups. The MET group are now looking to use this to do more targeted work to map children's friendships and relationships across the city. Officers are looking at moving the database across and adding in the historic information and this will be used to create reports. The MET group also discuss which groups of children know each other and how to address this. An example may be to have a group meeting to discuss group activity and disruption activity.

3.21 Further work the MET group are considering includes further training with schools which will be more targeted, training for housing providers for the hostels and engaging with colleges further to ensure that once a young person at risk has left college they are not 'lost' - this could possibly be done through neighbourhood policing. Work is taking place with the inclusions team on which children are missing school and the reasons for this as they are at risk. The MET group are also looking to continue the work of the guardian angels and ensuring a better linkup of training of street pastors.

3.22 The under reporting of CSE within the BME community is discussed at MET meetings. The MET are considering what is delivered through schools in the PHSE lessons as some young people in BME communities might not be able to attend these due to cultural reasons. Barnado's have a BME worker so the MET group are looking to use this person to consider how to improve this by talking to members of these communities. One option would be for the BME worker to talk to church groups - a piece of work was previously carried out with the Pentecostal Church. The MET Group is actively looking at this.

3.23 In relation to strategic partnership working, the Deputy Director of Children's Services said that she considered that the partnership works well but there is still room for improvement. She considered that the education and health data

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could be used more effectively and work was being done to capture additional information such as whether school attendance improved following interventions etc. With regard to data from academies, it was confirmed that the authority had good links into the academies and they already supply school attendance figures. CSC have taken the lead in working with the most vulnerable children and has worked hard to improve awareness of CSE in order to enable best responses.

Head of Safeguarding and Patient Safety Portsmouth CCG

3.24 The Head of Safeguarding and Patient Safety advised that she started her role in February 2016. The CCG have reviewed other roles and have appointed an Associate Designated Nurse for Safeguarding Adults (F/T) and an Associate Designated Nurse for Safeguarding Children and Looked After Children (P/T). This increases the safeguarding representation and will enable improved engagement with the MET Operational Group in the future. It is vital that a CCG representative regularly attends MET meetings and appropriate attendance from the Child and Adolescent Mental Health Service (CAMHS) should be explored on the MET Committee.

3.25 PCCG's key contacts are GPs, CAMHS, school nursing and sexual health. They would expect to come into contact with young people via those services for example, as a result of providing contraception advice or for the treatment of injuries. It was very difficult to assess how effective information sharing currently was. A significant amount of work to upskill GPs was taking place to advise them what they should be looking for. Although useful initiatives were already taking place there was a need to build on these.

3.26 With regard to sexual health, service practitioners were skilled in asking the right questions as were those dealing with adolescent mental health issues. However there was a need to do more training with GPs. If signs were spotted that a child was at risk of CSE, the child would be referred to MASH or the child's social worker if one is allocated.

3.27 Targeted training takes place once a month for GPs and there is also monthly training to a larger group. The CCG are also exploring the use of the shortened risk assessment adopted by Hampshire Safeguarding Children Board for some professionals. With regard to national resources for GPs, a booklet from NHS England has been produced and there is a GP toolkit concerning safeguarding. The Head of Safeguarding and Patient Safety considered that training delivery and uptake by GPs and other health professionals could be improved. NHS England (Wessex) is currently undertaking some work around MET and CSE and this could be investigated.

3.28 As part of the induction process, staff are required to train in safeguarding up to level 3 which includes CSE. Safeguarding training is also provided through the agency and before a person can be employed they must go through the correct checking procedure. Portsmouth Hospital Trust uses the SERAF tool which is a national tool concerning safeguarding and they also have an in-house safeguarding team.

Barnardo's

3.29 The CSE & Missing Team Manager at Barnardo's as part of the Strategic and Operation MET Group, was asked to comment and contribute to the overall MET strategy. All other agencies part of MET Strategic and Operational group have also been invited to contribute and comment on a number of occasions to the MET Strategy.

3.30 The MET Strategy is relevant to the current city response and follows national guidelines on how to prevent, disrupt and identify CSE and offers information on the multi-agency support network that is available in the city to young people who are at risk of CSE or are being identified as Missing, Exploited or Trafficked (MET).

3.31 Deadlines and 'action owners' are identified and regularly reviewed at MET strategic meeting to ensure progress and take into consideration any possible changes (e.g. change of available support due to cuts, etc.). Barnardo's has been involved in piloting the Portsmouth risk assessment tool and the outcome (risk level identified) was the same outcome as the one obtained completing a SERAF.

3.32 In the annual report provided by Barnardo's (April 2015-March 2016) table 1 below offers a brief analysis of all the Barnardo's U-turn closed cases and cross-referencing the cases with the (then) current (March 2016) MET operational list. It can be seen that all the young people supported had a low or no risk of CSE. Although this refers to Barnardo's U-turn cases, a number of other agencies were involved in supporting the young people and this is a reflection of how the work that is done at Strategic and Operational MET filters down to benefit young people who are then safeguarded.

Table 1 - closed cases CSE risk

No of Young people	Initial risk level	Risk level at closure	Explanation if no/low risk
1	High	Medium	Young person disengaged, it was felt Sorted* (please see further information at paragraph 5.49) was best placed to support young person. YP currently (March 2016) on MET list as Low.
1	High	Med	Young person disengaged however at strategy meeting it was agreed that young person had enough professionals involved (YOT, SCS, residential Support Staff, SWITCH, College, CAMHS). YP not currently (March 2016) on MET list. Which indicated no longer at risk of CSE
1	High	High	Young person was moved to secure accommodation so our involvement stopped. Young person not currently (March 2016) on MET list. Which indicated no longer at risk of CSE

6	Medium	Low	One young person still on MET list as Low. All other young person are no longer on MET List
6	Medium	None	no longer on MET List
2	Low	None	no longer on MET List

4. **To understand and evaluate how effectively young people in Portsmouth at risk of CSE are identified and to evaluate the interventions offered to young people who have been exploited sexually or who are at risk of being exploited.**

4.1 The panel heard valuable evidence from a number of sources on how young people at risk of CSE are identified and the interventions in place to help those who have been exploited sexually or who are at risk.

Portsmouth Abuse and Rape Counselling Service (PARCS)

4.2 The panel received evidence from the PARCS prevention service worker. The Panel were informed that PARCS provides free specialist counselling and psychotherapy to everyone aged 5+ who are resident in Portsmouth and South East Hampshire and who have experienced any form of sexual violation at any time in their lives. Between April 2015 and March 2016 the PARCS prevention team worked with 3,512 young people in Portsmouth.

4.3 PARCS has 8 paid staff and over 50 volunteers who are all fully trained counsellors. The charity delivers a number of prevention workshops (to young people, teachers and carers) covering the impact of sexual bullying, sexting, internet safety (delivering CEOP Ambassador training), and developing empathy and listening skills. The prevention worker has also designed 'bespoke' workshops responding to the particular needs of individual schools using a variety of methods including art and drama. These workshops are delivered to all Portsmouth schools.

4.4 The prevention service has been running for 19 years with the aim of preventing sexual abuse. There is one full time post, funded from a grant from the Tudor Trust and this allows the member of staff to undertake more long term work. The postholder is able to follow up with the young people and offer practical support for however long it is required. The staff will also work with young people who have been targeted and hold group sessions which are productive as they can hear that they are not alone and all support each other following their disclosure.

4.5 There is also a part time post within the prevention service funded by PCC. PARCS have been providing support to schools for the last 15 years including holding workshops, attending assemblies and PHSE lessons. This gives the opportunity for young people to talk about their experiences and they often receive one or two disclosures per session. Schools will approach PARCS to ask them to hold a session for their school and they also work with private schools. PARCS work to a co-productive model so will ask what issues schools are concerned about and what they would like them to cover. Research indicates that if a child has concerns then in most cases they will tell their

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friends rather than an adult. PARCS will work with what the young people tell them and use the bystander model which equips the young person to deal with disclosing. The bystander model views the target audience as potential allies in preventing gender based violence and abuse and it challenges 'bystanders' to develop what have been called prosocial behaviours; behaviours that benefit others.

4.6 The prevention worker said that it is very difficult to obtain information for minority groups as the crimes are often under reported. PARCS work with the hard to reach groups but this must be done sensitively so that they allow PARCS into their communities and will 'sidestep' into the communities to find a way to engage with them. An example of this was their work with the Afro Caribbean community a couple of years ago.

4.7 The waiting list for phone referrals varies. As of 30 November 2016 the reported waiting list was:
- Adult Service (specialist counselling) – 6 months
- Young People (aged 13-24 years) – 2 months (shorter if young people are flexible regarding when they can attend)
- Children (aged 5-10 years) – no waiting list.

Adult clients are assessed for counselling within two weeks and are offered a number of options whilst they are waiting for counselling. These include:

a) Emotional telephone support (ETS) 6 – 8 weeks of telephone counselling. (The cost of calls are met by the service)
b) A closed group called 'Beyond Trauma' (which runs for 8 weeks – women only) and is aimed at developing coping skills and developing resilience
c) Access to a group (women only) that is held on a Wednesday morning. The group is open ended (women can join and leave at any time) and is facilitated by two members of the PARCS team but the group agenda is set by the women
d) Access to a helpline that operates on a Monday (1-3pm) Wednesday and Friday (7 -10pm).
e) They also offer occasional/specialist groups including a singing and a drumming group.

4.8 The prevention worker said that if PARCS had more funding available it could offer more services as more staff could be employed. At present there are too many referrals to cope with. Funding is currently received from various sources including the Ministry of Justice, Children in Need and Portsmouth City Council. Staff also organise numerous fund raising events and donations are also received from different parties which is a great help.

4.9 With regard to what more could be done by the Council or the wider structure to improve the way that CSE is being dealt with, the prevention worker felt that more joined up thinking is required. PARCS sit on the MET operational group and joined up working is improving, but there have been situations when they are unaware what other organisations are doing, for example when new campaigns are launched. It is therefore vital that all organisations who are

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involved in tackling/preventing CSE share the work they are doing with the other organisations. Training on CSE is very important and PARCS are very grateful to PCC for providing their safeguarding training. PARCS staff also attend disclosure training. In addition, some people are still not aware that PARCS exist and the support that is offered so more can be done by both PARCS and other organisations to promote the service.

4.10 PARCS have found that many people they work with will not engage with a poster so they need to find other ways of getting the message across to young people. It is also important to measure the effectiveness of campaigns. Positive feedback was received following the domestic abuse 'Is this love' campaign which used the bystander model.

Social Worker

4.11 The panel received evidence from one of PCC's social workers who attends MET operation group meetings. She supported PCC when the CSE Guardian Angels campaign was launched last summer, and supported PSCB with the training programme which was mainly aimed at schools to raise awareness of CSE.

4.12 All social workers are advised to complete the CSE e-learning modules and the risk assessment toolkit is followed. Any children identified as being at risk are subject to an assessment and then supported with a plan or signposted out. Any new nominations of children identified as being at risk within the team will be added to the MET discussion.

4.13 The social worker suggested that the following could be considered to further improve how CSE is dealt with in the city:
- Very little is currently known about which apps children are using through which perpetrators can target children so she considered that more could be done around this.
- There is valuable information obtained from the online safety officer and it would be good to share this with frontline practitioners.
- Barnardo's undertake direct work with children but this information is not widely shared with frontline practitioners
- It would be useful to understand and evaluate the effectiveness of MET meetings.
- The CPI forms are used by the police and frontline practitioners to obtain information on CSE cases, however these are not widely used particularly in schools. It was suggested that these should be promoted in schools as they have a better knowledge of behaviours in children and recognising signs of CSE as they are working with them daily.

4.14 Although some schools are attending safeguarding training, the social worker considered it would be good to cross reference these with the schools whereby children have been identified as being at risk. It takes a long time to build relationships with schools; every school is different and has different training requirements.

4.15 The Panel followed this up with the Deputy Director for Children's Social Care, who advised that the current system allows them to determine referrals made by schools. Between April and September CSC received 175 referrals from schools. These can be cross referenced with children at risk of CSE and two children in this cohort have been considered at risk of CSE.

4.16 The data suggests that there have been no referrals to CSC as a result of CSE. However, this may be because schools are discussing concerns with MASH without it becoming a referral to CSC. The Deputy Director of Children's Services said that unfortunately the CSC team do not record referrals by specific schools.

Youth Offending Team (YOT)

4.17 The panel received evidence from a PCC Youth Justice Officer about the work of the YOT team in relation to CSE. She advised the panel that young people are referred to the team via the police or the courts as they have committed an offence. The team use the CSE toolkit and have all received CSE training through Barnado's. They work closely with the police and also have a member of the team who attends the MET operational group.

4.18 The initial assessment covers social welfare areas and through one to one sessions the YOT officers will discuss CSE areas and relationships so there is always the opportunity for them to disclose anything else going on in their lives. During every school holiday the YOT team hold a 'take a risk day'. These cover various topics and they have had disclosures arising out of these sessions. The YOT team is very good at referring children to the best organisation who can help them.

4.19 Many CSE cases are already identified before YOT becomes involved. At the MET meeting on 17 November there were 39 CSE cases discussed. Five of these are currently open to YOT (all five were also open to Children's Services as a Child in Need or are on a Child Protection Plan). In addition to this there were 18 trafficked cases discussed: one of which is currently open to YOT, and 37 Missing cases were on the list: eight of these are currently open to YOT.

Sexual Health Team

4.20 The Lead Nurse for Community Sexual Health Team and Safeguarding (Portsmouth and South East Hampshire) gave the panel an overview of the work of the sexual health team. She explained that the service is based at St Mary's hospital and deals with all aspects of sexual health including HIV, STD's and unplanned pregnancies. There are two members of staff working as outreach nurses, each working 22 hours a week and there is one school nurse for Portsmouth. All staff are trained in CSE and they will complete their own risk assessment tool for any client under the age of 16. If staff have concerns about a child they will follow the protocol and it is very important that all practitioners receive training.

4.21 The Lead Nurse advised that the risk assessment tool had been developed in house. She said that the MET Group had not commented on this. The CSE &

Missing Team Manager at Barnardo's said that the MET had discussed the short SERAF tool which had been rolled out to other areas of health, and considered that this was not appropriate. However they had not discussed the risk assessment tool used by the sexual health team. The Director of Children's Services said that it would be useful for the MET to have sight of this and suggested this be added to the agenda for the next MET meeting as it is important that the prompts used are understood by all practitioners

4.22 The Lead Nurse for the Community Sexual Health Team explained there are two parts to the service; outreach nurses who provide drop in sessions at King Richard School, Portsmouth College and The Foyer hotel and referrals from agencies including Barnado's and CSC. King Richard School is one of the locations for the outreach nurses due to its locality in the north of the city and also because it used to be a health living centre. King Richard School are champions and do a lot of work and training on sexual health in their school. There is also a sexual health practitioner who provides training for people working with young people and a young people's drop in clinic on Thursday's from 3-5:30pm.

4.23 The panel were advised that there are currently 18 people on the waiting list for training. Training is provided free of charge however the Lead nurse advised that due to budget cuts no one is administering the requests for training. The Health Development Officer explained that historically this was undertaken by the Independence and Wellbeing Team and Children and Young Person Services within Public Health. This role has now been made redundant and organisations are now required to provide their own admin support.

5. **To consider how effectively the risks of exploitation are being minimised by both the council and other partners on an individual basis and across the city, and what evidence supports this taking into account experience in other areas of the country.**

PSCB Business Manager

CSE training

5.1 The PSCB Business Manager explained that the PSCB training programme offers a safeguarding training pathway for people working directly with children and parents to develop their skills and knowledge and also ensure that specialist areas are covered through workshops and seminars. The PSCB has developed a number of workshops during 2016. Two CSE and Trafficking workshops were held in January and February with 22 attendees on each, targeting key professionals. Since March an online CSE module has been made available and a Missing, Exploited & Trafficking training session had been embedded into the PSCB Training Programme. Up to July 2016, 128 practitioners had been through workshops or online training on MET. There have been a range of different attendees who have attended the workshops so far across a range of agencies, including social workers, school staff, a couple of neighbourhood police officers and health colleagues.

5.2   There has been a very good response to the training sessions on CSE and trafficking. PSCB is now doing a piece of work looking at which schools are registering for training online and cross referencing this with schools with pupils identified at risk of CSE. The Deputy Director of Children's Social Care advised that community wardens do not receive CSE training, but the on-line CSE training module will shortly be rolled out to them.

5.3   The Deputy Director of Children's Services explained that at the operational meetings, soft intelligence is shared for example where parties were going to be held where alcohol or drugs may be used to groom young people. Alerts were provided where known, and concerning who was meeting up with whom. This intelligence could be taken back to the teams and shared.

PCC Council's Safeguarding Children Trainer
5.4   Written information was received from the Council's Safeguarding Children Trainer about the PSCB Safeguarding Children Training Programme - Working with Vulnerable Children (Child Sexual Exploitation, Missing and Trafficked) course. The Council's Safeguarding Children Trainer has emailed all Heads and designated safeguarding leads twice over the past 6 months, to highlight the PSCB course and recommending them to attend. The course aims are to:

- Describe CSE, Missing and Trafficking
- Recognise indicators of children at risk and models of behaviour
- Use local evidence based tools to identify children at risk and be able to follow local 4 LSCB procedures
- Describe ways of supporting children at risk and local organisations who can help.

5.5   This course is included within the Traded Services package of PSCB training so there will be no additional cost for schools who have signed up. For schools who use the training programme on a PAYU basis, the charge for the courses is £50 (full day) and £25 (half day).

5.6   To date only representatives from four schools have attended training offered by the Council's trainer. Two schools received specific CSE training and two received PSCB/basic awareness training. The basic awareness training provided by the PCC to schools is provided to all school staff which includes lunchtime supervisors, caretakers etc. The schools safeguarding lead should then organise regular follow up training with staff. The PSCB trainer advised that she is aware some schools have accessed training offered by Barnado's.

PCC Online Safety Officer
5.7   Written evidence was obtained from the Council's online safety officer about the work she is undertaking to educate on online safety. This is currently a one day a week post and included:

Newsletter to schools
- A Termly Online Safety Newsletter to Schools is provided which links to local and national information and best practice and to raise awareness of support available to Professionals.   The Newsletter delivers a clear message to

schools regarding their responsibility to deliver online safety education, safeguarding and training to all teaching staff as per OFSTED guidelines. The Newsletter is circulated via the Education Newsletter, Sorted website and PCSB website to teachers and other professionals working with children in the city. In preparing the newsletter the online safety officer will liaise with Portsmouth University, Hants Constabulary, Sorted, Barnardo's, PCSB, Education and the CSC team.

Training
- Two twilight online safety workshops were delivered with teachers in the South and North of the City - June and October 2016. Workshops were co-delivered with Barnardo's, Sorted and Hampshire Constabulary. The sessions started at 3.30 and were due to finish at 5pm. Both sessions actually finished at 5.30. The objectives of the session were to raise awareness and share concerns/best practice and included:

  - Online Safety Strategy Local and National
  - Sexting Strategy and Case studies
  - Break out Groups Primary and Secondary: what are the risks and what next
  - Training/Resources available

- Feedback from the 19 attendees of these 2 workshops on an evaluation scale of 1-5 with 5 the highest rating resulted in consistent scores of 4/5. Comments included; "opportunity for further discussion" ,"lots of resources", Can plan for future training", "Ideas for parent workshops", "great as new to the post", In response to how we could improve this workshop "Could be later in the day" "more case studies" "more discussion". The online safety officer considered that the session should be extended to half day sessions which would allow more time for participants to observe relevant resources online and structure the training to cover different areas of online safety other than sexting. Although both trainers have completed the NSPCC online training it would be helpful if they could undertake CEOP Ambassador training.

- Five awareness raising sessions have been heldwith Sure Start Centres as part of Safe guarding week in May 2016 talking to parents about online safety issues. A presentation and discussion with Portsmouth South Hub - Social Care Team was held which helped to raise this team's awareness of online Safety.

Online Safety Committee Meeting x 4
- Co-ordination of the PCSB Online Safety Committee: key managers within the local authority represent and ensure that Online Safety is considered and delivered within their service. Terms of reference for the committee, an Online Safety Strategy and Implementation Plan were established.

Anti-Bullying Meeting x 2
- The Online Safety Officer attended and contributed to this committee meeting to ensure that schools and agencies have robust systems in place to respond to cyberbullying reflecting Portsmouth City Council's Anti-bullying strategy

2015-17

Portsmouth Library Service
• Attendance at Annual Reading Challenge with Troll Character to distribute leaflets to parents regarding Online Safety- September 2016.

Work with Schools
• Supported St Edmunds Cyberbullying Competition by being a panel judge. April 2016. Also attended Southsea Infant School parents event in October 2016 and responded to online safety questions.

Training for the Night time Economy

5.8   The panel heard from the CSE & Missing Team Manager at Barnardo's that although training had previously been offered to taxi drivers by Barnado's to recognise signs of CSE, take-up of this had been very poor.   Liaison with the children's board had taken place in order to encourage more taxi drivers to become involved. The PSCB team are therefore working with the licensing officers, who have a good relationship with taxi drivers, to promote the training and they are hopeful that there will be a more positive response.

5.9   Hampshire Constabulary were tasked with making sure that taxi drivers are aware of the training offered. The provision of CSE training for various relevant groups including taxi/private hire trade has been picked up by Hampshire Constabulary as part of a wider county initiative. The panel were advised by the PSCB Business Manager that it is becoming more common for local authorities to make CSE training mandatory for taxi drivers, before they are granted their licence.

5.10 The panel were advised by Hampshire Police that the neighbourhood policing teams are very proactive and police have been into a number of hotels where it has been drawn to their attention there may be children at risk, and the level of success has been phenomenal.

5.11 The PSCB are now looking at training the night time economy workforce in CSE. Hampshire Constabulary informed them of Operation Makesafe which is a campaign that was rolled out in the London boroughs to raise awareness of CSE in the business community including hotels, taxi companies and licensed premises. The PSCB team worked alongside the licensing department within the council and organised training on Operation Makesafe on 26 and 27 September 2016 in Portsmouth Guildhall. There were six workshops held over the two days, to learn what CSE is, what the warning signs are that might help them identify a child who may be being groomed and what to do if they become aware of a vulnerable child.

5.12 Posters promoting the Make Safe campaign are available that can be displayed; one for children's care homes, one for taxis, one for licensed premises, one for hotels. Copies were available for all attendees of the training event. Members of the public would be unlikely to see these posters as it was thought the organisations would put these posters on their staff noticeboards

etc.

5.13 There have been some success stories following the introduction of operation Make Safe in the area. The panel were informed of an example where a member of staff in a hotel had been concerned about a 14 year old girl drinking champagne with a man and reported this. The police followed this up and it emerged the child was a person at risk and the police intervened. The panel were informed by Hampshire Constabulary that the police are looking to extend the Make Safe Training to festivals, hospitals and custody centres. The training will also be rolled out to other local authorities and they are considering whether to offer this training to parents.

5.14 An evaluation of the Operation Makesafe event was received from the PSCB Business Manager. She advised that there were 217 attendees over the two days with a mixture of attendees including bar staff, taxi drivers, hotel staff, security staff and PCC Public Health and licensing colleagues. The evaluations from the attendees were very positive. All attendees said that following the training they had a basic understanding of CSE. All attendees said they would be able to recognise the signs of CSE and all said they would know what to do to report their concerns.

5.15 Of those who made a comment, these fell into the following main categories:

Very Informative	46
Very Good	38
Interesting	12
Raised Awareness	15
Videos helped understanding	11
Well presented	17
More likely to report	11

5.16 The PSCB Business Manager advised that they are reconvening the team that delivered this training to see if a plan can be agreed to deliver more sessions to various target groups.

5.17 The PSCB Business Manager informed the panel that the Operation Make Safe training was a very low cost operation as the Portsmouth Cultural Trust allowed them to use the Guildhall free of charge, so the only costs were for refreshments and printing. This was approximately £600 to train just under 250 people. All of the materials were either provided free of charge from Hampshire Constabulary or produced by the PSCB Team. There was no charge for any of the trainers and facilitators as they were either members of the team or one of the Board's partner agencies.

5.18 If this training is repeated in the future there may be a charge for the venue costs however it is still a very cost effective option. All the evidence comparing training to online learning shows that being part of a multi-disciplinary learning event is more effective. The PSCB are looking at further sessions next year for the licensed trade and taxi drivers aimed at managers/owners where they will give them a training package they can go away and deliver to their staff.

5.19 The Board already has an online CSE course that is available for staff that regularly work with children in our partner agencies, as well as their taught course on vulnerable children that covers issues of CSE, missing and trafficking.

Taxi Licensing

5.20 The Licensing Officer advised that the council's licensing team is responsible for probably the largest combined private hire and hackney carriage undertaking[1] on the south coast. The current numbers are as follows:

- Private Hire Operators   19
- Private Hire Vehicles   972
- Private Hire Drivers   1076
- Hackney Carriages   234
- Hackney carriage drivers   288

5.21 The Licensing Service is situated in a self-contained area on the lower ground floor of the civic offices and has an extensive public counter and reception area together with dedicated interview rooms used by both licensing and police staff. There are notices advising of the signs of CSE displayed prominently within the licensing public reception areas and these have been in place since June 2016.

5.22 The service "co-shares" space with the Hampshire Constabulary Licensing and Alcohol Harm Reduction team and whilst those police officers are mainly dealing with alcohol premises and the late night economy - the ability to mutually share information and/or intelligence and to respond quickly to matters has proved to be invaluable in protecting the public interest.

5.23 Underpinning the work of the service is the recently approved statement of licensing policy for the control, supervision and enforcement of the hackney carriage and private drivers in the city. The licensing policy is a strict policy for taxi drivers and can be used for drivers who do not act appropriately. The policy recognised and reflected (at para 1.8 on page 5) on the disturbing and troubling CSE matters affecting Rotherham Metropolitan Council[2] together with other high profile cases involving Milton Keynes and South Ribble and recommended changes and improvements across the board to ensure all persons in the taxi trade are "fit and proper".

5.24 The policy has been adopted by members and officers alike and the important main changes which relate to CSE matters are as follows:

- Clear guidance on disciplinary action against drivers involved in sexual contact with passengers after being raised by councillors - para 1.7 at

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[1] **Source - issued licences on licensing Uniform database - September 2016**
[2] **The "Casey report" by Louise Casey CB dated February 2015 which examined in detail the conduct of the council's licensing unit so far as the licensing control of the taxi undertaking was concerned in relation to widespread CSE concerns. This followed on from the Jay report.**

page 4

- A new power for officers to revoke driver licences where the immediate interests of public safety are apparent - para 24 at page 19
- The re-confirmation of the legal principles for assessing "fit and properness" on the civil burden of the "balance of probabilities" and training to members and officers alike each and every year on the use of these extensive powers - para 1.6 at page 41

- New policy guidelines on the relevance of convictions (or conduct) at para 5.2 and pages 47/48.
- DBS criminal record checks to an enhanced standard AND to require all checks to be against the position of child and adult workforce in line with the workforce regulated activity requirements - para 8.1 at page 90.
- Criminal record checks for ALL persons over the age of 10 and who have lived overseas by way of "certificates of good conduct" - para 8.1 at page 50
- The use of spent convictions (on individual merit) and the use of "soft intelligence" where necessary in determining whether an applicant or driver is deemed to be "fit and proper" - para 4.1 at page 55
- The use of CCTV (front and rear) in licensed vehicles effective from 01 April 2016 for new cars and to be phased in by 1 September 2017 for all vehicles - this will provide empirical evidence - para 5.3 at page 102
- The strengthening of operator and driver conditions to require operators to keep a record of all complaints made for a period of 6 months together with a requirement to report immediately any complaint against a driver that affects the public safety; together with a requirement to keep GPS vehicle tracking records for 6 months -with the driver compelled by licensing condition to report any arrest, detention, charges etc. within 24 hours - pages 108 and 115
- The absolute expectation of collating and analysing complaint trends against drivers with weekly meetings held between licensing enforcement and management to discuss any and all safety issues with an emphasis on safeguarding matters - para 11.3 at page 139[3]

5.25 The Licensing Officer advised that the granting of taxi licences is not dependent on receiving training on CSE. The policy requirements for testing applicants are as follows:

1. Applicants have to demonstrate a good knowledge of the local area. This test covers the following matters:
   - General knowledge and basic law on hackney carriage and private hire matters;
   - Driving theory and highway code;
   - Building locations, local landmarks and shortest routes;
   - Complaints and general rules

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[3] **As contrasted with the apparent divided licensing system in Rotherham where the "policy and enforcement" teams did not meet, communicate or even share the same computer database to discuss complaints against drivers. They had no policies in place to determine the concept of "fit and proper" and felt action could only be taken upon conviction of a person. Source - Casey Report - February 2015**

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2. Applicants will need to successfully complete and pass driving assessment, disability and wheelchair access training. (this came into effect on 1 July 2016) This test will cover:

- Driving standards and practical assessment (to include eco driving assessment);
- Disability and wheelchair awareness training.

3. In certain situations where it is considered appropriate to do so, an applicant may be required to undertake English language and proficiency testing.

5.26 The licensing team have worked alongside Hampshire Constabulary and Barnado's to help promote Operation Make Safe. The team have encouraged and ensured the use of strap lines by taxi operators to all their drivers with the electronic message: '*Young person in taxi? Who are they with? Where are they going? Are they safe? Any concerns call police on 101 quote OP MAKESAFE.*'

5.27 With regard to the Operation Make Safe training on 26th and 27th September, The Licensing Officer advised that approximately 75 drivers had signed up to the training which was encouraging and an improvement on previous years. The team however had received some negative comments from drivers who felt that they did not need to attend.

5.28 The Licensing Team do not believe there is a prevalent CSE risk within the Portsmouth hackney carriage or private hire trades but accept that, on occasion, individual circumstances have arisen with drivers having consensual sex with passengers of adult age. This has led to driver licences being revoked by the Licensing Sub Committee notwithstanding the absence of any alleged criminality and subsequent appeals to the Magistrates' have been dismissed.

5.29 Equally, the team accept that it should not be complacent and continue to work closely with the appointed trade representatives and established operators on all subject matters including CSE concerns. From a licensing point of view, Portsmouth is a "tight and compact" city and the respective hackney carriage and private hire trades keep their ears to the ground and persons in the trade would not knowingly tolerate any suggestion of exploitation.

5.30 The licensed operators and fleet garage proprietors know their respective licences would be at immediate risk if they were associated in anyway with drivers using licensed vehicles to carry out any illegal activity.

5.31 The Licensing Officer advised that there is no intention to make CSE training compulsory for drivers and/or operators and hope that the voluntary attendance at the "Make Safe" seminars will go some way to ensure that the licensing authority are working in partnership with Hampshire Constabulary. CSE is part of the taxi drivers' compulsory test but this is a reading exercise only to give awareness, with a link if drivers wish to obtain further information.

CSE awareness campaigns

5.32 During the review the panel heard from the PSCB Manager and Hampshire Police about the various CSE campaigns to promote awareness of CSE.

Alice Campaign

5.33 Hampshire Constabulary launched the Alice CSE campaign in May 2016 and this has been rolled out to all secondary schools and colleges in Hampshire. This is linked to the Hampshire Constabulary CSE campaign. It is targeted at parents, young people, teachers, social workers, and other volunteers and professionals working with potential victims of CSE. It is based on the Alice in Wonderland story and the campaign's striking artwork aims to make people surrounding a victim of CSE aware of the signs. As part of the campaign Alice's Diary blog is also being launched; written by 15-year-old 'Alice', her friends, family and teachers goes into detail about how CSE occurs and is identified. The Police worked with young people who had been at risk of CSE to develop the Alice campaign.

5.34 The Head of Public Protection and Force Strategic and Tactical Lead for CSE at Hampshire Constabulary advised that Alice's blog will be revived again in September 2017 once children return to school and will be aimed at year 7 pupils in particular as they may be more vulnerable as they are in a new school and meeting new friends.

5.35 Hampshire Constabulary advised that they have not yet fully evaluated the campaign and an external consultancy have been tasked with completing a detailed analysis around referrals etc. Full evaluation will take place early next year. The latest social media hits since the campaign launched on May 25th are as follows:

Facebook - Total impressions (the number of times it appeared on timelines) – 215,534 and Twitter – Total impressions – 412,392

Chelsea's Choice

5.36 Chelsea's Choice was first presented in the city at a joint E-Safety / CSE event in October 2013 which was a multi-agency event to raise awareness amongst professionals. This was a theatre production run by a theatre production company and showed an example of a young girl being groomed and highlighted the signs to look for.

5.37 The PSCB Board wrote to schools offering them a Chelsea's Choice production free of charge (funded by DfE and PSCB) for their year 9 pupils. Schools that took up this opportunity were Admiral Lord Nelson, Mayfield School, Portsmouth Academy for Girls, King Richard's School, Redwood Park School and the Harbour School.

Feedback from Admiral Lord Nelson on Chelsea's Choice

We had this production in to see Year 9. The performance was great even though we had to put this in the sports hall as the main hall was being used.

It covered safety for both male and female (some productions just tend to focus on females). I spoke to many students several days after the event

a) They remembered it ..... always a good sign.
b) They were able to tell me what the production was about.
c) They thought it was a good way to get the message across, it raised their awareness of the many dangers regarding the internet and meeting people they get 'talking' too. The reality is that you have no idea who it is. How people can be manipulated to become isolated from family and friends becoming dependent on one person. For the boys the young lad going off to meet his online girlfriend who turned out to be a man was a reality check for them.
d) They know where they can get help, or how to help someone if in a similar situation.

We would welcome more of these performances; it fitted in well with our Personal Development Programme as Year 9's have been discussing relationships etc. this half term.

Is This Love? Campaign

5.38 The panel was advised that the Safer Portsmouth Partnership(SPP) working alongside the PARCS prevention Team created the awareness campaign for young people on domestic abuse called 'Is this Love?' The theme was created alongside a group of young people who advised the SPP and PARCS that many people struggled with recognising what a healthy, respectful relationship looked like.

5.39 PARCS and the Safer Portsmouth team decided that as this was a resource for young people the campaign needed to be as digital as possible although posters for bus shops and post cards were created for schools to hand out.

Lurking Trolls - PCC e-safety Campaign

5.40 The recent PCC e-safety campaign 'Beware of Lurking Trolls!', was aimed at raising awareness to children aged between 5 and 11 of the dangers they face when online, using social media or mobile phones, which was very successful. An online safety officer has gone into children's centres to work with younger children to highlight the potential risks of using social media, online gaming etc.

Health Development Officer and Public Health Portsmouth, Sorted - Targeted Intervention Programme

5.41 The Health Development Officer advised that her role initially involved outreach work with schools to reduce numbers of teenage pregnancies through the Sorted programme which she co-ordinates and manages. This programme has been very successful and is in its sixth successful year. This has since led

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onto a targeted assessment and intervention tool to support young people aged between 12 and 16 to enable honest and practical conversations about sex and relationships. Early identification of young people is the key in tackling potential problems. Young people who are displaying risk taking behaviour or who have low self-esteem are the target group. Young people can be referred by their school or an external agency for either single sex group workshops or one-to-one group sessions. The referral criterion is attendance issues, behaviour issues and vulnerability. The programme consist of targeted Sex and Relationships Education (SRE) focussing on sexual activity, risk taking behaviour, goals and aspirations, confidence and self-esteem.

5.42 The health development officer advised that she is a member of the MET operational group and regularly attends meetings. This is very important as her service is involved with many of the young people or they may have referred young people to the MET. At these meetings, actions can arise and all partners have a responsibility to follow these up. City wide gaps are discussed and it allows for networking and a greater understanding of each other's services and their challenges and successes. There is a respect for each other's services and strategies and local and national CSE campaigns are shared and discussed. Attendance at these meetings is very good and she said there was excellent multi-agency working. The Health Development Officer advised she shares the information learned at these meetings with her team.

5.43 The health development team adhere to the Fraser guidelines which is an ethical framework which look at whether doctors should be able to give contraception advice or treatment to under 16 year olds without parental consent. It is important if a child is sexually active that they have access to contraception and sexual health services and are kept safe from those who could potentially exploit or harm them. Best practice is always to involve the parents and it is important to build the confidence of children. There are often challenging parents who do not want their daughter to be receiving contraceptive advice and in these situations the welfare of the child is centre and the parent will be supported by the team. If a parent refuses to let the Health Development Officer work with their child, this will be escalated to CSC. On the other hand there have been cases where the parents do not care that their teenage child is staying out all night etc. and this is when CSC team would get involved. It is important to educate and empower the young people so that they can make good choices.

5.44 Young people have a choice on whether to attend these sessions. There are six sessions available. The first session is usually low key as staff are aware that this can be a big deal for the child. They will discuss confidentiality and it is up to the child whether they wish to disclose anything. There is a waiting list for the service and the public health team will prioritise cases depending on their level of seriousness.

5.45 Ongoing support is required after the six sessions as the long term impact of their suffering might lead to other risk taking behaviours such as substance misuse. If the substance misuse leads to criminal activity, sometimes this will come out at front and the reasons behind it are not appropriately investigated.

Agencies are now mapping substance misuse across the city to establish the reasons behind this.

5.46 The Health Development Officer advised that she also supports colleagues within schools to ensure they are complying with the risk assessment tool kit. The work of the health development team cannot be done in insolation and without schools providing her team with the information so it is a team effort across the city. CSE training has been provided to school staff by the team which was supported by Barnado's and excellent feedback has been received from this.

5.47 The Health Development Officer advised that she attends team meetings for the other areas within the public health service to raise awareness of CSE and extend the message to her colleagues who may be working with at risk children. The health development team have also been supporting the Operation Make Safe campaign.

5.48 It is important to note that CSE does not just refer to men exploiting women/girls, although this is more common. The Health Development Officer advised that as part of the Sorted sessions she is educating boys to think about what they need to do to keep themselves safe and to realise the consequences of their actions so that they do not go on to become perpetrators. She has also had cases where a young person is both a perpetrator and victim of CSE at the same time. This needs to managed and it can be very complex.

5.49 If there is no evidence of CSE prosecution cannot be taken forward, however partners can still safeguard young people without a conviction. Sometimes the school will bypass the parent if they are concerned that the young person is being abused by a family member - it is a judgement call and they will discuss their concerns with the MASH team as they are the experts. It may be that the CSC team are aware of the family already. Every case is different and they ensure they have researched the background first before taking action.

5.50 There has been an increased prevalence with online CSE and this is more difficult to manage. The Sorted team has received numerous referrals for online CSE and new guidance on online risks has been sent to schools. The Health Development Officer advised that often it is the quieter children who feel more confident talking to people online who are at risk and the information they are prepared to reveal can be frightening. As part of her role she is educating young people about what a 'healthy' relationship should feel like. Young people are normalising things such as naked 'selfies' and graphic images. As a school it is difficult to manage as the young person will deny sending/receiving these images. Parents often will have no idea about the world of social media and often do not know what their children are doing online. Schools would welcome any advice on training on how to deal with online risks to young people. Children also need to be educated and empowered so they are aware of the risks involved in what they are doing and are more cautious about what they do online.

5.51 The evidence in Portsmouth is different to Rochdale and Rotheram as there is no firm evidence that the BME community are being under represented. This has been discussed at MET meetings.   However there is evidence to suggest that 16-18 year olds not in employment, education or training and some Looked After Children are at risk of poor outcomes and this is a risk factor of CSE. This age group may be missed as they are not in statutory education. Whilst a child is at school there are protocols in place which may identify safeguarding concerns.

5.52 The Health Development Officer advised that the public health intelligence team had provided her with information of different ethnic groups in Portsmouth secondary schools. The aim is to ensure that prevention work is delivered to reach all young people in Portsmouth. The Health Development Officer advised that she had delivered a sex and relationship workshop with trainers from different ethnic backgrounds to women. The aim was that the women would share this knowledge with their communities. She advised that she had been surprised at how little knowledge the women had in this area which was a concern.

The role of schools

5.53 The Panel received evidence from two representatives from pastoral teams in schools about educating children about CSE within a school setting, as these people are often the first to spot signs of CSE in their pupils. The Year 10 Learning Manager at Charter Academy with responsibility for Safeguarding and the Student Services Manager at Portsmouth Academy, both advised that they work closely with the Health Development Officer and share data.

5.54 They described how different the current environment is in which children grow up in today with the most significant difference being the internet. Whilst this is beneficial to children's learning and development there are risks associated with this. The online world is largely unregulated and the use of online fake profiles can mislead children. Websites and smartphone applications allow the sharing of photographs and information that can later be used to exploit children. What then makes the issue worse is that the information is effectively there forever. There are new websites, social media platforms and applications emerging frequently making it difficult for teachers and parents/carers to keep track of what their children are doing online.

5.55 Both advised that they work closely with the PCC MASH (Multi-Agency Safeguarding Hub) team, who they described as the 'front door' for schools as they will contact the MASH team when they have referrals or need advice. The MASH team also contact schools to obtain information about children and this working relationship works very well. Both school representatives advised that they also work closely with the CSC team and other agencies and considered that a lot of the best work is done in an ad-hoc manner.

5.56 The two school representatives said that both children and teachers prefer to have external organisations come into the school to teach pupils about sexual health. Children feel uncomfortable talking to their teachers about things and as teachers have a disciplinarian role in schools, pupils often do not feel

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comfortable talking to them about these matters. They have found the most proactive approach is to invite the Sorted team and other external organisations into the school to help with these sessions. School staff also do not have the time to provide this education and support to their pupils. The school representative advised that she has never had a pupil not want to attend a Sorted session. Each school has safeguarding procedures which they will adhere to; however it is difficult for school staff to find the time to provide one to one support sessions for their pupils. The support from the health development team with running these sessions is therefore vital and the relationship with the team and schools is very good.

5.57 The school representative advised the panel that training on CSE had recently taken place for her new staff and she had recently held some CSE awareness training for the student teachers. Both training sessions had been well received. If a member of staff becomes aware that a pupil is sexually active, they will complete the risk assessment toolkit to make sure they are assessed against the CSE criteria. It is important to listen and that staff are aware to go on their gut instinct, so it is vital that all school staff have received specialist training.

5.58 School staff are skilled at sharing information about the children in their school and are known as the 'eyes and ears'. When schools have concerns that a child might be being sexually exploited they will always contact the parents of the child. If the parent(s) are uninterested the school will contact CSC team as it might be that the family are already known to them.

5.59 The school representatives advised that due to the relationships that have built up over time between schools, the health development team and other agencies, it is very difficult when a member of staff leaves to maintain the relationships with the other agencies in the city. There is however support available from the other agencies in the city.

5.60 With regard to sharing information, the school representatives advised that information about children at risk of CSE is shared at the MET operational group. A representative for each child will attend so that everyone knows what school the child attends and who to contact with regard to a family member/carer. If there is an occasion someone cannot attend a meeting, all members of the MET operational group will receive the minutes and the contact details for each child at risk are listed within these. The strategy meetings on CSE is where all information is shared between agencies including data on peer association and any safeguarding concerns would be shared with agencies. The team around the child and parents/carers will attend meetings and the young person can also attend. The cross city working partnerships are therefore very strong.

5.61 With regard to how a new professional to the city would know what resources are available, the Health Development Officer advised that there is a SLA available for schools and she will meet head teachers to obtain the details of the link person which is usually someone from the pastoral team and she will promote the services that she and her team can offer. There is no structure in place where people working with young people can see a 'menu of options' of

training and support available.

5.62 When asked what more could do done to help schools, the school representatives said that more resources for early preventative work would be welcomed. Also the Sorted team used to run a session for whole of year 10 but as council resources have been cut these sessions have been cut.

5.63 Both Portsmouth Academy and Charter Academy run PSHE sessions in their schools. There is no data available on which schools in the city run PSHE lessons in schools as there is no statutory requirement to hold these. Data is also not held on how many children are opting out of PHSE lessons. Portsmouth academy has cut down the amount of PSHE lessons and also merged this with IT. Due to the pressure of teaching targets, teachers are reluctant for a pupil to miss a lesson if they want to attend a one-to -one session with the Sorted service. They prefer the child to do this during the PSHE lesson instead. That means that they miss whatever is being taught in that lesson which is just as important. The school representatives added that the quality of the PSHE is not adequate and there is limited support available to schools. The Health Development Officer advised that she has delivered bespoke sessions to staff to raise the awareness of the programme so that staff will have an understanding of the reasons the pupils may be missing a lesson.

5.64 With regard to how the Alice's diary campaign has been received by young people, both school representatives said that they are unfortunately quite blasé about it and think it won't happen to them so are often uninterested. The panel noted though that if messages are coming across in multiple forms, as long as the campaign gets through to one child, that means one more young person who will protected.

PCC Youth Service

5.65 The panel heard from the Manager of the Hillside Youth Centre who advised that they have over 60 young people attend the Centre each day, with four youth staff on duty each evening. The centre works closely with schools and will identify any changes of behaviours. If any are identified these will be reported to the police, social worker or CSC. Staff within the youth service have completed all the safeguarding training available through PCC. Youth workers will talk to individual young people to make sure they are happy and build strong relationships with them. Youth workers also attend the MET operational meetings.

5.66 The Youth Centre Manager explained that leading up to school holidays she will contact Sorted, Barnado's Motiv8 etc. to see if there is capacity for them to visit the youth centre to hold workshops for young people aged between 11 and 19.

5.67 Youth workers discuss with children how to stay safe online and will warn them about the risks of sending explicit photographs. However she felt that the majority of the young people are very 'switched on' when it comes to what information they should be sharing online as they know about CEOP. She advised that a lot of children using her youth centre group chat with their

friends online rather than sit alone talking to online friends.

5.68 Youth centres in the city have agencies such as PARCS to come in to specifically talk to children about CSE. The Barnado's project worker added that it is helpful to have conversations with young people about raising awareness of CSE as they can sometimes be too savvy about the online world and 'sexting' is a huge issue that Barnado's are struggling with currently.

5.69 The Youth Centre Manager explained that it is sometimes difficult to get other agencies to come into youth centres as everyone is so busy. If there is no-one available to run a session, staff that have been trained will often run the sessions themselves. The CSE & Missing Team Manager at Barnardo's added that Barnado's have held four evening sessions on LGBT awareness in youth clubs recently and they have an e-safety specialist who is a project worker however owing to time constraints their availability to hold sessions is low. The Health Development Officer added that everyone is working under tight resources but try to work collaboratively to provide support for young people in the city. Schools are also under pressure and will approach Sorted to ask for training workshops etc. Attendance at these can be poor due to them having targets to reach within education subjects. Unfortunately there is not the capacity to send professionals into every school that requests training so it is about giving them the tools to deliver the sessions themselves.

6. To review feedback from services users.

6.1 The Health Development Officer met with three young people to talk about their experiences to assist with the review. The children had all been identified as being at risk of CSE and interventions were in place to help them so that they are no longer at risk of CSE and had been pleased to be able to assist with the review. She gave a background to each of the children and then read out their response to the questions that had been put to them.

6.2 Questions put to the three young people
   1. What services have helped and supported you?
   2. Thinking of your experience with [name of organisation] how did this help you? And could anything have been improved?
   3. Who do you feel has supported you most throughout your journey?
   4. Did you have any support/guidance from school staff about CSE? Did you feel you could talk to teachers etc. about your situation?
   5. Prior to your experiences, were you aware of any of the CSE campaigns such as Chelsea's Choice or the Alice in Wonderland campaign? If yes what did you think of these? Is enough being done to make young people aware of CSE?
   6. What is the key message you would like Portsmouth City Council to be aware of following your experiences?
   7. Anything else you would like to add?

6.3 Child T Background
   • Had been identified at medium risk of CSE
   • School attendance was a concern

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- She received help from the Sorted team.
- Received education outside of mainstream school
- This child used the Integrated Targeted Youth Support Service (ITYSS) service (which no longer exists)
- CSC were involved in undertaking her initial assessment
- Police were involved in retrieving her when she went missing.
- Child was discussed at the MET Operational meetings.

6.4 <u>Child T answers to the questions:</u>

1) The services that helped and supported me were ITYSS, Sorted and the Police.
2) Working with Sorted I found this really helpful because she showed me what dangers could have happened in the situation I was in. It would have been nice to have met a young adult who has been through a similar situation.
3) I feel that it was 50% Sorted and 50% ITYSS they supported me in different ways.
4) I had a good relationship with a teacher from the lodge who would ask about my problems but I'd never speak to her as I could only talk to an educated person who didn't work in a school.
5) Because my attendance was poor I didn't have much PSHE and I didn't attend assembly.
6) I think it would have been helpful if there were more police on patrol, it would have prevented the risks. If there was more support from my family I wouldn't have wanted to stay out and away from home. I found it really intimidating for all the professionals to attend my meetings. It would have been better of only one professional teacher would attend *. *(*It was clarified that Child T was referring to the Team around the Child (TAC) meetings.)*
7) I hope I have helped put my point across.

6.5 <u>Child H Background</u>
- Had been identified as medium risk of CSE.
- Issues with school attendance and had a package of lessons outside of mainstream.
- CSC assessed her
- Received help from the Sorted team
- Police retrieved her when she went missing - 3 times in 90 days
- Used Barnado's family intervention programme supported her and her family members - this was a recommendation from the MET group.
- Discussed at MET operational meetings.

6.6 <u>Child H answers to the questions:</u>

(1) The services that helped and supported me were the Police, school, Barnado's, Sorted, and Social Services.
(2) I know that the police were only doing their job but it I didn't want to be found they wouldn't find me whereas if I did want to be found I made sure I stood out. I found that sorted helped me because they made me

know about all the dangers that were involved and made me know about self-esteem and help me improve my confidence.

(3) I feel that Sorted helped me the most because it made me look at things differently whereas I also feel that Barnado's helped me as well because if they didn't help me with my family problems I wouldn't of stayed at home.

(4) I feel that I could trust a few teachers because they kept it confidential but with the right people that could help they explained it in my point of view which help them understand me more. Teachers wouldn't ever say about CSE but they pointed out that what I was doing was risky and they said they were worried about me.

(5) I was not aware of any campaigns. I fell that school should make more school children more aware of CSE and make them feel as someone is there to talk to.

(6) My personal journey didn't need any change because help got called at the right time for me to change.

(7) I feel that meetings with everyone helped getting my point of view across but I feel there should have been less people in the room because it made me feel intimidated.

6.7   Child P Background
- Had been identified as medium risk of CSE
- Services she used were CSC, Barnado's U Turn service, Sorted, Police, Boost and school.

6.8   Child P answers to the questions:

(1) The services that helped and supported me were Switch, Barnado's, U Turn, Social Services, Police, School.

(2) Barnado's were helpful in many ways. We built up a good relationship that was more like a friendship. The service ended without notice and I was not in a position for the service to end*. The way it ended made me feel worse and behave worse. Switch was also a really good service, I was seeing my worker for about 2 years once a week, towards the end of the support I was receiving we started seeing each other twice a fortnight and had an arranged date to say goodbye and we still have each other's number so if I feel I need the support I know I have it. *
(*The Health Development Officer explained that rather than the service ending, it was a change to the Barnado's worker. The service continued but as the child felt that she didn't get to say goodbye when the new worker came in she did not want to engage with them.)

(3) I feel that throughout my journey no one has helped me as much as I have helped myself. I feel like people can advise you and help you but no one can change you until you are willing to change yourself. Social care were very supportive and tried their hardest to advise me and show me a path but I was not willing to accept the help.

(4) I felt I could talk to teachers from school but I wouldn't respond in a polite way other than to one particular teacher. At one point in my life school was the only place I felt I had to go when things were difficult for me at home. Some days I would be at school until 6pm talking to my teacher because I didn't want to face the outside world. The person I

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confided to in school didn't use the words CSE, however she would point out the risks I was taking. She also referred me to other services and got specialist support.

(5) In school I watched the Alice in Wonderland campaign production of child exploitation. It made me emotional and did change the way I looked at things. On the school I attended I feel enough has been said about CSE but not enough is being done. * (*The Health Development Officer explained that the child was referring to Chelsea's Choice rather than Alice campaign.*)

(6) The message I would like to give Portsmouth City Council would be services need to now look back at my experience through social services, I feel like my family didn't get the support they needed when I was the one preventing 60% of the drama within the family home.

6.9 All three of the children had different situations at home which were push factors to their risky behaviours. One of the children was at significantly high risk of CSE and one suffered peer to peer CSE. Substance misuse was a huge factor for one of the young people.

6.10 The panel noted that if things were better for the three children at home they would have been less likely to go missing. All three children were clear that they could get the attention of the police if they wanted to be found.

7. To investigate how effectively the local authority works with other agencies to tackle sexual and other forms of exploitation of children and how they ensure prosecution of perpetrators.

Education Worker, Multi-Agency Safeguarding Hub (MASH)

7.1 The Panel received evidence from the MASH education worker. She advised that the MASH is a team including Police, Health, Education, CSC and Safeguarding, Probation, Adult Social Care, Mental Health and others. The benefit is that they can quickly share information and make decisions as to the required level of intervention.

7.2 The MASH contributes to improving outcomes for vulnerable children at risk of poor outcomes by collating and sharing information held by various agencies. Through improved communication and better integrated working, the MASH facilitates the right service response for children and their families in a timely way; either through referral to CSC or by triggering early help processes through the single assessment team around the Child processes and outcome focussed planning.

7.3 The MASH started to record patterns leading to CSE and are looking at the reasons more referrals coming in for example, is it because there is more CSE or that people are more aware of the signs of CSE. There is also a lot more publicity around CSE now but further education work is needed. There is also a huge shift now to online CSE risks. The education worker added that compared to 5 years ago, there is now more confidence to recognise vulnerability factors such as a change in behaviour and these are picked up earlier as there is more awareness.

7.4 The MASH has identified the importance of protecting children with special education needs from the risks of CSE. Harbour School, one of the special schools in Portsmouth, has a lot of children on reduced timetables and therefore these children are more vulnerable. The MASH team are doing targeted work with them, particularly Harbour Fratton who are the most vulnerable children. The MASH team have regular informal conversations with the early help support team at the school and also assist with the CSE toolkit. A Harbour representative attends the MET which helps to raise awareness. The Health Development Officer has also provided some training to the head teacher of Redwood Park School and the school will now contact the team to check that their thresholds are correct.

7.5 As children as young as 9 or 10 now have mobile phones with internet access, it was recognised that these children need to be educated on the risks of CSE. Nationally there is the Child Exploitation and Online Protection Centre (CEOP) Think U Know programme that provides resources, training and support for professionals who work directly with children and young people. The MASH team will be targeting Junior Schools to educate staff and children and promoting this resource.

7.6 The MASH education worker advised that there are some secondary schools that the MASH team do not have such good engagement with and officers will be contacting them to offer training. There have been occasions where schools have paid for training and not realised that they have signed up to the traded services package so can access this as part of the package.

7.7 The risk assessment toolkits are completed by the pastoral team members who are best placed as they have the skills and confidence to do this. The PSCB offers training sessions to schools on how to complete the risk assessment toolkit and schools are becoming more confident in using them. Feedback on using the toolkit is shared with other schools. If a child is identified as high risk this immediately triggers a section 47 assessment. This involves discussion with all professionals on the best way of dealing with the situation and is escalated if needed.

7.8 Young people at risk of becoming perpetrators were initially identified through a police report rather than MASH identifying them. The education worker then ensured that MASH identified the schools that they attend to ensure there is not a pattern. A worker from Sorted completed some work with the individuals.

7.9 Hampshire Constabulary has recently introduced the Goldstone Team, a specialist unit to tackle CSE that consists of police officers and staff, assisted by a dedicated analyst. The team works closely with other agencies such as Children's Services, health, schools, and third sector organisations such as Barnardos. The team is located within the MASH, allowing for greater joint working, information sharing and greater use of both criminal and civil remedies to help the victims, but also disrupt locations used by offenders. The Goldstone team is focussing its work on perpetrators which is very positive. Police are now attached to the three hostels in the city to monitor any possible CSE concerns. The Goldstone Team has also been tasked to provide training

to hostel staff on CSE.

7.10 She advised that it is possible to report concerns about a child online through the NSPCC website and app. This information then gets sent to the local authority CSC teams and police. It was felt a PCC app would not have this broad reach as the NSPCC is a national organisation with a higher profile. However this perhaps could be further promoted by the Council.

7.11 With regard to barriers to CSE in Portsmouth The MASH Education worker said the main issue is the secrecy of a teenager's lifestyle and being able to work around this to recognise the early signs of CSE. Children today are much more technology savvy and professionals are always playing 'catch up' with the latest social media and apps that young people are using and the lingo. Professionals need to ensure that parents are aware of what their children are accessing and also need to get messages across to children of the risks involved in what they are using and that images they send do not go away and can be recirculated, as they often feel they are safe as they are accessing the internet from home.

7.12 The Deputy Director of Children's Services said that MASH can break down the reasons for referrals or can give a breakdown of the numbers of referrals by each agency - but as yet cannot do both. *Appendix 3* outlines the numbers (and %) of contacts to the MASH by each agency. The tables also detail the outcome of the contacts - whether there is a child protection enquiry under S47 Children Act 1989, whether it is passed to early help services to follow up, whether it is passed back to universal services for information only, or whether the contact is passed through the MASH to ensure they are sharing information that each agency knows about the situation in order to make a robust decision about how to support the family. *Appendix 4* shows the outcome of the process - whether there is an early help offer through team around the child or whether a referral is made to CSC.

Table 2 - Reasons for contacts to MASH Referrals (Feb'16-Jun'16):

Linked Contact Reason	Total	%
C Behavioural Issues	11	1.06%
C Concern For Emotional Wellbeing	24	2.32%
C Concern For Physical Wellbeing	60	5.81%
C Concern For Welfare	409	39.59%
C Concern Regarding Neglect	71	6.87%
C Cyp/R Youth At Risk Report	330	31.95%
C Disabled Registration	2	0.19%
C Housing Issues	12	1.16%
C Information/Advice	87	8.42%
C No Recourse To Public Funds	2	0.19%
C Risk Of Sexual	14	1.36%

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Abuse/Exploitation		
C S37 Ca Report Request	2	0.19%
C S7 Ca Report Request	3	0.29%
C Social Services (Pcc) Check	2	0.19%
Not Recorded	4	0.39%
Grand Total	**1033**	**100.00%**

Barnado's

7.13 The panel received evidence from the CSE & Missing Team Manager at Barnardo's about their working relationship with Portsmouth City Council. Barnado's offer a therapeutic type of service and focus on healing relationships and give advice on how to keep safe. Advice is also provided on how to avoid exploitative situations and they suggest safety strategies. The case would be closed when the young person is either able to use safety strategies or if they are referred on to another service.

7.14 Barnardo's believes it has a strong and good relationship with the council; they are in regular communication and offer constructive feedback to each other. This is done formally via MET Operational and Strategic meetings as well as contract review meetings, but also informally through regular communication amongst practitioners and senior member of staff. A strong example of this can be found in the difficulties in meeting targets for return interviews due to the high number of children and young persons (CYPs) received and their staffing ratio.

7.15 The CSE & Missing Team Manager at Barnardo's said that funding is the biggest barrier for her organisation. There are currently only 1½ FTEs comprising 1 full time (37h) post for CSE and 1 part time (18.5h) post for missing children to tackle CSE and missing children in Portsmouth. The need is far greater than they can cope with. There are other services and Barnardo's works closely with them but refers work to others because of capacity issues. The help Barnardo's could give to individuals would be much more comprehensive if they could afford to employ more people.

7.16 At Operational and Strategic MET meetings it is also clear and evident how communication amongst agencies is high on the agenda, information on vulnerable children, 'hot spot' and possible or known perpetrators are shared. Discussions on what agency is best placed to support a young person also take place with the only aim to best safeguard a young person. This is clearly a good example of multi-agency work.

7.17 In the period April 2015 to March 2016 there were a total of 287 referrals to the Barnardo's services (Miss-U and U-Turn), a total of 273 young people engaged with the service and support was provided to 192 young people. For those young people there were a total of 598 face to face interventions and 136 failed sessions/visits making a total offer of support of 734 sessions. With regard to Miss-U and U-Turn, Barnardo's would ask the individuals about the missing episode and would assess whether or not the child was safe. During those interviews it was possible that additional people at risk would be identified.

7.18 The BME population was hard to reach and a plan was currently being drafted in order to enable improved communication with that group. It was likely that the numbers known to Barnardo's do not reflect the true situation. Attempts were being made to try to contact and speak with hard to reach groups and this was being done by trying first to gain the confidence of the leaders in those communities.

7.19 Where people fail to attend their interview appointments, Barnardos will go to the address of the individual concerned and will keep going back until they manage to speak to the individual concerned or see them. Barnardos persist for as long as it takes to contact the person involved. This does cause capacity issues as there are too many referrals for the size of the service but referrals on to other services such as Social Care enables Barnardos' staff to be freed up to concentrate on those not eligible for Social Services. The CSE & Missing Team Manager at Barnardo's explained that after a number of meetings and a pilot run in February it was decided that CSC would carry out the return interview for all children open to them. This has really helped ease the pressure on Barnado's. Previously they were receiving 150-200 reports every 3 months but due to the change these numbers have reduced immensely allowing Barnado's to complete follow up work as necessary. Last month 4 young people at risk of CSE out of 49 young people they visited so shows tool is working.

7.20 When a child first presents to Barnardos, the meaning of confidentiality is explained to them in terms of what Barnardos will and will not share with other agencies. Even where a child specifically says they do not wish the information to be shared, in certain circumstances when the child, or someone they know is at risk, the information would still be shared even though that might cause a problem with the individual. Barnardos would persist in trying to see the young person. If the person completely disengages, details would be taken back to the MET group to identify another agency that could potentially support the young person.

7.21 Barnado's had seen a massive improvement over recent years in the way police respond to incidents of CSE as it is now much better understood. There is a great willingness in the city to understand and help. There is a very open and sharing environment and Barnardos also have noticed that young people are more trusting of the police than was previously the case.

7.22 The CSE & Missing Team Manager at Barnardo's felt that more creativity around helping those at risk of CSE would be useful. She referred to the Guardian Angel initiative that had run for six months involving the police and Children's Social Services whereby information was distributed in the evenings which gave people a number to call. There was also a real need to work with the parents of the young people involved. Following the CSE Guardian Angel project useful feedback had been provided.

7.23 The risk assessment tool is constantly being reviewed and more and more professionals are joining the operational group. More people are alert to local issues. Close liaisons between the various professional bodes meant that it

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was easy to bring up an issue quickly. The CSE Missing Team Manager said that liaisons were good in Portsmouth perhaps because of the geographical nature of the city.

7.24 The CSE & Missing Team Manager at Barnardo's advised that she attends the national meeting of Barnado's and the issues across the country are very similar. Hampshire and the Isle of Wight also have a similar picture to Portsmouth. It has been very hard to reach young people who have gone missing in the past. Barnado's held a workshop for PCSOs on CSE and have created a training programme for new recruits.

7.25 The Project Worker for the Barnado's Misuse and U turn service advised that she works with young people at medium and high risk of CSE both on a one to one and group basis and this can be long term. She also works with young people who have gone missing then return home and will visit them within 72 hours of their return to discuss the push and pull factors why they went missing. A plan for the young person will be created and they will be referred back to the MASH team. The key is to offer the young person an interview within 72 hours of their return and keep persisting with this until they accept the help on offer. Barnado's identified a significant link with missing young people and CSE and they have identified incidents of CSE after carrying out missing assessments

Hampshire Police

7.26 The Panel received evidence from the Head of Public Protection and Force Strategic and Tactical Lead for CSE within Hampshire Constabulary. She advised that Hampshire SE regional group is constantly looking at threats to Hampshire and IoW. Over the last two years CSE has scored as one of the greatest threats and is currently one of the force's priorities.

7.27 Hampshire Constabulary is looking to improve community partnership information intelligence sharing. Information is obtained from Community Partnership Information (CPI) forms, but the Police do not always receive intelligence from partner agencies and it is very important to obtain health, education etc. data. Hampshire Constabulary works very closely with the council's CSC team where there is good data sharing but they now need to ensure it pulls all data together including intelligence reported from councillors which is not currently being shared.

7.28 The panel were advised that work is taking place to improve datasets and the Hampshire Constabulary are considering different ways to extract data to be able to identify children and show that the risk is reducing. All 4 LSCBs have been asked what data they need and Hampshire Constabulary have compiled a list of data requirements and is looking at how a standard data system can be created. It was hoped that improvements with sharing data and intelligence would be made.

7.29 In January 2016, Hampshire Constabulary hosted the Intervene to Protect Child Conference for police officers and all partner agencies including the voluntary sector which 500 people attended. As it was impossible to get all

police officers there due to their shift patterns, the conference was videoed and training is being provided to police officers/ staff who were unable to attend. This has shown to have had a positive impact as there have been occurrences where members of the road policing unit have stopped a perpetrator with a child in the car, which shows the importance of raising awareness amongst the road policing unit about recognising the signs of CSE. A number of the CSE victims undertake low level crimes so it is important to give training to police officers so they can start identifying children who might be at risk of CSE.

7.30 The CSE Guardian Angels pilot ran by Hampshire Police, PCC and Barnardo's that took place in Portsmouth in 2016 is being evaluated and Hampshire Constabulary are looking to roll this out across the force. The patrols consisted of police officers, Barnardo's workers and council social workers who targeted areas of the city where it is known that children congregate such as outside parks or convenience stores. The idea is to engage with people and pass on information about CSE. The pilot was run from 7-9pm however following the evaluation it is recognised that this needs to run later in the evening.

7.31 There have only been a small numbers of trafficking cases in Portsmouth, compared to other port cities. Hampshire constabulary are exploring options with border force colleagues to train them on CSE, as currently they are not trained and do not have a CSE team.

7.32 There is a big gap in identifying emerging victims and perpetrators particularly in respect of hard to reach groups including the BME, travellers, blind and deaf children and home educated children. Hampshire Constabulary is looking at how to work with these groups and it was anticipated that towards the end of 2017 there would be a plan in place to ensure greater inclusion with hard to reach groups.

7.33 Hampshire Constabulary is aware of a number of online vigilantes who have provided information, which have led to a number of successful prosecutions and convictions. There are no known CSE organised crime religious groups, however Hampshire Constabulary are aware of some gangs/groups operating together that the police are identifying and targeting. Many of the drug gangs are exploiting children which can lead to CSE as they become reliant on drugs, so the police are actively targeting these gangs.

7.34 Hampshire Constabulary has intelligence of locations within Portsmouth where perpetrators are living. The profile of perpetrators within Portsmouth is predominantly 16-24 year old white British males and they are not aware of any offenders in the city of other ethnicities.

7.35 Hampshire Constabulary will be introducing a CSE perpetrator programme at the end of August 2017 and will be the first force in the country to do this. This will focus on 16-18 year olds who have not committed criminal offences but information has indicated that they may go on to offend and are bordering on or linked to perpetrators. It will not be used for any person who has committed a criminal offence. The programme will look at supporting these individuals to advise them that what they are doing could amount to a criminal offence as currently there is not a lot of support available for child perpetrators. There is a

team within Hampshire constabulary looking at online risks of CSE and identifying potential perpetrators.

<u>Safer Portsmouth Partnership</u>

7.36 The Safer Portsmouth Partnership (SPP) is responsible for reducing crime and substance misuse in Portsmouth. It is chaired by the Cabinet Member for Environment and Community Safety and brings together local organisations including PCC, Hampshire Constabulary, Hampshire Fire and Rescue, National Probation Service and Portsmouth NHS Clinical Commissioning Group. One of the SPP's priorities is young people at risk and it oversees the work of the YOT. Superintendent Schofield sits on the SPP and is also the Chair of the YOT Management Board.

<u>CSE Peer Review 28-29 November 2016</u>

7.37 The Panel were advised by the Director of Children's Services that a peer review took place in November 2016 by a group of South East colleagues to review the council's response to CSE. The peer team was very focused and through the work that was done the council received some very helpful feedback to be able to continue its improvement journey to outstanding. Some positive highlights included their reflections that:

- The MASH is functioning well and information is being shared across agencies appropriately.
- The MET strategy is a live strategy and there is multi-agency ownership and oversight.
- The MET operational group is robust and there is good commitment across all agencies to addressing CSE.

7.38 The things the peer review group felt the council need to work on included:

- Strengthening links between PSCB and the Safer Portsmouth Partnership (SPP). The chair of the Partnership has agreed that a report on the review will be brought to the SPP meeting on 26 January and that the Children's Services Department should be represented on the SPP, initially by the Director of Children's Services.
- Looking more broadly at exploitation in all its different forms, not just sexual.
- Stepping up the strategic dialogue with schools, academies and multi-academy trusts around CSE and wider well-being issues for children and young people. The Director of Children's Services advised that they will also be ensuring that the new Portsmouth Education Partnership is used to aid that dialogue alongside its focus on educational attainment. In addition the Deputy Director for Education will be joining the Portsmouth Children's Safeguarding Board, something which will be easier to manage now that the management team in Education is fully staffed.
- In general ensuring that CSE is seen at all times as a corporate council and wider Children's Trust responsibility.

9   Equalities Impact Assessment.

A Preliminary Equalities Impact Assessment (EIA) has been completed and the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010. A full EIA is not required at this stage however if schemes/actions within the recommendations are taken forward from the scrutiny panel, individual EIAs may need to be completed.

10   Legal Implications.

10.1   The report is robust with respect to conclusions and recommendations and does not present risk with respect to any particular challenge in terms of how the investigation was dealt with or in terms of the individual groups included and involved. The report is reflective of collegiate practice consistent with the ideals associated with "*working together* " as an overriding principle. The report complies with the obligations under sections 10 and 11 of the Children Act 2004 it being a duty to consider the need to safeguard and promote the welfare of children and young persons.

11   Finance Comments.

11.1   The financial resource implications of the proposed recommendations are highlighted within the table in section 12 of the report (*Budgetary and Policy Implications*).

11.2   Where additional financial resources are potentially required to enable the implementation of the proposed recommendation by Portsmouth City Council, the funding will need to be identified through re-prioritisation and re-distribution of the Children and Families Portfolio cash limit allocation.

Appendices:
Appendix 1 - List of meetings, witnesses and documents received
Appendix 2 - Glossary
Appendix 3 - numbers (and %) of contacts to the MASH by each agency
Appendix 4 - Outcome of the MASH process
Appendix 5 - Preliminary Equalities Impact Assessment

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
Portsmouth Safeguarding Children Board Missing, Exploited and Trafficked (MET) Strategy	http://www.portsmouthscb.org.uk/wp-content/uploads/PSCB-Missing-Exploited-and-Trafficked-Strategy-2016-19-v10.pdf
Department for Education guidance on CSE February 2017	https://www.gov.uk/government/publications/child-sexual-exploitation-definition-and-guide-for-practitioners

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12 BUDGETARY AND POLICY IMPLICATIONS.

The following table highlights the budgetary and policy implications of the recommendations being presented by the Panel:

Recommendation	Action by	Policy Framework	Resource Implications
1. Although good work is taking place to tackle CSE within Portsmouth, partners should not be complacent and should continue to raise awareness. CSE should be seen at all times as a corporate council and wider Children's Trust responsibility. In addition, as protection of vulnerable children is one of the priorities of the Safer Portsmouth Partnership (SPP), the Partnership should take a greater role in addressing CSE. It would be helpful for the SPP to include a representative from children's services.	Alison Jeffery to discuss with the PCC Strategy Unit how best to enhance the understanding of the SPP around CSE and how risks can be addressed, with a view to enlisting support from the Partnership as appropriate. SPP to consider adding a representative from Children's Services	Protection of vulnerable young people is already a priority for the SPP and CSE is a high priority for the Constabulary. This action would be about increasing awareness and strategic engagement among SPP partners No change required	None immediately; the action is about extending understanding and engagement around CSE. Additional actions by partners would be subject to their own prioritisation/resource capacity. None, other than the time of a Children's Services representative on the SPP
2. That the Portsmouth Safeguarding Children Board (PSCB) ensure that consistent information on children at risk is obtained and shared between partners. All partners should maintain efforts to ensure that all sectors of the city receive the support they need. PCC and commissioned services should draw on all possible sources of support in order to link well with all young people.	Chair of the PSCB Chairs of the PSCB Missing, Exploited and Trafficked (MET) Strategic and Operational Groups PSCB Business Manager	No change required; this is about effective implementation of the existing policy framework	PSCB/MET Groups already keep under review the potential impact of any budget changes by PCC and/or partners; the recommendation does not require additional spend by PCC.

Recommendation	Action by	Policy Framework	Resource Implications
3. That all schools devote time to issues of emotional and mental wellbeing and healthy relationships and promote consistent approaches to identifying and prevention of CSE.	Alison Jeffery	Schools take their own decisions about their curriculum, and how they promote emotional well-being and prevent CSE. New resources and proposals for collective action have been drawn up as part of the CAMHS Future in Mind programme and these proposals will be championed by PCC within the new Portsmouth Education Partnership	A new post has been created, initially with PCC funding, to support the work of the Portsmouth Education Partnership and to support work on inclusion/emotional well-being in particular. This capacity will be partly directed to support this recommendation. In addition a new traded offer of support for schools around PSHE is being developed, which is expected to be cost neutral by the school year 2018/2019.
4. That careful evaluation and continued thought be given on the way that children can raise concerns about CSE. The PSCB should work with schools to raise awareness of the NSPCC app which will refer concerns directly to the relevant LA. The CSE publicity campaigns should continue to encourage children to report concerns to an adult and these should be evaluated and continue to be monitored. Schools should be forthright and have a dialogue with parents and guardians about CSE and the importance of relationship education at school.	PSCB Business Manager and Training Lead MET Strategy Group Chair	These recommendations can be taken forward in the context of the existing PSCB CSE awareness and training policy framework, and through existing work with schools on restorative practice	CSE publicity campaigns have been funded by Hampshire Constabulary, which is reviewing impact and cost effectiveness.
5. That the PSCB continues its focus on online safety and getting key messages across to families about the risks of the online world.	Alison Jeffery - to encourage review by the PSCB	Existing framework	Will need to be reviewed; expansion of activity would need additional

Recommendation	Action by	Policy Framework	Resource Implications
			resources.
6. That as part of judging the effectiveness of the Stronger Futures Strategy, regular discussions should take place with schools about the nature of the support available and the role of both the council and schools in supporting families. This will also help to remind schools about the services available to children and schools in their work in supporting families.	Alison Jeffery	As part of the strategy, feedback from schools on the effectiveness of services will be sought on an ongoing basis	None
7. That the PSCB and Hampshire Constabulary consider holding further Operation Makesafe training sessions for all taxi drivers, hoteliers and employees of licensed premises. This will be subject to monitoring the continuing feedback of the effectiveness of the sessions.	PSCB Strategic MET Committee	This is one of the priorities on the PSCB Business Plan however the three locality teams are organising this themselves and the PSCB is only intervening when necessary. The PSCB Strategic MET Committee will be supporting this. Another training session is planned for 2017/18	The only resource implications are the time of staff to monitor and oversee this.
8. That PCC makes CSE training mandatory for taxi drivers and considers the possibility of making this mandatory for other licensees. Officers should investigate how other local authorities have achieved this and explore the best model for Portsmouth.	Director of Culture and City Development/Licensing Manager/Licensing	Other local authorities in Hampshire and IOW have not yet done this but this can be explored through the	The licensing team have, through the "knowledge tests" now incorporated a number of CSE questions and if mandatory training

Recommendation	Action by	Policy Framework	Resource Implications
	Committee Chair	Hampshire and IOW licensing officers group. The introduction of mandatory CSE training would have to be approved by the Licensing Committee as this would be a change to policy.	on CSE matters were to be implemented it is proposed that this would be the most cost effective way of delivering that training both resource wise for the statutory agencies and enabling the cost to be kept to a minimum for applicants. The cost implications of providing such training should be given careful consideration.
9. That a whole family approach be undertaken to understand the whole family unit in order to support families and children at risk of CSE.	Alison Jeffery	Whole family working is already a key part of the Early Help strategy, for social workers and early help staff	Current resources are not sufficient to work with families other than those in need of statutory support or close to that level of need.
10. That there is a lead professional for children and young people who have been identified at risk of CSE as continuity of contact and the relationship with an individual worker is important. This should be in a form that is empowering not intimidating to vulnerable young people.	Sarah Newman	Existing Early Help strategy provides for a lead professional for all young people identified as at risk of CSE who need statutory or targeted support.	None

Recommendation	Action by	Policy Framework	Resource Implications
11. That the PCC Cabinet should be encouraged to pay close attention to the information about CSE in the annual report by the PSCB and that aggregate information on cases open to Children's Social Care should be included within quarterly performance reports to the Governance Audit and Standards Committee.	PSCB Chair; Alison Jeffery	The information requested is already covered in the PSCB annual report, and can be included in GAS Quarterly reports	None
12. To review the delivery of workforce training around sexual health	Director of Public Health	Provision of training has historically been a part of the contract between public health and Solent, however these contracts have just changed. There are two roles in the Early Help team at Specialist level to make sure all the team are aware of sexual health and CSE for young people – there is a lot of expertise in the team already in this area.	Meetings taking place in May/June 2017 between public health team and Solent NHS Trust to finalise what elements of the sexual health offer, if any will still remain in the new service. This will then become clear.
13. That a report on the progress against the above recommendations be monitored and a report received by the Scrutiny Management Panel 6 months after the report has been signed off.	Deputy Director of Children's Services	Within policy framework	None

Meeting Date	Witnesses	Documents Received.
21 June 2016	Sarah Newman, Deputy Director of Children's Services	Scoping Document Brief Overview of arrangements to tackle Child Sexual Exploitation in Portsmouth
19 July 2016	Tina Scarborough, Portsmouth CCG Claudia Villa-Hughes, CSE & Missing Team Manager at Barnardo's Sue Sainsbury, Barnado's Sarah Newman, Deputy Director of Children's Services	Portsmouth CCG response to ECYP Panel Barnado's Annual Report April 2015-March 16 Barnado's Miss-U data Barnado's Miss-U report for Quarter 4 Multi-Agency Scorecard: Missing, Exploited and Trafficked children 2016-17 Paper from Barnado's - comments on the meeting objectives.
8 August 2016	Detective Superintendent Vicky Dennis, Head of Public Protection and Force Strategic and Tactical Lead for CSE Lucy Rylatt, PSCB Business Manager, PCC	Sample Operation Makesafe posters
5 September 2016	Chantelle Lemmon, PCC Social Worker Helen Saunders, YOT Worker Gemma Green, Portsmouth Abuse and Rape Counselling Service PARCS)	PARCS Annual Report
26 September 2016	Leyton Higgins, Charter Academy Clare Rhodes, Portsmouth Academy Ross Lee, Licensing Officer Kelly Huggett, Health Development Officer	Licensing service response to child sexual exploitation risks - hackney carriage and private hire matters
18 October 2016	Jude Findlay, CSC Service Manager and Chair of the MET Operational Group Natasha Charles, MASH	

	education worker	
8 November 2016	Annie Clark, Sexual Health Service Michelle Evans, Barnado's Project Worker Amanda Littlefield, Hillside Youth Centre Manager Kelly Huggett - to provide the panel with the feedback from service users on the support received in relation to CSE.	Toolkit used by the sexual health service
11 July 2017	Sign off meeting	

GLOSSARY

BME	Black and Minority Ethnic
CAMHS	Child and Adolescent Mental Health Service
CSC	Children's Social Care
CSE	Child Sexual Exploitation
CPI	Community Partnership Information
CYP	Children and Young Person
LGBT	Lesbian, Gay, Bisexual and Transgender
LSCB	Local Safeguarding Children's Board
MASH	Multi-Agency Safeguarding Hub
MET	Missing, Exploited and Trafficked
PARCS	Portsmouth Abuse and Rape Counselling Service
PSHE	Personal, Social, Health and Economic
PSCB	Portsmouth Safeguarding Children Board
SERAF	Sexual Exploitation Risk Assessment Framework
YOT	Youth Offending Team

Appendix 3 - numbers (and %) of contacts to the MASH by each agency

	1 C&F Initial Decision MASH	1 C&F Initial Decision MASH	2 C&F Initial Decision Pass to S47 MASH	2 C&F Initial Decision Pass to S47 MASH	3 C&F Initial Decision Pass to Early Help MASH	3 C&F Initial Decision Pass to Early Help MASH	4 C&F Initial Decision Case remains with universal services	4 C&F Initial Decision Case remains with universal services	Total Percentage	Total Numbers
All Contacts (not on open cases) 1st Feb - 30th June 2016	Percentage	Numbers	Percentage	Numbers	Percentage	Numbers	Percentage	Numbers		
Police	16.82%	410	3.32%	81	21.41%	522	58.45%	1425	100.00%	2438
Schools\Education	26.82%	184	10.20%	70	21.28%	146	41.69%	286	100.00%	686
Family, friends, neighbours, etc.	20.58%	100	1.65%	8	59.05%	287	18.72%	91	100.00%	486
Health (all)	27.73%	122	2.27%	10	26.82%	118	43.18%	190	100.00%	440
Other Local Authority	7.11%	17	6.69%	16	34.31%	82	51.88%	124	100.00%	239
Other	32.70%	69	4.27%	9	26.07%	55	36.97%	78	100.00%	211
Barnardos/FMF	7.69%	13	0.00%		13.02%	22	79.29%	134	100.00%	169
Court/CAFCASS/Solicitors	3.25%	5	1.30%	2	2.60%	4	92.86%	143	100.00%	154
Probation	15.45%	17	0.00%		48.18%	53	36.36%	40	100.00%	110
Anonymous	58.33%	49	1.19%	1	26.19%	22	14.29%	12	100.00%	84
Housing	23.08%	18	1.28%	1	24.36%	19	51.28%	40	100.00%	78
PCC Social care (all)	32.61%	15	8.70%	4	23.91%	11	34.78%	16	100.00%	46
Early Years	4.76%	2	4.76%	2	16.67%	7	73.81%	31	100.00%	42
back in from Early Help Support	9.09%	3	0.00%		0.00%		90.91%	30	100.00%	33
PCC not social care	21.74%	5	0.00%		30.43%	7	47.83%	11	100.00%	23
Self	66.67%	10	6.67%	1	20.00%	3	6.67%	1	100.00%	15
Immigration/Border Control/Home Office	25.00%	3	16.67%	2	16.67%	2	41.67%	5	100.00%	12
YOT	10.00%	1	30.00%	3	60.00%	6	0.00%		100.00%	10
CAMHS/MST	12.50%	1	0.00%		62.50%	5	25.00%	2	100.00%	8
Grand Total	19.76%	1044	3.97%	210	25.95%	1371	50.32%	2659	100.00%	5284

Shows decision as a percentage of each source

Appendix 4 - Outcome of the MASH process

			Feb 1st 2016 - June
INITIAL_DECISION_STATED_ISSUE(Stated Issue)	1 C&F Initial Decision MASH		**30th 2016**
			Code to

Row Labels	Contacts	Percentage	
C Advice / Information Given	137	13.12%	Universal services
C New Information On Open Case	12	1.15%	exclude
C Progress To Referral	628	60.15%	CSCS
C Referral To Mash	9	0.86%	Back in from EHS
C Referral To Social Care	14	1.34%	CSCS
C Tac Children'S Centre Lead	3	0.29%	TAC
C Tac Early Years Lead	6	0.57%	TAC
C Tac Education Lead	84	8.05%	TAC
C Tac Families Moving Forward	1	0.10%	TAC
C Tac Fip Barnardos Lead	40	3.83%	TAC
C Tac Health Lead	15	1.44%	TAC
C Tac Other Lead	4	0.38%	TAC
C Tac Think Family Mentor Lead	4	0.38%	TAC
C Tac Yot Lead	1	0.10%	TAC
C Universal Services Involved. No Additional Needs Identified At This Time.	79	7.57%	Universal services
Not Recorded	7	0.67%	exclude
Grand Total	**1044**	**100.00%**	

Breakdown by Category	Count%	%
To Universal Services	216	21.07
Opened to CSCS	642	62.63
Returned back from Early Help to CSCS	9	0.88
To TAC/Early Help	158	15.41
Total = 1044 - 19	1025	100

Appendix 3 - numbers (and %) of contacts to the MASH by each agency

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Equality Impact Assessment

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The preliminary impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies which require a full EIA by looking at:
  - negative, positive or no impact on any of the equality groups
  - opportunity to promote equality for the equality groups
  - data / feedback
- prioritise if and when a full EIA should be completed
- justify reasons for why a full EIA is not going to be completed

Directorate:

Director of Community & communications

Function e.g. HR, IS, carers:

Education, Children and Young People Scrutiny Panel

Title of policy, service, function, project or strategy (new or old) :

Education, Children and Young People Scrutiny Panel review into how well Portsmouth CIty Council and partners are preventing and dealing with Child Sexual Exploitation (CSE).

Type of policy, service, function, project or strategy:

(★) Existing

( ) New / proposed

( ) Changed

Q1 - What is the aim of your policy, service, function, project or strategy?

The objectives of the scrutiny review were: To evaluate the work of the Missing, Exploited and Trafficked (MET) operational group, to evaluate how effectively young people at risk of CSE in Portsmouth are identified and the interventions offered to young people at risk of being exploited, to consider how effectively the risks of exploitation are being minimised by the Council and partners, to review feedback from service users and to investigate how effectively the local authority works with other agencies to tackle CSE and how they ensure prosecution of perpetrators. The recommendations arising from the review will be considered by Cabinet.

Q2 - Who is this policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?

The report considers how well Portsmouth City Council and partners are preventing and dealing with child sexual exploitation and outlines the measures in place to protect young people at risk of CSE. The ECYP scrutiny panel's recommendations seek to improve outcomes for young people at risk of sexual exploitation and build upon the excellent work that is already taking place to ensure that awareness of this issue continues to be raised.

During the review the panel received evidence from the Missing, Exploited and Trafficked (MET) Operational Group, Hampshire Police the Portsmouth Safeguarding Children's Board (PSCB) and a number of other agencies and council officers who involved in helping young people at risk of CSE. Feedback from three young people who had previously been at risk of CSE was also received by the panel. This informed the panel about the support these young people had received and their experience of this. This helped the panel to formulate their conclusions and recommendations.

Q3 - Thinking about each group below, does, or could the policy, service, function, project or strategy have a negative impact on members of the equality groups below?

Group	Negative	Positive / no impact	Unclear
Age		★	
Disability		★	
Race		★	
Gender		★	
Transgender		★	
Sexual orientation		★	
Religion or belief		★	
Pregnancy and maternity		★	

Group	Yes	No	Unclear
Other excluded groups		★	

If the answer is "negative" or "unclear" consider doing a full EIA

Q4 - Does, or could the policy, service, function, project or strategy help to promote equality for members of the equality groups?

Group	Yes	No	Unclear
Age	★		
Disability		★	
Race		★	
Gender	★		
Transgender		★	
Sexual orientation		★	
Religion or belief		★	
Pregnancy or maternity		★	
Other excluded groups	★		

If the answer is "no" or "unclear" consider doing a full EIA

Q5 - Do you have any feedback data from the equality groups that influences, affects or shapes this policy, service, function, project or strategy?

Group	Yes	No	Unclear
Age	★		
Disability		★	
Race		★	
Gender	★		
Transgender		★	

Sexual orientation	☐	★	☐
Religion or belief	☐	★	☐
Pregnancy and maternity	☐	★	☐
Other excluded groups	☐	★	☐

If the answer is "no" or "unclear" consider doing a full EIA

Q6 - Using the assessments in questions 3, 4 and 5 should a full assessment be carried out on this policy, service, function or strategy?

☐ yes   ★ No

Q7 - How have you come to this decision?

The ECYP scrutiny panel's recommendations do not have any negative impact on any of the protected characteristics and are intended to improve outcomes for young people at risk of CSE. The recommendations require Cabinet approval. Evidence was provided by a number of organisations who are working alongside the council to tackle sexual exploitation and the panel also received some feedback from young people previously at risk of CSE about the service and support received.
If the schemes/actions within the report's recommendations are taken forward individual EIA's may need to be completed.

If you have to complete a full EIA please contact the Equalities and diversity team if you require help
Tel: 023 9283 4789 or email:equalities@portsmouthcc.gov.uk

Q8 - Who was involved in the EIA?

Lisa Gallacher, Local Democracy Officer

This EIA has been approved by: Vicki Plytas, Senior Local Democracy Officer

Contact number: 02392 834056

Date: April 2017

Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your preliminary EIA.

Telephone: 023 9283 4789

Email: equalities@portsmouthcc.gov.uk

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Portsmouth
CITY COUNCIL

Title of meeting:	Cabinet
Date of meeting:	28 September 2017
Subject:	Response to the Economic Development Culture and Leisure Scrutiny Panel's report "Smart Cities: Making Portsmouth a smarter, more sustainable, city"
Report by:	The Assistant Director of Culture & City Development
Wards affected:	All
Key decision:	~~Yes~~/No
Full Council decision:	~~Yes~~/No

1. **Summary**

   The Economic Development Culture and Leisure Scrutiny Panel conducted a review into Smart City initiatives already being implemented in the city and explore other initiatives happening elsewhere in the Country.

2. **Purpose of report**

   The purpose of the report is to respond to the Economic Development Culture and Leisure Scrutiny Panel - "Smart Cities: Making Portsmouth a smarter, more sustainable, city".

3. **Recommendations**

   (1) That the Panel is thanked for its work in undertaking the review.

   (2) That the Economic Development Culture and Leisure Scrutiny Panel's recommendations be approved in line with the responses noted in item 4 below.

   (3) That there is a visit arranged by the Assistant Director of Culture and City Development to Bristol to consider some of the initiatives that have been implemented and further consideration be given to how the City develops a Smart City Strategy.

4. **Response to the panel's recommendations**

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Recommendation 1: That the Directors regularly report to their Cabinet Member meetings on the progress in embracing Smart City technology and the associated sustainable benefits.   This will include:

• the development of PCC's website and Apps (such as for tourism, contacting housing tenants, parking availability, safe cycling and walking routes, public health messages) and further use of social media (for community engagement and information on licensing and planning applications)
• further use of digital advertising boards (to give key messages including sustainable travel method information)
• the continued rolling-out of solar PV panels on PCC buildings exploring community energy networks,
• Waste management partnership innovation with the contractors
• Consideration of future design of flood defences and other infrastructure to incorporate Smart technology

Response:

The council's website and the My Portsmouth app have been developed as part of the channel shift programme, supported by a newly restructured digital customer team in Community and Communications. The current funding ends in March 2018 and a capital bid is being prepared for submission to support future developments in 2018/19, 2019/20 and 2020/21, including around parking and public health. Social media is already used extensively, to communicate and engage with residents, and to respond to customer enquiries. Social media is also used to gather feedback on consultations, for example the budget consultation. There is potential for this to be expanded across additional consultations, where the subject of the consultation and the target audience lends itself to social media and there is also potential to increase the use of social media to promote planning applications and licensing applications, and other opportunities for residents to get involved. Although social media is free to use, engaging with residents effectively via social media is resource intensive as the dialogue is two-way and responses, which go into the public domain, have to be researched to ensure accuracy and to prevent reputational damage. In order to fully accommodate the recommendations of the scrutiny panel, an additional resource would be needed to support the management of increased social media activity in the digital customer team

It is critical that there is a joined up approach to initiatives across the city and that data and information is shared between directors to ensure that there is a strategic approach to the implementation of Smart City technology and an awareness between directorates and the wider stakeholders in the city of the opportunities Smart cities can realise. Consideration needs to be given to how the different directors share work, data and understanding of how technology can be best used and how the Council ensure that the concept of developing the use of technology to ensure that the built environment is managed in a way that ensures it works effectively and that the Council and others are able to monitor and understand the way the environment is working.

There has been considerable progress in some areas of the Council with, for example, significant work by Transport in harnessing Intelligent Transport technologies to

gain the maximum utility from the transport network. Work is focusing on using technology to increase capacity (through for example upgrading signal technology to more responsive and effective systems, e.g. MOVA, and the recent upgrade of the Traffic Management Centre to a cloud-based system), and using technology to provide residents and visitors with real-time travel information enabling them to make more informed decision making. This will lead to greater numbers of sustainable journey choices, enabling the transport network to support the City's ambitious growth agenda and associated increased demand for travel.

Recommendation 2: That the Assistant Director of Culture and City Development brings together appropriate officers into a vital group to share initiatives, keep abreast of funding opportunities, collaborative approaches and for the group to consider developments in other cities. That the Cabinet endorses a trip to visit Bristol (with representatives from neighbouring councils) to witness a city which is approximately 5 years more advanced in implementing Smart City initiatives. Following the visit a further report be presented to Cabinet identifying findings and giving consideration is given to how the City might develop a Smart City Strategy. Also that participation in the Nexus Bid with the University of Portsmouth be further reviewed for progression.

Response: In order for the city to embrace Smart City concept there is a need for the concept to be embedded within the Council, with a clear understanding of what can be achieved through the use of Smart technology and how different directorates might work together to develop and implement Smart technology across the city and share data to make informed decisions about how the city is functioning.

Recommendation 3: That PCC's Digital Strategy be progressed for accessibility and to enable the necessary infrastructure to be in place for economic growth, for the benefit of residents and visitors.

Response: That the options for providing the infrastructure to support the use of Smart technology be further explored and that every opportunity for the installation of this infrastructure be utilised.

Central Government has recently outlined a new "full fibre and 5G" policy, recognising that first-class digital infrastructure is vital to the economic prosperity of towns, cities and rural areas across the country, and to the UK as a whole

Businesses require a comprehensive digital presence on the internet to grow and succeed, it enables them to become more efficient, reach more customers, and become more engaged with their customers. PCC will work towards City has the IT Infrastructure necessary to embrace and thrive in a Digital epoch, with the provision of super-fast Fibre to the premises, supported by ready access to 4G (and 5G when it becomes available). Through the use of digital technologies we will deliver more accessible, cost effective services across a range of channels and the city for our customers, visitors, established and new businesses, partnership organisations and staff.

Portsmouth will be seeking to become the first Gigabit Commercial Port on the south coast enabling gigabit speed, world class connectivity and dramatically accelerating its digital capabilities. We are fully engaged with the DCMS and have submitted a bid for funding in response and to the request expression of Interest for inclusion in the Local Full Fibre Network Programme.

PCC's Digital Strategy is due to be published on 1st October 2017.

Recommendation 4: To deliver a sustainable built environment:
• the Director of Public Health should be involved in a discussion to agree what level of development should trigger a health impact assessments, to help promote physical activity

• when reviewing the Local Plan and the Infrastructure Delivery Plan, regeneration should be encouraged by inviting innovative ideas on house design, the use of open spaces and the use of vacant units, as well as ways of collecting and storing data about how the environment is performing.

Response:
Dr Horsley as Director of Public Health commented that there is the need to ensure that impact assessment is designed in from the beginning (ideally from the pre-planning application discussion stage) to make sure that the role of Public Health is facilitative (improving the development offer) rather than one of opposition coming into discussion after plans have been drawn up.

5. Background

The Economic Development Culture and Leisure Scrutiny Panel set the objectives noted below.

Objective 1 - To understand how Portsmouth City Council (PCC) is becoming 'smarter' in providing access to information for residents and visitors

Objective 2 - To consider examples from elsewhere of Smart Cities and Future Cities

Objective 3 - To investigate sources of funding for extending Smarter Cities type initiatives

Objective 4 - To review accessibility and skilling issues to enable residents, students, visitors and businesses to access and engage with council services and the provision of digital services

6. Reasons for recommendations

To ensure that Portsmouth keeps developing Smart City technology.

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7. Equality impact assessment (EIA)

This is covered in section 9 of the panel's report.

8. Legal implications

This is covered in section 10 the panel's report.

9. Finance comments

The budgetary implications are covered in section 11 of the panel's report. Financial implications of supporting future developments will be subject to a successful capital bid.

……………………………………………
Signed by:

Appendices: EDCL Scrutiny Panel's report on Smart Cities

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:

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Portsmouth
CITY COUNCIL

Economic Development, Culture & Leisure Scrutiny Panel

SMART CITIES:

'MAKING PORTSMOUTH A SMARTER, MORE SUSTAINABLE, CITY'

Date published: 16 August 2017

Under the terms of the council's constitution, reports prepared by a scrutiny panel should be considered formally by the cabinet or the relevant cabinet member within a period of eight weeks, as required by Rule 11(a) of the Policy & Review Procedure Rules.

PREFACE

The Economic Development, Culture & Leisure Scrutiny Panel reviewed Smart Cities and the ways in which Portsmouth can become a smarter city.

The panel heard evidence from council officers and external experts between September 2016 and March 2017. During the process with witnesses it became apparent that Smart Cities are not just about technology but also very much about planning and coordinating between departments to create a joined up sustainable city.

As this is an area that is constantly evolving across the various council portfolios the panel's recommendations reflect the need for regular updates on developments to the Cabinet Members. The panel would also recommend that a visit take place to Bristol which is at the forefront of Smart City innovation to witness how funding has been secured and implemented to make it a smarter, more sustainable city.

On behalf of the panel we would like to thank all those witnesses who participated in this interesting topic and the officers who supported the review and will be taking forward the recommendations.

…………………………

Councillor Hannah Hockaday

Chair of EDCL Scrutiny Panel for the 2016-17 municipal year

………………………….

Councillor Steve Hastings

Chair of EDCL Scrutiny Panel from May 2017, and Vice Chair in 2016-17

Date of Sign off: 16 August 2017

CONTENTS

1.   Purpose, panel membership

1.1   The Scrutiny Management Panel asked that the panel consider the use of the digital market to support economic growth in the city. This would include looking at sources of funding and examples of implementation of Smart Cities and Future Cities initiatives by other councils. This also links to sustainable cities and the importance of attracting investment. Consideration was also given to the ease of access of information and skilling people to use technology provided by the council as well as encouraging accessibility of council services through digital applications.

1.2   **Membership:** For the 2016/17 municipal year the EDCL Scrutiny Panel comprised of Councillors Hannah Hockaday (Chair), Steve Hastings (Vice-Chair), Matthew Winnington, Lee Hunt, Yahiya Chowdhury and Alicia Denny. The panel met on 7 occasions (see Appendix 1 for details). The 2017/18 panel had a change in membership with Councillor Scot Harris replacing Councillor Hannah Hockaday. Councillor Steve Hastings became the chair.

2.   Executive Summary

2.1   What is a Smart City?
- ▪ *The intelligent and integrated use of technology and information to help cities function more efficiently and create a better quality of life for its citizens*
- ▪ *Smart Cities aim to be centred on the citizen - giving them the opportunity to engage and have more of a say in the services provided to them by the public sector*

Whilst definitions of 'Smart city solutions' relate to the application of digital technologies to address social, environmental and economic goals, for smart cities to reach their full potential, these also need to focus on the citizens living in them, not just on technology.

2.2   <u>Objective 1 - To understand how Portsmouth City Council (PCC) is becoming 'smarter' in providing access to information for residents and visitors</u>

The panel recognised the potential for smart technology to be used in the promotion of tourism, with digital information being provided to visitors as well as residents. The launch of 'My Portsmouth' App was welcomed as a tool to be expanded for more interaction with PCC and the digital infrastructure must be available to support initiatives.

Intelligent transport systems are crucial to economic regeneration aspirations for the city, in maximising efficiency on roads as well as encouraging alternative methods of travel, including public transport, cycling and walking. Developments include the expansion of real-time information boards, smartcard ticketing, digital information/advertising boards (such as at the revamped Hard Interchange which uses Beacon technology). The Traffic Management Centre is being upgraded using a digital platform to allow greater control of traffic lights and more effective real-time traffic management as well as linking to sensors which monitor air quality. There has been a successful bid for £300k Portsmouth Cooperative Intelligent Transport System which will

provide this 'real-time' information on how the road network is performing and there is also investigation of a parking App taking place.

The panel noted that for waste management, a barrier to embracing some of the available smart technology (such as bin tagging and sensors) is that PCC is tied into long term contracts with the service providers.

In the Property & Housing Service a key technological advance is the roll out of solar PV panels on PCC buildings, which could be extended to Gosport and wider, and which will generate income. Digital tablets are used by professionals visiting residents on repairs and maintenance jobs, and this could be further expanded for the booking of appointments.

The public health agenda includes encouraging physical activity and changes in behaviour. Also giving encouragement to do so via sustainable opportunities, not only via suitable Apps (e.g. screening for sugar and salt levels in food) and in educational and recreational fields, but by linking with choices of methods of transport and with the provision of safe cycle and walking routes. The Director of Public Health has a role in commenting on urban development to help protect community use of green space in the city, which should be encouraged through participation in pre-application discussions on major projects.

2.3   Objective 2 - To consider examples from elsewhere of Smart Cities and Future Cities

As part of the examination of smart and sustainable models elsewhere, the panel heard from Professor Lehmann from the University of Portsmouth (UoP), who promoted a partnership approach to maximise smart urban solutions and help shape a sustainable public realm. He explained UoP's campus aspirations for an increased student population (referencing their Estates Masterplan) and encouraged connectivity between the different parts of the city.   He also advocated the opening up of public spaces and sustainable transport routes. Examples of flood defences being designed to incorporate public space were given (e.g. Blackpool, Bordeaux and Sydney). In Canterbury the vacant units have been reused (e.g. The Food Shed). In Barcelona traffic had been reduced by 25% in the city centre by introducing a grid system of flow.

UoP are part of the European research project 'Urban Nexus', aiming to produce energy and food within the city and PCC were invited to participate in this partnership with UoP and other European cities.

Written evidence was also received on smart city successes by other local authorities such as 'Travel Ipswich', Suffolk Better Broadband Project, and 'Bristol is Open' which is seen as a trail-blazer partnership project between the local university and council to harness smart phone technology to provide information on energy, air quality and traffic flow.

2.4   <u>Objective 3 - To investigate sources of funding for extending Smarter Cities type initiatives</u>

To help investigate potential sources of funding the panel heard from a local Smart Cities consultant and the panel was also represented at a Smart Cities conference in London to learn from the experience of other local authorities as well as hear from private sector providers of innovative services. Consideration was also given to the need to develop a PCC Digital Strategy. As previously referred to, as part of this review the opportunity arose to make a preliminary expression of interest in the 'Urban Nexus' bid in partnership with the University of Portsmouth and other European cities.

Councillor Hannah Hockaday and Councillor Winnington attended the Ascent Events Smart Cities conference where examples of projects taken forward included City Verve funding for Manchester Council's 'Smart Area' in the city centre. Nottingham is part of the Smart Cities European Remourban project (district heating and energy co-operative).

Chris Cooper of local Smart Cities consultancy KnowNow Information Ltd explained what was necessary to progress a citizen-centred Smart City - such as frameworks for management and safe storage of data and creating a vision for the city. Glasgow had been successful in becoming a 'City wide demonstrator' (worth £24m in 2012) as part of a competitive process. In Bristol the council had been instrumental in providing cheap and effective internet connectivity, alongside a new Enterprise Zone, illustrating a collaborative approach between central and local government, with local business and university support. European Union sponsorship had also been available for 'Citizen City' projects.

As well as financial there are also environmental benefits evidenced in Smart Grid projects with the sharing of energy in communities. It was estimated that Portsmouth is approximately 5-6 years behind the Smart City front-runners and an invitation to visit Bristol in the following months was therefore welcomed (this may be jointly with Southampton and Winchester).

2.5   <u>Objective 4 - To review accessibility and skilling issues to enable residents, students, visitors and businesses to access and engage with council services and the provision of digital services</u>

A key component to accessing technology in the city is the digital infrastructure and improving WiFi access across the city and this needs to be underpinned by the development of a PCC Digital Strategy. The aim in embracing technological solutions is to improve services and do more for less cost. There would be more capacity with the use of 'cloud' technology, which in turn needs to be secure. This would improve access for residents and visitors and would encourage business to invest in the city, such as in the new developments at Dunsbury Hill and Tipner and Horsea would be 'smart city enabled'.

PCC's Community & Communications department is embracing technological advancements for communicating with customers, such as the 'My Portsmouth' App to report problems like fly-tipping (2000 reports had been made on the App in the first 6 months). The panel was keen to expand on the use of this App such as for reporting on the progress of planning and licensing applications. PCC's 'Channel Shift' programme encouraged the use of digital interfaces through which payments and claims could be made to the council at any time. Residents could also be encouraged to be more engaged through social media channels and the provision of PCC's magazine Flagship in a digital form.

The 9 local libraries across the city provide free access to the internet and a range of digital classes. Staff were aiming to help 'bridge the digital divide' with low literacy levels being a barrier to accessing websites and Apps. There is collaboration with Highbury College in providing training opportunities for adults and computer and coding clubs for children. The libraries also provide the technology for helping with translations where English is not a first language.

3. Conclusions

3.1 Bidding for external funding is critical to deliver Smart City technology, either by PCC or where appropriate via a partnership approach. The development of PCC's Digital Strategy is therefore fundamental to enable Smarter City aspirations to be achieved as well as the improvement of the technological infrastructure (to provide faster Broadband), which is key for attracting businesses to the area.
(see paragraphs 5.1.3, 6.1.17 & 8.1.5 and Sections 6.2, 7.1, 7.2 & 8.2)

3.2 The benefit of partnership working is evidenced at other cities (such as Bristol, Milton Keynes) with the involvement of the local university showing advantages of collaboration on a regional level. Here the University of Portsmouth is keen to work in partnership. It is noted that Bristol is estimated to be about 5 years ahead in embracing Smart City Technology.
(see paras 6.1.17, 7.4.9 and Sections 7.2, 7.3 & 7.4)

3.3 There are already a large range of traffic management developments with the creation of a digital platform with the upgrading of the Traffic Management Centre system and major investment at the Hard Interchange.
(see Section 5.2, incl. paras 5.2.5, 5.2.12 & 5.2.17)

3.4 Public health benefits can be made by encouraging increased physical activity through developing information on PCC's website (and other digital assets and Apps) regarding safe cycle and walking routes. Therefore the Director of Public Health should be involved in pre-application discussions on major developments to help ensure open space provision and sustainable travel methods are promoted.
(see paras 5.2.8, 5.2.11, Sect 5.5 incl. paras 5.5.7, 5.5.9, 5.5.11, 5.5.12 & 6.1.16)

3.5 Apps are not replacing professionals (such as surveyors, doctors) but can play a complementary role and there is a need to ensure that new technology is

easy to use and help is offered to those needing it. The panel recognised the potential for Smart City technology to be used for encouraging tourism through the expansion of PCC's website and Apps for visiting Portsmouth. Smart City technology can be further used for contacting housing tenants and for resident engagement.
(See Sections 5.1 incl. 5.1.2, 5.5.5 and Sect 8.3 & 8.4)

3.6   For Waste Management Smart City opportunities are more limited in the city due to contract periods but officers should keep abreast of innovation in partnership with contractors Veolia.
(See Section 5.3, incl. para 5.3.4)

3.7   PCC's Property & Housing Service already have a major project embracing solar energy technology for PCC properties which has sustainable benefits for the city and can be further expanded.
(Section 5.4, incl. paras 5.4.4 & 5.4.8)

3.8   In considering the public realm and sustainability, flood defences offer opportunities for imaginative use of public space and opening of waterfront promenades for connectivity in the city and vacant units can be used for further regeneration opportunities.
(See paras 6.1.3, 6.1.9 & 6.1.14)

4.   Recommendations (based upon the above conclusions)

4.1   That the Directors regularly report to their Cabinet Member meetings on the progress in embracing Smart City technology and the associated sustainable benefits.   This will include:
- the development of PCC's website and Apps (such as for tourism, contacting housing tenants, parking availability, safe cycling and walking routes, public health messages) and further use of social media (for community engagement and information on licensing and planning applications)
- Use of digital advertising boards (to give sustainable travel method information)
- the rolling-out of solar PV panels on PCC buildings exploring community energy networks, with possible expansion to Gosport
- Waste management partnership innovation with the contractors
- Consideration of future design of flood defences to incorporate public space and encourage walking and cycling

4.2   That the appropriate officers keep abreast of funding opportunities, collaborative approaches and developments in other cities and that the Cabinet endorses a trip to visit Bristol (with representatives from neighbouring councils) to witness a city which is approximately 5 years in advance in implementing Smart City initiatives. Also that participation in the Nexus Bid with the University of Portsmouth be further reviewed for progression.

4.3   That PCC's Digital Strategy be progressed for accessibility and to enable the necessary infrastructure to be in place for economic growth, for the benefit of residents and visitors.

4.4   That to encourage a more sustainable built environment:

•   the Director of Public Health should be involved in the discussion of proportionate level developments for health impact assessments on major projects, to help promote physical activity and to protect open and green space in the city

•   when reviewing the Local Plan and the Infrastructure Delivery Plan, regeneration should be encouraged by inviting innovative ideas on house design, the use of open spaces and the use of vacant units, as well as ways of collecting and storing data about how the environment is performing.

5. <mark>**Objective 1 -** To understand how Portsmouth City Council (PCC) is becoming 'smarter' in providing access to information for residents and visitors</mark>

The panel heard from several witnesses from PCC to explain what different departments are already offering as well as what they are seeking to expand on to increase digital services to customers.

5.1 **Tourism** - At the outset of the review it was recognised that Smart City initiatives should link to the aspiration of Portsmouth being a weekend destination break city as well as customer expectations on the use of Smart phones and tablets to give information about what was is available to visitors, so the facilities need to be available to enable this to happen. There was therefore a need to ensure there is a digital presence of PCC services. The landing pages for the PCC website should have links to relevant information e.g. to the ferries. The key attractions, such as the museums, need to utilise digital technology and link in with the infrastructure funded by PCC which provides good coverage for 4G and connectivity. It was reported that the Gunwharf management team is looking at 'apps' to show offers at the venues. The panel felt there was an opportunity to look at a 'Visit Portsmouth app' to ensure visitors access information. The University of Portsmouth is keen to be involved in this and there is also a need to involve local businesses. (Advances at the new Hard Interchange are expanded on in section 5.2.)

5.1.1 **Residents** - The panel heard the importance of free public access to Wifi. It is already in 80 PCC owned properties and there could be an investigation if this needed to be expanded and if so how this would be financed. PCC has pursued 'Channel Shift' to give residents the opportunity for residents to report things to PCC directly.

5.1.2 *My Portsmouth App* was launched by PCC on Friday 5 February 2016 to help keep the city clean, safe and tidy. The PCC website advertises that: "*by downloading the free My Portsmouth app, people who live in, work in and visit the city will be able to report issues to us quickly and easily, so we can get them sorted….Through the app, you can report problems including dumped rubbish, broken streetlights, abandoned trollies, graffiti, blocked drains, abandoned cars, and you can take a picture of the problem and show us where to find it on a map. You can also use the app to check when your next recycling collection will be, or to keep up with the latest council news.*"

(See further information provided by the Director of Community & Communication at section 8.3 on digital resident engagement.)

5.1.3 **Businesses** want better broadband coverage and whilst this is not within PCCs remit, PCC can be involved in helping to facilitate this which also important for inward investment.

The aims of producing a PCC Digital Strategy are covered further in Objective 4 (see section 8.1).

5.2   **Intelligent Transport Systems**
        Pam Turton, Assistant Director of Transport, Environment & Business Support
        and Adil Mohammad, Traffic & Network Manager, PCC, spoke to the panel
        regarding the importance of transport as an enabler of activity supporting the
        regeneration of Portsmouth. With limited road space and strong growth
        agenda, and associated predicted increases in traffic, PCC need to gain the
        maximum capacity from existing infrastructure, providing improved, reliable
        journey times for all modes within the city. Intelligent transport systems have a
        key role to play in maximising capacity as well encouraging the use of public
        transport and sustainable methods of transport such as cycling and walking.

5.2.1   **Aim**: *To develop and implement cutting edge technology to deliver improved,
        consistent journey times for all modes, harnessing big data to provide real-
        time multi modal information enabling informed journeys, and enabling a real
        time response, with the overall aim of improving the journey experience for all
        users of the transport network within Portsmouth.*

5.2.2   **Aspirations:**
        •*Improved management of the current network*
        •*Support for the economic and growth strategies of the city*
        •*Improved air quality and environmental objectives*
        •*More informed decision making by members of the public through the
        provision of more information, leading to greater numbers of sustainable
        journey choices*
        •*Improved end-to-end journey experience*
        •*Improved uptake of public transport and active travel*
        •*Improved management of events within the city, both regular (e.g. football
        matches) and irregular (e.g. America's Cup World Series)*

5.2.3   The public transport projects being implemented and investigated included:

        •   Real Time information boards - these were at 90 upgraded bus shelters
            in the city (delivered in part through LST[1] local sustainable travel
            funding from the Department of Transport)
        •   Smartcard Ticketing - these included Solent Go and Portsmouth Park
            & Ride
        •   Clear Channel is currently upgrading 40 bus shelters to digital
            advertising
        •   Future plans also included expanding payment options to 'Wave & Pay'
            (contactless payment through credit and debit cards) and retrospective
            billing
        •   Audio announcements are now available on buses and at bus shelters

5.2.4   **Park & Ride** - The Park & Ride scheme (run by First Bus with PCC backing)
        had illustrated changes in patterns of behaviour (the pricing and marketing of
        Smart Cards there had encouraged take-up). Revenue sharing arrangements
        with operators remains a key consideration in the development of multi-
        operator, multi-modal ticketing options.

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[1] Local Sustainable Travel Fund

5.2.5 **The Hard Interchange** - the new building was integrating 'smart' technology with the provision of Real Time Information travel screens, touch screens (which would include tourist information), Free Wi-fi and Beacon Technology[2]. The new totem way-finders with digital touch-screen displays would have space for advertising too (which would help generate income). There would be the opportunity for the new maps to include information from various departments.

5.2.6 **Routes 4 All** - work was taking place on an application to help individuals with particular mobility requirements, to determine the most accessible route. The App uses the Smartphone's internal sensors to record the user's journey, and how accessible the routes that they have used are. For example the internal tilt sensors show how bumpy a pavement is or how steep a dropped kerb is for a wheelchair user. The GPS data will also show desire lines for routes and crossing points.

5.2.7 **Cycling** - Department for Transport funding is being used to develop 'quiet ways' in the city to encourage cyclists to use 20mph routes (as 80% of cycling casualties occurred on the 30mph network). An ambition is to have an 'app' for cycling route planning. Funding for low level traffic light signals for cyclists was also being sought to allow a 2 second head start on motor traffic; a funding bid had been submitted for Portsmouth to be an early adopter of this technology. It was confirmed that all impacts would be modelled and considered prior to implementation to maximise safety.

5.2.8 **Active travel** is being encouraged with consideration being given to co-ordinating different schemes through the strategy development for the Active Travel Strategy and Local Transport Plan work currently underway. These strategies would reflect and build on the aspirations around creating a walking friendly city and the Cycle Forum's City to Share strategy.

5.2.9 **X-Cam** - video technology is used to monitor the build-up of queues and to enable changing the phasing of traffic signals to give public transport priority.

5.2.10 **Traffic Signal Optimisation Programme** - £1m funding is available for delivery of this to give greater control of junction capacity. There has been installation of 'MOVA'[3] at independent junctions - 11 of these were due to be upgraded in the city.

5.2.11 **Walking Improvements -** These included:
- the upgrading of pedestrian facilities and integrate phasing at junctions
- upgrading of wayfinding totems (which show distances and times for walking between sites) to become digital touch screens
- Zebrite beacons - which are brighter and more visible than traditional Belisha beacons to help slow traffic at pedestrian crossings

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[2] This technology alerts mobile Apps to your location

[3] Microprocessor Optimised Vehicle Actuation

5.2.12 **Traffic Management Centre Upgrade**
Portsmouth City Council (PCC) is investing approximately £0.25m in upgrading the Traffic Management Centre (TMC) to 'Stratos' a cloud based system enabling PCC to link up with more traffic lights within the city to the Traffic Management Centre and to provide remote access to the management systems. The upgrade to the TMC is the most effective solution currently available and provides secure, scalable and real-time traffic management for implementation in Spring 2017.

5.2.13 **Journey Time Monitoring**
There are 5 detector units for real-time journey monitoring, which make use of data from residents' smart devices. The data allows Traffic Engineers to monitor historical and current journey times, likewise journey times during major events, major road works etc.

5.2.14 **Parking** The Transport department is keen to develop and deliver technological solutions to parking issues, providing parking space information to monitor how full car parks are and a PCC 'where to park app' is being investigated, and 'wave & pay' is being implemented at PCC car parks starting with Isambard Brunel multi-storey. Due to concern regarding the risk of using apps on handheld devices (including sat-navs in cars), hand-free alternatives were being investigated.

5.2.15 **Sustainable vehicles** - 10% of PCC's vehicle fleet now have 'Lightfoot' technology which gives audio reminders of how to drive economically, which will reduce fuel bills and emissions.

5.2.16 **Transport Planning Communication with the public** - this is via several social media channels (including Twitter and Facebook) to give messages on traffic problems and route planning around major events. It is also planned to develop a PCC website which would have a centralised travel information section.

5.2.17 **Traffic Network-** Adil Mohammad, Traffic & Network Manager, expanded on the traffic network issues, with the build-up of traffic and disruption on the network being monitored and reacted to. A **Digital Platform** is being created with the upgrades to the Traffic Management Centre system, signalising upgrades and other 'smart' technology being integrated into this. This includes Internet of Things technology - with roadside sensors (detecting traffic flow and air quality/pollution levels, Big Data (bringing together data that can be used in developing 'apps'), Situational Awareness (harnesses information via smartphones) - which can all provide information to help drivers make informed travel choices. The collection of data also enables more accurate modelling for transport planning and in predicting the levels of demand for public transport.

5.2.18 The Transport, Environment & Business Support Department had bid for:
- Developing dynamic route guidance systems, Smart Mobility Model and Predictive Modelling Capability, and Co-operative ITS systems
- C-ITS (worth £300k) and for Low Level Cycle Signals (also £300k)

5.2.19 **Outcomes of bids** An update report was given on the transport bids:
   a) Portsmouth CITS (Co-operative Intelligent Transport Systems)
      Platform: Portsmouth City Council had been successful in receiving a
      grant of £300,000 from the Department for Transport's new innovation
      programme - ' Cooperative-Intelligent Transport Systems (C-ITS) and
      Smart Infrastructure'. This award will fund the 'Portsmouth C-ITS
      Platform' a test-bed project to build a sensor network within the city to
      receive information and provide travel and traffic related datasets.

5.2.20   The innovative project will involve establishing an on-street, test
          environment within Portsmouth to prove the viability of the available
          communication technology in a real life setting that will not only provide
          the Council with additional 'real time' information on how the road
          network is performing, but also give support to road users to enhance
          their journey experience and improve road safety. This is a successful
          step for the local authority in order to further develop their capabilities to
          enhance their day to day management of the road network within the
          city.

5.2.21   The funding will help towards achieving the city council's vision of
          developing and implementing cutting edge technology that improves
          road safety, delivers more consistent journey times for forms of
          transport and by harnessing 'big data' provide real time information for
          people to make informed travel choices

5.2.22   b) The Low-level early start traffic signals for cyclists in Portsmouth: PCC
             was not successful in this bid.

5.3   **Waste Management**

5.3.1   Colette Hill, Assistant Director of Housing & Property with responsibility for
         PCC's waste services, explained the use of technology for this statutory
         service for local authorities and how the compiled information may be of
         interest to citizens regarding how much is collected and what happens to their
         waste. The weight of recorded waste is recorded as required by government
         and this information is available on the Environment Agency's website but not
         published on PCC's website. The cost of waste is £6m p.a. as per PCC's
         waste contract as part of a Hampshire wide partnership 'Project Integra' via
         Veolia as well as use of the Energy Recovery Facility (ERF) and Mixed
         Recyclables Facility (MRF) in Portsmouth and therefore links with
         sustainability were important. Currently Portsmouth (unlike some other local
         authorities) has unrestricted waste collection so it is difficult to control how
         much is spent on it.

5.3.2   Whilst Portsmouth currently ranks low on the UK recycling rates[4] the rates for
         contamination of recycling is very low so that less goes from this to landfill.

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[4] Ranked 338 of 345 local authorities - reported at January 2017 EDCL panel meeting

5.3.3 **Smart technology** available for use in the waste industry includes:
- Public smart bins
- RFID tagging/fill sensors (using radio frequency to detect if bins are full)
- GPS
- Route optimisation
- Call Management
- PDAs (personal digital assistant/handheld devices)

There is less use of on-board weighing and tagged bins.

5.3.4 A barrier to embracing some of this technology by PCC waste management was that the contracts had been entered into on a long term basis (e.g. for Biffa a ten year contract until 2021). The recycling contract included 5 types of recyclables (so that plastic tubs and trays were not recyclable here). However changes were being considered such as the possibility of kerbside glass collection. RFID bin tagging is not in use here but its use being monitored elsewhere, and a trial by neighbouring Havant BC had shown that its use had broken even rather than made savings. PCC does use GPS on the collection vehicles which can track rounds and this helps with route optimisation. Whilst the PDAs data was not reliable regarding logging information from the vans it could be better used to flag up where contamination reoccurred (currently 'red hangers' were put on these bins). Tagged bins were not in use in Portsmouth. Technology was more widely used by other authorities where there was a 'pay as you throw' system which was not implemented here.

5.3.5 Resident access to systems such as booking for bulky collections and being given information on their nearest recycling facilities was being considered by their 'Channel shift' project. Recycling boxes were also available as an alternative to bins and could be ordered on-line.

5.3.6 A trial project on the Highbury Estate (implemented in September 2016) to try to improve recycling rates and decrease waste production rates, had shown that changes in behaviour could be encouraged as the tonnage rates had significantly decreased since the wheelie bin experiment had been implemented. This included contamination rates decreasing too.

5.3.7 Veolia were inviting participation in an Innovation Day and information from this on technological advances would be shared with members when available.

5.4 **Property and Housing Services Repairs**

5.4.1 Meredydd Hughes, Assistant Director of Property & Housing Services, explained the use of technology for the Housing Department, its residents and other PCC assets. With regard to resident interaction this could be used to empower them in the booking of appointments of work in their property, to know targets for completion of repairs and to provide information on energy consumption. The condition of PCC properties will have an impact on health and wellbeing of residents and building users.

5.4.2 PCC manage and maintain over 15,000 assets and the presentation gave a breakdown of activities on the properties including repairs (over 50k day to day repairs carried out each year), electrical installations, gas safety inspections (13.5k), smoke detection installation and monitoring of void properties.

5.4.3 Linking in with the sustainability aims, the energy consumption and production figures across the PCC property portfolio were reported as:

- Electrical consumption 36m KWhrs - £4.6m
- Gas consumption 35m HWhrs - £1.1m
- Solar PV production in 2016 = 2.5m KWhrs[5] which equated £442k as combined income and cost avoidance to PCC

5.4.4 The solar PV panels have been placed in civic buildings such as the Civic Offices and the Somerstown Hub and the use will be extended which will generate further income.

5.4.5 The current use of **smart technology** in the delivery of the repairs service included:
- A detailed Property & Housing Asset (PHA) database on which repairs can be logged
- ½ hour meters for energy consumption for monitoring of use
- SIM cards on the PV Solar panels - this provides information such as how these are operating and when they need cleaning
- Heat meters in sheltered accommodation - these show trends of usage
- Mobile Tablets - for use by gas engineers on their inspections and for remote ordering of parts
- PDAs - used for Legionella records
- Integrated Reception Systems (IRS) helps connectivity for Freeview TV, connection to Sky+, SkyQ and DAB radio and this cuts down on the use of multiple satellite dishes

5.4.6 The PHS department's detailed database contained histories of repairs to properties and where work was required and better information was available on the payment and validation of bills which were more accurate now. The systems gave better visibility of energy use which was useful information for schools too on when power was being consumed. The BMS system also allowed for remote monitoring, and the intelligent systems meant that the longevity of equipment was being extended by the varying the use of equipment such as the main heating fans at the Civic Offices and boiler systems at schools to share the load. The mobile tablets and PDAs mean that photographs/certificates can be taken on site and scanned for inspections.

5.4.7 Future Developments -
- Residents would be empowered to take responsibility for their properties such as booking repairs directly and be able to track progress and arrange appointments for regular inspections (currently approximately 90% of dealings with customers were via the phone or face to face)

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[5] This is enough electricity to light and power a 3 bed house for 714 years

- Heat meters to communal heating systems would mean monitoring of usage so 'pay as you use' for fairer bills
- A roll out of more solar PV installations and exploration of a solar co-operative
- Use of LiFi (light fidelity) and trialling of LED lighting
- Empowerment of schools with more access to registers and tracking of repairs and records such as for asbestos and testing including Legionella.
- Work was taking place with Social Care on the alarm systems in supported living accommodation

5.4.8 **Solar panels** - these are not moveable ones but the Portsmouth locations meant that there is good solar coverage to help maximise energy. A capital bid was due to be made to extend the project into Gosport which would give joint benefit and generate further income for PCC. This may then expand to other neighbouring authorities and local schools, including academies. The next development would be the battery storage of the solar panels and how to share the power generated in the communities. A constraint currently was the SSE grid capacity for Portsmouth which needs to be improved.

5.4.9 There are links with the University of Portsmouth to take forward innovation, such as via work placements, apprentices and employment of graduate architects; there are also good links with the university's departments of Architecture and Building and Surveying.

5.4.10 **Risks and opportunities:** Whilst the use of technology brought benefits, it should be implemented where it was appropriate and in conjunction with skilled professionals, such as the PCC surveyors. Further consideration could be given to the different means of communication by residents so that smart phones and tablets and mobiles could be used for requesting repairs - such as expanding the My Portsmouth App.

5.5 **Public Health**
5.5.1 Dr Horsley, Joint Director of Public Health (DPH) for both Portsmouth and Southampton City Councils, made a presentation entitled 'Smarter Cities and Improving Health - Is there an App for that?'. The World Health Organisation defines health as:

"a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity"

5.5.2 Healthcare services are approximately 25% of the contributors to improving health - gains in life expectancy include nutrition, sanitation and other lifestyle factors (smoking, drinking, food and exercise) as well as the physical environment (including air quality, housing and green space provision). In Portsmouth physical inactivity is second to smoking in causing early deaths.

5.5.3 The aim of Public Health is to make people change their lifestyles; just giving education alone will not lead to major changes in behaviour and there is the need to look at the scale of the problems. 63% of adults in Portsmouth are

classified as obese or overweight. There is the need to look at the **physical environment** and the choices made (car/cycling/walking). Dr Horsley's aim was to focus on how these environments can be changed, not just educational messages.

5.5.4   Dr Horsley asked what was meant by 'smarter cities' with the use of technology to improve outcomes (rather than outputs which can be quantative such as number of hips replaced) where individuals can measure the improvements e.g. living longer, or not experiencing pain. There should be lasting and sustainable improvements from the use of technology - he gave the example of the initial spike in physical activity caused by 'Pokemon Go' but this had reverted to previous levels by week 6.

5.5.5   **Apps** - The Director of Public Health was often approached regarding the use of new Apps - but he needed to be convinced of their benefits as these can be expensive to develop and update and the novelty can wear off fast (as seen with step-counters which may encourage more physical activity but there is not fast weight loss seen where users 'reward' themselves). Some route/map applications had merit in giving useful information, such as showing cycling and walking options, which could help 'nudge' people into making the more healthy choices.

5.5.6   Whilst some Apps were very useful (such as scanning items for sugar and salt content) these did not necessarily address health inequalities or reach those most in need of the information. There could be benefits in using Apps as teaching resources for children to promote healthy lifestyles in an interactive way but educational apps were not necessarily attractive to teenagers.

5.5.7   Areas in which technology can help include:
   • Monitoring sugar levels for diabetics
   • Fall alerts in homes of older persons
   • GPS tags to alert families of dementia sufferers
   • Giving cues and reminders for taking medication or attending medical appointments

5.5.8   Another possible area of use is in communication with health professionals, although this will not necessarily be as effective as a face to face consultation and can lead to more social isolation (which in turn can heighten anxieties and mental health costs).

5.5.9   Two priority areas to make a difference in Portsmouth were to reduce smoking levels and encouraging a shift in the use of public transport. In exploring how physical activity and active travel could be encouraged Dr Horsley stressed the importance of the infrastructure:

   • Provision of bike lanes and walking routes; walking routes (which can be backways) need to be well signed either physically or via Apps showing how long it takes to get to destinations
   • Safety via smart lighting and increased footfall (which in turn can lead to reduced crime levels[6]) - Lighting was important to encourage use of

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[6] Reference was made to the pedestrianisation of streets in central Bogota, Colombia

walking routes, and the switch to LED lighting is important as this has a carbon footprint, and motion sensors also save energy

- Internet search engines can offer prompts on how long different modes of travel will take
- Barriers need to be reduced - for more direct routes, providing affordable alternatives and incentives (such as Park & Ride where bike use could be encouraged too), use of electric bikes to help with hills (although Portsea Island itself is flat)

5.5.10 Dr Horsley gave examples of good practice and ideas that could be implemented from elsewhere, which included:
- The use of more efficient bike lights
- The ability to think about the design of cities such as looking at intersections to prioritise walking
- In Nigeria there had been re-mapping of bus routes with GPS tagging on the routes people most used to get to work to ensure the bus routes followed the flows and to encourage use

5.5.11 **Physical realm** - with the physical restrictions of Portsmouth there was even more need to look at the importance of **green space** and to ensure it is accessible and well used, with use of lighting and provision of WCs. Cemeteries could be considered as space for public benefit, for sympathetic uses such as garden schemes, beehives etc.

5.5.12 **Planning and Health** - The panel wished to see greater involvement of the Director of Public Health in **consultation on planning developments**: Dr Horsley felt this would be useful but this would need to be proportionate regarding major development. He reported that at Bristol Council there is a rule on when health impact assessments are undertaken on developments, and at Wakefield there is a requirement to look at the impact of a proposal when it relates to loss of green space in deprived areas, and they have a checklist of things to be considered by the developer. He was keen to try to protect the city's green spaces via pre-application discussions so that Public Health make helpful suggestions which are conducive to the local population's health, which in turn would mean that developers were more likely to get planning permission. There is the need to embed public health early in the planning process, especially for the larger developments.

5.5.13 **Risks** with technology include:
- Where devices only work for a short time or there is a need to reinvest
- Devices that may increase social isolation or reduce physical activity
- Advances that may cause other problems e.g. driverless cars
- The dangers of using mobiles and smart devices whilst walking; it was hoped that technology would be adapted to integrate alerts.

6.   <u>Objective 2</u> - **To consider examples from elsewhere of Smart Cities and Future Cities**

6.0   In considering the development of Smart City initiatives elsewhere, themes of **Public Realm** and **Sustainability** were further explored. The National Planning Policy Framework reflects sustainability, so that the public realm and design of the built space also encouraged all forms of public transport and alternative methods of travel.

6.1   <u>University of Portsmouth</u>
6.1.0   Professor Steffen Lehmann, Professor of Sustainable Architecture at the University of Portsmouth and Director, Cluster for Sustainable Cities gave a presentation to the panel and members of the public entitled '***Regenerated Cities are Sustainable Cities'***.

6.1.1   Professor Lehmann addressed the panel on the challenges in the city and gave ideas for urban solutions and strategies for the way forward. One of the main problems in Portsmouth was the level of traffic and the need for clear information and provision of safe routes for cyclists. He also observed that the waterfront had huge potential for improvement and upgrading of public spaces both big and small; the waterfront was also relevant to students as the University of Portsmouth (UoP)'s campus idea was expanding. With regard to housing and land use, he suggested that it is smarter to build upwards with three to four storeys infill expansion and densification and in selected areas in the city centre up to ten storeys around public transport nodes. His presentation then went on to look at urban systems, water, energy, transport and waste management interaction of networks. The UoP is involved in an application for the 'Urban Nexus' project that uses ICT technology to interconnect urban systems to provide efficiencies and an assessment tool for cities to guide decision making on future urban development.

6.1.2   **Partnership working**
The potential of working jointly with Southampton meant that collaboratively the cities became the urban size of the fifth largest city in the UK. He also reported that the University of Portsmouth was now 25 years old and ranked in the top 2% in world rankings according to the recent THE[7] rankings of young universities. The economic benefit to the local community was £300m per annum (recent report by Deloitte) that the University contributes to the city of Portsmouth, i.e. students brought to the city. The student numbers were projected to increase from 24,000 to 29,000 by 2020. UoP is also the owner of 35 buildings in the city centre. It was therefore important for the City Council and University to be involved in discussions to share strategies especially with the expanding University Quarter that needed an urban heart.

6.1.3   **Urban Regeneration**
Professor Lehmann gave examples from other cities showing strategies of their "rebirth" in Bristol and Manchester. Internationally, Seville had created public meeting places on the site of a former car park, and in New York the High-line provides a new linear park which had resulted the property values doubling in these areas. At Detroit, a shrinking city that struggled with empty

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[7] Times Higher Education (THE) world university rankings

properties and people leaving, there were now community garden schemes in place to improve the neighbourhood. His view was that Portsmouth had disconnect between its parts of the city, which has led to a fragmented city; and that there was a threat of the sea-level rise that the council needed to future proof in preparation with the opportunity to create better public spaces and landscaping along the waterfront. The opening up of public spaces and the waterfront promenades gives connectivity within the city which should be reflected within the cycling and transportation plans, to encourage cycling and walking and thereby a more active and mobile local population.

6.1.4 **UoP University Quarter**
A "**smart campus**" should not just be about IT and sensors but about creating a better public space network, citizen-centric improvements and decision making based on evidence and big data. The UoP's University Quarter Plan aimed for an open campus at ground floor, with visibility of activities, where research and teaching could be viewed happening by passers-by.

6.1.5 How could the city become more attractive for more of the staff at the university to wish to live in Portsmouth? Better models of infill housing and more housing choices should be encouraged (with innovations such as gardens on rooftops) as consumers need to have a better choice, so there is the need for a more experimental approach without inflating prices. Some areas like Southsea were expensive and were lacking affordable real estate. Modular prefabrication of houses is a research area to provide houses with more floors built off-site possibly bringing down the land costs per unit, as well as the innovative use of new construction methods and materials such as engineered timber.

6.1.6 The Estates Group at the University is planning to invite participation in an international design competition for a key building on the corner of Victoria Park (a flagship building for the Business School on the former site of Victoria Baths) to promote innovation and good design. The forthcoming Estates Masterplan will set out the University's vision for developments over the coming 20-25 years and will see significant investment in new buildings, the upgrading of existing buildings and investment in **new public space** between buildings for informal social interaction.

6.1.7 An idea being put forward by the university was the future pedestrianisation of Hampshire Terrace to create a new mixed-use high-quality public space. The panel was concerned that there could knock on traffic effects by closing roads for pedestrianisation. There should be carefully considered action plans for prime locations such as Hampshire Terrace or Clarence Pier to see what the public gain could be.

6.1.8 The Assistant Director of Culture & City Development reported that there was the opportunity for housing designs to be considered at a more strategic level through the reviewing of the Local Plan and the Transport Plan. This would encourage investment in the public realm and people's ideas are invited in this process.

6.1.9 **Sea Defences and the Waterfront**

In exploring the idea of the sea defences being 'future proofed', Professor Lehmann advocated the need for good designs of public space, as seen at new waterfronts in Bordeaux, Sydney and Lower Manhattan, which incorporated landscaping elements. He also reported that the Blackpool seafront had taken an innovative approach regarding the design of sea defences.

6.1.10 PCC's Assistant Director of Culture & City Development clarified that Portsmouth's sea defences were at a conceptual design, with focus on securing funding from the Environment Agency. Professor Lehmann felt it was key to ensure that Portsmouth has a world class standard waterfront incorporating good landscaping, promenades and public space elements of very high standard.

6.1.11 **Green Urban Space**

Prof Lehmann was keen to encourage easy access to more green space and community gardens. Tree planting along streets also enhances good landscape, water management and cooling, and he pointed to opportunities elsewhere of harvesting and storing rainwater.

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8 graphic by Professor S Lehmann, University of Portsmouth

6.1.12 **Sustainable City Planning and Public Open Space**
Prof Lehmann explained the urban resilience principles for a compact regenerated city and felt it was wasteful that many cars are travelling into the city each day carrying one person each, blocking public space, and there should be encouragement of buses and bikes to free up the space as well as the use of electric cars and e-bikes. He showed images of bikes accommodated on the light railway at Stuttgart, and as streets formed a high percentage of public space some cities encouraged the underground parking of cars in designs.

6.1.13 **Solar energy** is also important for sustainable architecture. Embracing the idea of generating energy within the city. Using solar power on houses to generate more energy than they consume would feed back into the grid, which could be seen with Energy-Surplus Houses in Freiburg, Germany.

6.1.14 **Sustainability** also meant use of vacant units with the example shown of Canterbury using an old train shed as a food market and restaurants (The Food Shed) serving locally sourced organic food.

6.1.15 **Traffic planning** - an example was given of the success in Barcelona in reducing traffic in the centre of the city by 25% by introducing a new grid system of flow[9] . In Singapore they had managed to increase green space whilst increasing urban density at the same time.

6.1.16 **Health** - there are links between health, liveability and urban living. Studies in Japan[10] had shown obesity can be reduced through better public space and encouragement of cycling and walking and this would also attract more people to work and live in the city. There is also evidence that quality outdoor environments affect activity attitudes and behaviour[11].

6.1.17 '**Urban Nexus' Research Project**
Prof Lehmann promoted the European research project that the University wished to take forward with a partnership approach; the 'food, water, energy Nexus' is an application for funding for which Portsmouth City Council was invited to take part along with other cities (in the Netherlands and Poland) to develop an "urban living lab". The aim was to produce energy and food within the city. (Further information is given on the submission at section 7.2)

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[9] Super Blocks, see:
http://www.bbc.co.uk/news/video_and_audio/features/magazine-38895435/38895435 <http://www.bbc.co.uk/news/video_and_audio/features/magazine-38895435/38895435

[10] Takano T, Nakamura K, Watanabe M. Urban residential environments and senior citizens' longevity in megacity areas: the importance of walkable green spaces. Journal of Epidemiology and Community Health.
2002;56(12):913-8.

[11] Public Health England & UCL Institute of Health Equity - Health Equity Review 8 September 2014
"Local action on health inequalities: Improving access to green spaces"

6.1.18 Celia Clark from the Portsmouth Society suggested that locations such as Wymering Manor might be suitable as a trial area for the use of local food waste in gardens for the production of energy.

6.2   Written evidence
This was also gathered to show how **other cities** are taking forward the Smarter Cities agenda, which included summaries on the following council projects:

6.2.1 **Southampton City Council's Smart Cities Card**
Southampton CC's website explains:
"The SmartCities card is a multifunctional card that allows you to access a number of different services in Southampton. It can be your bus pass, a library card, a leisure card or as a card to pay the toll on the Itchen Bridge.
Anyone can apply for a Smartcities card, although to apply for the Get Active subscription or the Concessionary Bus Pass, you will need to be a resident of Southampton City Council."

6.2.2 **Belfast & IBM Smarter Cities Challenge - 2013[12]**

The Smarter Cities Challenge was set up as a philanthropic initiative by IBM to offer their expertise to address major challenges facing cities around the world. IBM teams work with local leaders to deliver recommendations on how to make cities smarter and more effective.

Belfast participated in such a challenge in September 2013. A team of six IBM experts travelled to the city to consider more effective approaches to tackling the persistent issues of deprivation and health inequalities.

They carried out extensive interviews with councillors, community organisations, academics, community leaders and services providers – particularly those who try to tackle deprivation and health inequalities in parts of west and east Belfast.

The team's final recommendations sought to address the fundamental issue of how Belfast's organisations can work together in 'smarter' ways to tackle persistent, complex social problems.

6.2.3 **Ipswich BC - 2012**

In July 2012 Ipswich was one of 30 successful UK cities to secure a relatively small amount of Technology Strategy Board (TSB) funding to run a Future Cities feasibility study. The following information is taken from a report to Ipswich Borough Council which set out the findings of that study[13].

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[12] Belfast City Council website information

http://www.belfastcity.gov.uk/community/IBM-smarter-cities-challenge.aspx

[13] Report to Ipswich Borough Council by Chris Tuppen of Smart Anglia and visiting professor of smart technologies at the University Campus Suffolk

Those cities that won through the first round of the competition were also able to submit a bid for a £24m TSB grant to run a full future cities demonstrator project.

6.2.4   The £22m '**Travel Ipswich'** transport is an integrated scheme designed to deliver a step change in travel behaviour. It addresses smart traffic management, real time passenger information and e-ticketing. It directly links into the existing £1m Walk Ipswich and Fresh Ways to Work projects. Spare capacity on a fibre ring being installed as part of the Travel Ipswich project will be utilised as part of the WiFi roll out.

6.2.5   **Suffolk County Council's** Better Broadband Project Board oversaw a £23m public sector investment in superfast broadband over the three years (from 2012). This included around 8% of Ipswich premises not already covered by BT and Virgin Media roll out plans. As part of the broadband plans a smart technology demonstrator was to be opened to the public.

The central booking system on the council's sports centres was also updated in 2013, as one of the first full system integration opportunities.

One of the aims of Smart Ipswich was **accessibility** to all, with special attention placed on those who may find new technology daunting, such as the elderly, and consideration given to culture, language, abilities, skills and interests.

Their vision was, that by 2020, Ipswich will have proven itself as the UK's first 'smart, small city'.

6.2.6   **Bristol is Open**
Bristol Is Open[14] is a joint venture between the University of Bristol and Bristol City Council. It is funded by the local, national and European governments, with academic research funding, and by the private sector. It is delivering research and development initiatives that contribute to the development of a smart city and the 'Internet of Things'.

Small sensors, including the smart phones and GPS devices of willing participants, will supply the three new fast networks in the centre of Bristol, with information about many aspects of city life, including energy, air quality and traffic flows. A city operating system will dynamically host this machine-to-machine communication, allowing the development of a wide range of applications.

6.2.7   **Reading** council uses a parking App which helps to identify disabled parking bay availability.

Further information on innovations elsewhere are covered within Objective 3 looking at funding with examples sourced at the conference, in section 7.3.

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[14] The website is www.bristolisopen.com

7. **Objective 3 - To investigate sources of funding for extending Smarter Cities type initiatives**

As part of the examination of potential funding streams, the panel heard from a local Smart Cities consultant and it was also represented at a Smart Cities conference in London to meet with other local authority representatives as well as private sector providers. (Some of the funding information is also covered within Objective 2 reporting on initiatives taken by other Local Authorities.)

7.1 **Funding Opportunities** - the panel were keen to know what was available and being applied for. Nick May, PCC's Head of Information Solutions, reported that **Manchester** Council is at the forefront of maximising grant opportunities by giving resources to the bid process (which was labour intensive). As part of the development of the Digital Strategy he would be looking further at where the potential funding was for projects to benefit Portsmouth as currently there was no specific funding for the Digital Strategy. He was therefore working closely with the PCC directorates who will be submitting bids as a part of their Directorate Business plans.

7.2 **The Urban Nexus Bid with the University of Portsmouth**
In considering Professor Lehmann's presentation (see also section 6.1.17) the panel supported, in principle, a joint way of taking forward innovation, but members acknowledged that it was not the role of the Panel to consider and decide whether Portsmouth City Council should be one of the partners to the expression of interest which needed to be submitted to the EU on 15 March 2017. Professor Lehmann and Claire Upton-Brown as Assistant Director of Culture & City Development would be liaising and raising this further with the appropriate members and a preliminary expression of interest was subsequently submitted.

7.3 **Smart Cities conference**
As part of the review Councillors Hannah Hockaday and Matthew Winnington both attended part of the 2 day conference by Ascent Events in London on 1st /2nd February, along with PCC officers. Their feedback on areas innovation from around the country included:

- **City Verve** - funding had been secured for **Manchester** Council for a 'Smart Area' of the city at Oxford Road (their bid was worth £10m[15]) Innovation Bids were also being invited on a partnership basis with universities and businesses to make cities safer, an example was the development of an App to report potholes which showed in real-time the reporting and updating of progress with photographs of repairs

- **Sheffield** used a system called 'Changify' for urban innovation.

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[15] https://www.gov.uk/government/news/manchester-wins-10m-prize-to-become-world-leader-in-smart-city-technology

- **Milton Keynes** was also advanced in the design management of the city and efficient use of energy and providing education on how to be more efficient

- **Future building designs** - inverting the client/customer role to start with seeing what the customer will want

- In **Nottingham** there are district heating and energy co-operatives sharing energy as part of the Smart Cities European Remourban project[16]

- Use of **surplus assets - 'Warp It' -** recycling of furniture for businesses - this may already be used in Portsmouth's Queen Alexandra Hospital, and in Glasgow this had been used to save money and was free to access for charities.

- **Digital Town** examples included **Greenwich** where visitors don't sign into their council website but can use 1 App for their visit. **Bournemouth** was also cited as being accessible for planning for the whole day visitor experience (with a dedicated 'Visit Bournemouth' website[17])

- **Joyride** is an App developed to show safe routes for cyclists

- High tech **benches** can generate energy and be used as social hubs (instead of telephone boxes) and local authorities could attract sponsorship for selling branding on these

- **Cleverciti Systems** (from Germany) highlighted their parking management schemes to record space availability (and this information would also be sent to the Transport, Environment and Community Safety (TECS) Scrutiny Panel for their current review of parking), which was now in practice in **Westminster**

- **Bristol** council representatives had also made an offer for PCC members to visit there - they were seen to be 5 years ahead in Smarter City technology

- A further issue identified was use and ownership of personal data e.g. on bus use

7.4   **Chris Cooper, co-founder of KnowNow Information ltd**

7.4.1   Chris Cooper had given a similar presentation to the Ascent Events Smart Cities Conference on 1-2 February 2017 in London (also attended by some of the panel members) and was aware of advances in Smart City innovation

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[16] http://www.nottinghamcity.gov.uk/community/remourban/

[17] Visit Bournemouth website accessed: http://www.visitbournemouth.com/

nationally and internationally. His local consultancy business KnowNow Information Ltd specialises in Smart City innovation and management of data. The core principle of the presentation was the importance of involving the citizens.

7.4.2   Chris Cooper had been involved in the formation of the standard **PAS 181** - Smart City Interoperability Framework for the delivery of a Smart City. Their research with local stakeholders had shown that there was expectation of a Smart City was for economic growth with people expressing their desire to see something happen in the Northern Quarter and for the Seafront to be made more attractive. [18] The presentation set out KnowNow's view of the pillars of a Smart City (see diagram below, graphic by KnowNow Info Ltd)

We believe that a smart city is:

a)   visionary;

b)   citizen-centric;

c)   digital;

d)   open and collaborative.

As we work towards becoming a smart city, we will use the following principles to guide our work:
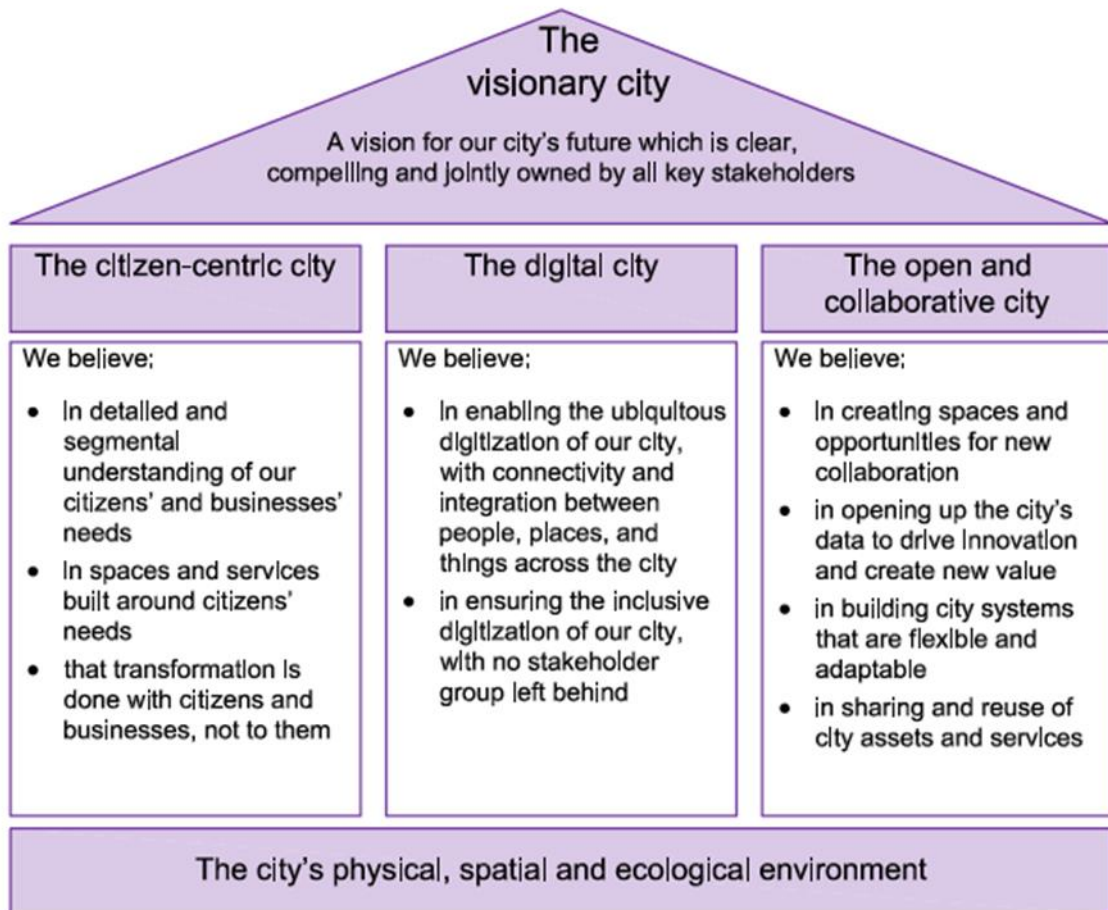
[19]

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[18] YouTube clip accessed via https://www.bsigroup.com/en-GB/smart-cities/Smart-Cities-Standards-and-Publication/PAS-181-smart-cities-framework/

[19] Graphic provided by KnowNow Information Ltd

7.4.3 Chris Cooper stressed the need for a **vision** for Portsmouth, to reflect what the citizens want in collaboration with government funding, and he stressed that technology was only a part of this (approximately 25%). The reason Portsmouth was not already a Smart City is the dependence upon government awarded funding - **Glasgow** won an award in 2012 for £24m to be a 'city wide demonstrator' - and the procurement process was competitive.

7.4.4 In **Bristol** the opportunity had been taken by Bristol Council to step in when the fibre contractor had folded, and now they could offer cheap and effective connectivity alongside a new Enterprise Zone and some new innovation organisations hosted in the "Engine Shed". Out of this experience 'Bristol is Open' emerged, which shows the success of a collaborative approach of local government, local business and their universities.

7.4.5 **Regulation** is needed for Smart Cities to ensure the protection of personal data storage. The responsible use of data is dealt with under the General Data Protection Regulation (**GDPR**) and data not needed should not be stored. KnowNow have a new personal data consent management tool "Consentua" that can meet the regulation requirement for the sharing of personal information.

7.4.6 Chris Cooper outlined the 'Citizen First' approach and he is part of the Citizen City EU sponsored project. Not all the benefits of Smart Cities are financial; environmental, sustainable economics and improved life outcomes for citizens are just as important. **Connectivity** underpins being 'smart'. He was therefore liaising with Nick May in PCC Information Services regarding accessibility throughout the city to WiFi, and would be interested in making contact with PCC's Housing and Property officers regarding the next wave of energy storage.

7.4.7 **Smart Grid** principles include the sharing of energy in communities, and promoting sustainable energy sources. This would include demand/load balancing and storage of surplus energy for future use or for sale, to the financial benefit of a community. The model for this could be the creation of a community energy partnership. The community could be shareholders in such a model and there was already kit for this in Germany and China, who were ahead of the UK in its development. There is also an example of a Smart Grid project to tackle economic deprivation in the Isle of Wight. Chris Cooper stressed the need for security measures to ensure the separation of data. He felt that Portsmouth had a great opportunity to roll out solar pv panels on more buildings and engage residents in this process. The issue of investing in the most suitable sensors and batteries was also raised for the most long-lasting environmental benefits. The key question is what do you do with this sensor information?

7.4.8 The EDCL Scrutiny Panel could help take this forward for PCC by encouraging:

      a) a vision for Portsmouth
      b) agreeing a set of principles

c) determining the outcomes

7.4.9 To take this further Chris Cooper offered to help facilitate a trip to visit Bristol to see a Smart City in operation. This could be in collaboration with Southampton and Winchester councils.

7.4.10 The following points were raised on the status of Smart Cities preparations:

- The UK are behind SE Asia in Smart City technology but the UK is innovative and more conscious of sustainability issues
- Some of the best Smart City solutions were seen in Western Europe (Spain, Netherlands), Israel, Eastern and Central Europe
- Advances in the UK included front-runners Bristol and London, the second tranche included Manchester, Milton Keynes, Glasgow and Peterborough, and councils now taking great strides were currently Leeds, Nottingham, Southend and Exeter.
- Chris Cooper estimated that Portsmouth and Southampton were 6 years behind the front-runners, but Portsmouth has advantages in being a city hosting innovative companies, a vibrant university and exciting tourist attractions.

8. **Objective 4** - To review accessibility and skilling issues to enable residents, students, visitors and businesses to access and engage with council services and the provision of digital services

8.1 **Accessibility - Digital Strategy**
This is a central government initiative to help generate better outcomes and operational efficiencies. Locally the emphasis will be on providing infrastructure which will attract new businesses in to the area and help the economic growth across the city.

8.1.1 Nick May as PCC's Head of Information Solutions was liaising with Directors across the council regarding their departments' use of technology (such as health care, waste management) to improve the quality of life for Portsmouth residents. The aim is to use innovative technology to improve services, to do more for less cost to the council. Information sharing was also being expanded, as seen in the closer relationship between social care and health and this could help tackle bed-blocking with the fast exchange of information (with the necessary security measures).

8.1.2 PCC will also be able to have a more mobile workforce through the use of portable devices, with many staff not being '9 to 5' office based. Use of 'cloud' technology was key to this, and a cloud strategy would need to be developed to ensure that information is secure. This would form part of the IT Strategy.

8.1.3 PCC partnership working also meant exploring the sharing of IT infrastructure with Solent NHS and the CCG for the health partnerships - currently some of these staff were sharing office space in the Civic Offices but each organisation had its own WiFi.

8.1.4 The Next Steps - these included:
- Improving 4G and WiFi access across the city (5G is approximately a year to 18 months' away)
- Ducting Concessions - some local authorities are already putting their own ducting in roads when they are dug up, which gives the LA ownership and the ability to commission services
- Investment in 'Eudroam' system is needed to ensure connection for students in the city.

8.1.5 The Combined Authority model for regional funding could bring opportunities for funding for infrastructure as well as City Deal. Nick May reported that at the Dunsbury Hill Farm site the high-speed Broadband had been important for attracting businesses.

8.2 **Infrastructure**
8.2.1 Nick May reported that Virgin Media would look at commercial opportunities and it was noted that the biggest cost was digging up roads. New companies were coming in looking at other solutions with fibres in the ground for easier provision and also microwave connection between buildings. Claire Upton-Brown reported that the government is taking forward legislation for internet provision in new developments. The panel members felt that such provision was important for the economic development of the city. The Tipner & Horsea development would be 'Smart City Enabled' (this could also include sensors

monitoring pollution levels on site).

8.3 Public Interaction - Digital customer services

8.3.1 Louise Wilders, PCC Director of Community & Communication, gave a presentation on the customer and communications developments which linked to the Digital Strategy in seeking better outcomes and securing efficiencies. This was through better connectivity and access to public information from PCC and also to promote better quality of life.

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8.3.2 The effect of increased interaction with technology is to free capacity, as seen at the City Helpdesk whose staff could then help with more complex cases. The **'My Portsmouth' App** can be used to report problems (such as fly-tipping) which can be dealt with in a speedier manner. The My Portsmouth App had recorded 2000 reports in the first 6 months of its launch. PCC's 'Channel Shift' project had been to encourage use of technology by residents who are comfortable using digital interfaces, and a move towards a more "24/7" culture so that payments could be made to the council at any time (with the provision of automated cash machines) and claims (such as for benefits) can be made on-line at any time, with the use of 'intelligent forms' (which have built-in prompts).

8.3.3 Statistics include:
- 77% of direct debits were now set up by customers online
- It was predicted that the savings by such changes would amount to £1.7m by 2018/19

Next Steps - these included:

8.3.4 **Local democracy** - developing the use of the 'Mod Gov' system to trial the associated App with councillors and to extend the information being accessible to the public. This would also mean less paperwork for councillors.

8.3.5 **Communications & income** - looking at the provision of a digital Flagship - to be more information to the public and to look at targeting the interests of customers - such as the use of 'Beacon Technology' with interaction from

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[20] Graphic created by PCC's Graphic Design Unit, Community & Communication

smart devices to the digital hoardings used for adverts which would know the location of customers. It was reported that Edinburgh had 11 digital advertising boards within a heritage site.

8.3.6 **Community involvement** - there is a need to look at engaging with small communities, which could be through social media channels.   The presentation by Louise Wilders included an advert on 'Next Door' which had been successful in America and there could be a role for councillors to play in this. Facebook was already being used to publicise consultation processes and peaks were seen in the receipt of responses following posts on it.

8.3.7 **Councillor Lee Mason, Cabinet Member for Resources**, spoke to the panel about the inclusive nature of the smart forms which were designed so they could be completed by all customers. The cash-machine in the Civic Offices' foyer would be accessible from the outside. He was also aware of the financial benefit in embracing technology and quoted an example of a social services client in Kent who had been given a tablet device to do on-line shopping rather than using a carer to do this for him.

8.3.8 The EDCL panel members were keen for **planning and licensing applications** to be publicised using smart technology to keep local communities updated. The functionality was there and this may need to be better explained to the public and widely advertised and its expansion would be considered. There was the need to be careful in the use of the My Portsmouth App to ensure that unsolicited information was not sent to people who had not signed up to, so opt in/out options should be available for advertising by PCC.

8.4 **Local Learning Offers in the Libraries**

8.4.1 Lindy Elliott, PCC's Library and Archive Services Manager, provided information on the range of digital classes available at the libraries across the city, which included 'bridging the digital divide', which she further expanded on at the meeting. There is free access to the internet at the libraries (via a library card) for up to 4 hours a day. There was increased usage for those wishing to use printers (often for printing out on-line tickets) and an increase had been seen in those who do not have access to digital technology.

8.4.2 National statistics from 2014 (source Office of National Statistics, footnote 21) had ranked Portsmouth 2nd highest for those without digital access and digital knowledge = 24.8% of adults.

8.4.3 Library staff had seen that low literacy levels could be a barrier in accessing websites and Apps., which could include some young people who were usually more comfortable with using technology.

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[21] Table 5B on page 27 of the Internet Access Quarterly Update as published by the Office for National Statistics in May 2014 accessed via:

http://www.ons.gov.uk/ons/rel/rdit2/internet-access-quarterly-update/q1-2014/stb-ia-q1-2014.html

8.4.4   The report to the Cabinet Member for Culture, Leisure & Sport of 7 October 2016 set out the wide range of learning opportunities through the libraries, and the work taking place in partnership with Highbury College in providing a regular programme of activities which aim to bridge the digital divide by promoting and supporting the use of ICT. The report set out the following progress:

- 173 people had taken up volunteer-led ICT training in 2015/16
- By the end of March 2016, 147 adults with disabilities were introduced to some basic ICT modules provided on the 'Learn My Way' online platform, including 'Staying healthy with NHS Choices' and 'GP Services online'
- There is ongoing work with vision impaired residents and funding is sought for the use of accessible technology
- Children aged 9-11 years also attend free computer Code Clubs at Southsea Library
- Support is also given at the libraries to job seekers including help with writing CVs and application forms

8.4.5   The library staff members are trained to 'Make every contact count' and were able to sign-post people to the relevant groups and associations to receive further support.

8.4.6   Extra information on the role and provision of the Portsmouth libraries included:

- Technologies were also used to help in translation where English is not a first language
- The issues of social isolation is also combatted through the group work at the libraries although some users will access services online or through audio books
- There is connectivity between the 9 libraries (these all have full connectivity), mobile library and the University of Portsmouth and other technical libraries in the city - whilst there are regular meetings to share information and some joint training, the services do not duplicate each other (such as the provision of academic texts at the UoP which are expensive materials and there is more specialist text now available on-line) but complement each other
- There is a national network of libraries and Portsmouth is one of 30 members of the Living Knowledge Network, to share information and tools on exhibitions and skill sharing workshops

9. **Equalities Impact Assessment**

9.1 A preliminary Equality Impact Assessment (EIA) is not required as no new services are being recommended at this time and there will be no negative impact on the protected characteristic groups. The EDCL Scrutiny Panel is making recommendations for Cabinet consideration. Objective 4 looked at accessibility implications.

10. **Legal Comments**

There are no significant legal implications arising out of the recommendations of this report.

11. **Finance Comments**

The financial implications arising from the recommendations of his report are included within paragraph 12.

12. BUDGET AND POLICY IMPLICATIONS OF THE RECOMMENDATIONS

The following table highlights the budget and policy implications being presented by the panel's recommendations.

Recommendations	Action by	Policy Framework	Resource implications
1. That the Directors regularly report to their Cabinet Member meetings on the progress in embracing Smart City technology and the associated sustainable benefits. This will include:	All Directors incl:	Within Budget & Policy Framework (BPF)	Mechanism of reporting back has no budgetary implication (other than officer time) but any reports outlining future proposals would contain cost implications
• the development of PCC's website and Apps (such as for tourism, contacting housing tenants, parking availability, safe cycling and walking routes, public health messages) and further use of social media (for community engagement and information on licensing and planning applications) • Use of digital advertising boards (to give sustainable travel method information)	Customer & Community		
• the rolling-out of solar PV panels on PCC buildings exploring community energy networks, with possible expansion to Gosport	Customer & Community Property & Housing		
• Waste management partnership innovation with the contractors	" "		
• Consideration of future design of flood defences to incorporate public space and encourage walking and cycling	Transport, Environment & Business Devt		

	Recommendations	Action by	Policy Framework	Resource implications
2.	That the appropriate officers keep abreast of funding opportunities, collaborative approaches and developments in other cities and that the Cabinet endorses a trip to visit Bristol (with representatives from neighbouring councils) to witness a city which is approximately 5 years in advance in implementing Smart City initiatives. Also that participation in the Nexus Bid with the University of Portsmouth be further reviewed for progression.	Director of Culture & City Development	BPF	There would be minimal costs for a trip to Bristol to cover travel (The Asst. Director of Culture & City Development indicated that this could be found)
3.	That PCC's Digital Strategy be progressed for accessibility and to enable the necessary infrastructure to be in place for economic growth, for the benefit of residents and visitors.	Dir. of Finance & Information Services	BPF	Any capital implications arising from this proposal will be subject to the usual capital bid process, full business case and financial appraisal
4.	That to encourage a more sustainable built environment: • the Director of Public Health should be involved in the discussion of proportionate level developments for health impact assessments on major projects, to help promote physical activity and to protect open and green space in the city • when reviewing the Local Plan and the Infrastructure Delivery Plan, regeneration should be encouraged by inviting innovative ideas on house design, the use of open spaces and the use of vacant units, as well as ways of collecting and storing data about how the environment is performing.	Dir. of Public Health Dir. of Culture & City Development	BPF	To be contained within existing resources

Membership and Meetings of the EDCL Panel 2016-17 - Smarter Cities Review

At the start of 2016/17 municipal year the Economic Development, Culture & Leisure Scrutiny Panel (EDCL) membership was set as:

Councillors Hannah Hockaday (Chair), Steve Hastings (Vice-Chair), Matthew Winnington, Yahiya Chowdhury, Lee Hunt and Alicia Denny.

For the 2017/18 municipal year the EDCL panel's composition became:

Councillors Steve Hastings (Chair), Scott Harris (Vice-Chair), Yahiya Chowdhury, Alicia Denny, Lee Hunt and Matthew Winnington.

The panel met formally on 7 occasions between 13 September 2016 - 27 March 2017 to receive evidence.

DATE	WITNESSES	DOCUMENTS RECEIVED
13 September 2016	Claire Upton-Brown, City Development Manager gave an overview Nick May, Head of Information Solutions spoke regarding PCC's plans for a Digital Strategy	Draft Scoping Document
20 October 2016	Pam Turton, Assistant Director of Transport, Environment & Business Support and Adil Mohammad, Traffic & Network Manager gave a presentation on Intelligent Transport Systems	Background notes on Smart Cities definitions and information on other local authorities
17 November 2016	Louise Wilders, Director of Community & Communication Councillor Lee Mason, Cabinet Member for Resources Nick May, Head of Information Solutions updated on Digital Strategy	Powerpoint presentations
9 January 2017	Meredydd Hughes, Assistant Director of Housing & Property Colette Hill, Assistant Director of Housing & Property (Environment)	Powerpoint presentations

DATE	WITNESSES	DOCUMENTS RECEIVED
26 January 2017	Professor Steffen Lehmann, University of Portsmouth (Sustainable Architecture)	Powerpoint presentation (subject to copyright)
20 February 2017	Dr Horsley Director of Public Health Lindy Elliott, Library & Archive Services Manager	Powerpoint presentation Report to Cabinet Member for Culture, Leisure & Sport 'Library learning offers' dated 7 October 2016 And list of Library Services digital courses
27 March 2017	Chris Cooper, KnowNow, Smart Cities consultants	Presentation Written evidence - update from Adil Mohammad on Transport bids

GLOSSARY of terms and abbreviations used

4G	Name of the fourth generation of mobile networks, to provide faster broadband internet access; 5G is now anticipated
Apps	'Applications' for use on smart and mobile phones, tablets etc.
Beacon Technology	For Apps interacting with personal mobile devices and detecting customers' locations
Big Data	The large volume (or complexity) of data generated by digital processes, that can be analysed for business trends
Connectivity	In this review this is used in both a technical sense meaning the ability to connect systems or application programs and also in a geographical sense regarding connecting different parts of the city
DPH	Director of Public Health at Portsmouth City Council
EDCL	The Economic Development, Culture & Leisure Scrutiny Panel, undertaking this review
EU	European Union
GPS	Global Positioning System - using satellite tracking
IT/ICT	Information Technology/Information and Communication Technology
I o T	The Internet of Things is a network of internet-connected objects able to collect and exchange data using embedded sensors
LA	Local Authority
LED	'Light Emitting Diode' - lighting which is energy efficient
PCC	Portsmouth City Council
PDA	Personal Digital Assistant - handheld devices (PCs)
Solar PV	Solar photovoltaic (PV) panels are placed on buildings which convert sunlight directly into electricity
U o P	University of Portsmouth

Agenda item:

Decision maker:	Cabinet 28th September 2017

Decision maker: Cabinet 28th September 2017

Subject: Revenue Budget Monitoring 2017/18 (1st Quarter) to end June 2017

Report by: Director of Finance & Information Service

Wards affected: All

Key decision (over £250k): Yes

1. Purpose of Report

1.1 The purpose of this report is to update members on the current Revenue Budget position of the Council as at the end of the first quarter for 2017/18 in accordance with the proposals set out in the "Portsmouth City Council - Budget & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21" report approved by the City Council on the 9th February 2017.

2. Recommendations

2.1 It is recommended that:

    (i) The forecast outturn position for 2017/18 be noted:

        (a) An underspend of £1,529,600 <u>before</u> further forecast transfers from/(to) Portfolio Specific Reserves & Ring Fenced Public Health Reserve

        (b) An underspend of £684,600 <u>after</u> 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 2018/19 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 2018/19 Portfolio cash limit will be managed to avoid further overspending during 2018/19.

3. Background

3.1 A Budget for 2017/18 of £161,643,000 was approved by City Council on the 9th February 2017. This level of spending enabled a contribution to General Reserves of £0.58m since in year income exceeds in year spending.

3.2 Since the 9th February City Council meeting, the Council has been allocated additional one off non ring-fenced grants totalling £14,600 in 2017/18, In order to achieve the government's priorities in these areas, service budgets have been adjusted as appropriate. Following the Spring Budget announcement of 8th March 2017 three year ring fenced funding for Adult Social Care of £3,997,300 in 2017/18, £2,537,700 in 2018/19 and £1,258,200 in 2019/20 has been granted. As the grant is ring fenced the grant income is reported within the Health & Social Care Portfolio along with the associated expenditure and therefore does not affect the Councils overall net budget.

3.3 In summary, changes to the budget as approved on 9th February 2017 are as follows:

	£
Budget Approved 9th February 2017	161,643,000
Brownfield Sites - New Burdens	14,600
Adjusted 2017/18 Budget	**161,657,600**

3.4 Once the above budget changes are taken into account, the Budget (as adjusted) for 2017/18 has increased to £161,657,600. After the additional non ring fenced grant funding is taken into account this results in an overall contribution to General Reserves of £0.58m for 2017/18 (i.e. assuming no overall budget variance).

3.5 This is the first quarter monitoring report of 2017/18 and reports on the forecast 2017/18 outturn as at the end of June 2017. The forecasts summarised in this report are made on the basis that management action to address any forecast overspends are only brought in when that action has been formulated into a plan and there is a high degree of certainty that it will be achieved.

3.6 Any variances within Portfolios that relate to windfall costs or windfall savings will be met / taken corporately and not generally considered as part of the overall budget performance of a Portfolio. "Windfall costs" are defined as those costs where the manager has little or no influence or control over such costs and where the size of those costs is high in relation to the overall budget controlled by that manager. "Windfall costs" therefore are ordinarily met corporately from the Council's central contingency. A manager / Cabinet Member however, does have an obligation to minimise the impact of any "windfall cost" from within their areas of responsibility in order to protect the overall Council financial position. Similarly, "windfall savings" are those savings that occur fortuitously without any manager action and all such savings accrue to the corporate centre.

3.7 The Financial summary attached at Appendix A has been prepared in Portfolio format and is similar in presentation, but not the same as, the more recognisable "General Fund Summary" presented as part of the Budget report approved by Council on 9th February 2017.   The format presented at Appendix A has been amended to aid understandability for monitoring purposes by excluding all non cash items which have a neutral effect on the City Council's budget such as Capital Charges. In addition to this, Levies and Insurances are shown in total and have therefore been separated from Portfolios to also provide greater clarity for monitoring purposes.

4   Forecast Outturn 2017/18 – As at end June 2017

4.1   At the first quarter stage, the revenue outturn for 2017/18 after further forecast transfers from/to Portfolio Specific Reserves (Underspends are retained by right) is forecast to be underspent by £684,600 representing an overall budget variance of 0.4%.

4.2   The quarter 1 variance consists of a number of forecast under and overspends.

The most significant overspendings at the quarter 1 stage are:

	Quarter 1 Forecast Variance	Quarter 1 Forecast Variance (After Transfers From Portfolio Reserves)
	£	£
Children's Social Care	2,828,700	2,828,700
Culture, Leisure & Sport	133,000	Nil
Health & Social Care	1,431,000	1,256,000
Traffic & Transportation	125,400	Nil

These are offset by the following significant forecast underspends at the quarter 1 stage:

	Quarter 1 Forecast Variance	Quarter 1 Forecast Variance (After Transfers To Portfolio Reserves)
	£	£
Environment & Community Safety	418,300	Nil
Planning, Regeneration & Economic Development	231,000	320,500
Port	680,600	Nil
Resources	333,500	(16,300)
Treasury Management	2,411,100	2,411,100
Contingency	2,054,000	2,054,000

5   Quarter 1 Significant Budget Variations – Forecast Outturn 2017/18

5.1   Children's Social Care – Overspend £2,828,700 (or 11.9%) or After Transfer From Portfolio Reserve £2,828,700 (11.9%)

The cost of Children's Social Care is forecast to be £2,828,700 higher than budgeted.

The overspend is primarily related to higher costs and numbers of child placements (£3,167,800) offset by reduced staffing costs due to staff turnover and the holding of posts vacant (£403,700).

Of the £2.8m forecast overspending in 2017/18, £2.3m relates to an underlying budget deficit within the Portfolio. Proposals to minimise the current underlying deficit were considered by Cabinet on 29th June 2017 and an increase in social work capacity was approved. Proposals to eliminate any deficit arising in 2018/19 are currently being developed in conjunction with the budget setting process.

Whilst there are individual variances within budget areas covered by the Dedicated Schools Grant, in aggregate these are neutral.

5.2   Culture Leisure & Sport – Overspend £133,000 (or 2.5%) or After Transfer From Portfolio Reserve Nil

The cost of Culture, Leisure & Sport is forecast to be £133,000 higher than budgeted.

The overspend is primarily a result of the net income loss following the temporary closure of the D-Day museum while refurbishment works are undertaken.

5.3   Health and Social Care – Overspend £1,431,000 (3.4%) or After Transfer From Public Health Reserve £1,256,000 (2.9%)

The cost of Health and Social Care is forecast to be £1,431,000 higher than budgeted.

The key variances are:

- The cost of Public Health is forecast to be £175,000 higher than budgeted. The overspend has arisen due to the funding of "change projects" outside of core operations that will improve health outcomes within the City. This overspending will be met from the ring fenced Public Health Reserve.

- Increased demand for Older Persons Physical Disability Support, Learning Disability, Deprivation of Liberty (DoLs) assessments and delays in the moving of clients with mental issues from residential homes to more independent settings (£1,256,000).

Of the £1,431,000 forecast overspending in 2017/18, £1.2m relates to an underlying budget deficit within Adult Social Care. Proposals to minimise the current underlying deficit and to eliminate any deficit arising in 2018/19 are currently being formulated.

5.4 Traffic and Transportation – Overspend £125,400 (0.9%) or After Transfer From Portfolio Reserve Nil

The cost of Traffic and Transportation is forecast to be £125,400 higher than budgeted.

The forecast overspend is as a result of lower net fee income due to posts being vacant where income generated by the post holder would have been greater than the cost of employment, coupled with delays in the implementation of planned budget savings.

5.5 Environment and Community Safety – Underspend £418,300 (3.0%) or After Transfer To Portfolio Reserve Nil

The cost of Environment and Community Safety is forecast to be £418,300 lower than budgeted.

Following a comprehensive service review within the Refuse Collection Service forecast savings totalling £97,100 have been identified.

A reduction in Waste Disposal costs totalling £228,000 is currently forecast as a result of the part year effect of an amendment to the operator's contract and the final settlement of the 2016/17 profit share in respect of the Materials Recycling Facility (MRF).

Staff vacancies within Hidden Harm are expected to give rise to underspending of £70,800 within the service.

5.6 Planning, Regeneration and Economic Development – Underspend £231,000 (3.0%) or After Transfer From Portfolio Reserve and Windfall Items £320,500 underspend (4.2%)

The cost of Planning, Regeneration and Economic Development is forecast to be £320,500 lower than budgeted.

Following the revaluation of all non domestic properties in 2017/18, the National Non Domestic Rate charge relating to the Civic Offices has increased by £137,700 compared 2016/17. This increase is offset by windfall rental income of £416,600 arising from the Commercial Property Portfolio.

5.7 Port – Underspend £680,600 (8.8%) or After Transfer To Portfolio Reserve Nil

Overall net income from the Port is forecast to be £680,600 above target income.

Increased throughput at the port has resulted in higher income from ferry operators and as a result of recent dredging undertaken by Portsmouth Naval Base, income from pilotage acts has also increased.

5.8 Resources – Underspend £333,500 (1.8%) or After windfall items and Transfer To Portfolio Reserve £16,300 (0.1%) overspend

The cost of Resources is forecast to be £333,500 lower than budgeted.

The underspend is primarily as a result of posts being held vacant in preparation for future savings requirements, along with difficulties recruiting to posts, coupled with increased traded services income within HR, Audit and Payroll.

5.9   Treasury Management – Underspend £2,411,100 (or 10.1%)

This budget funds all of the costs of servicing the City Council's long term debt portfolio that has been undertaken to fund capital expenditure. It is also the budget that receives all of the income in respect of the investment of the City Council's surplus cash flows. As a consequence, it is potentially a very volatile budget particularly in the current economic climate and is extremely susceptible to both changes in interest rates as well as changes in the Council's total cash inflows and outflows.

The forecast underspend relates to:

The cost of borrowing taken in advance of need, to take advantage of exceptionally low interest rates, has now been applied to finance the recently acquired investment properties and has resulted in an overall lower than anticipated cost of financing those acquisitions and therefore an overall increase in net return (£2,091,200). The expectation that no further long term borrowing will be necessary in the current financial year has resulted in a further reduction in interest payable of £192,500.

In addition, the estimated Minimum Revenue Provision is forecast to be £269,000 lower following an agreement between the City Council and Hampshire County Council to invoke an MRP "holiday" on debt transferred to the City Council by Hampshire County Council upon the City Council becoming a Unitary Council in 1997. However, these reductions are offset by lower interest earned (£121,200) as a result of cash balances being lower than originally expected.

5.10 Contingency - Planned Release £2,054,000

As outlined above, Adults and Children's Social Care are presently forecast to overspend by £4,084,700 (after transfers from reserves). Some of this forecast overspending may be mitigated by action plans currently under development; however it is unlikely that these Portfolio's will be able to contain this level of overspending within their current cash limits. The contingency had been deliberately prepared to guard against the risk that some of the savings proposals of these Services may not be fully achievable. The amount of contingency that can be estimated to be releasable at this stage for this purpose is £2,054,000.

5.11 All Other Budget Variations – Overspend £80,800 or After Transfers Form/To Portfolio Reserves Nil Variance

All variations are summarised in Appendix A

6.   **Transfers From/To Portfolio Specific Reserves**

In November 2013 Full Council approved the following changes to the Council's Budget Guidelines and Financial Rules:

- 6 -

- Each Portfolio to retain 100% of any year-end underspending and to be held in an earmarked reserve for the relevant Portfolio

- The Portfolio Holder be responsible for approving any releases from their reserve in consultation with the Section 151 Officer

- That any retained underspend (held in an earmarked reserve) be used in the first instance to cover the following for the relevant portfolio:

  i. Any overspendings at the year-end
  ii. Any one-off Budget Pressures experienced by a Portfolio
  iii. Any on-going Budget Pressures experienced by a Portfolio whilst actions are formulated to permanently mitigate or manage the implications of such on-going budget pressures
  iv. Any items of a contingent nature that would historically have been funded from the Council's corporate contingency provision
  v. Spend to Save schemes, unless they are of a scale that is unaffordable by the earmarked reserve (albeit that the earmarked reserve may be used to make a contribution)

- Once there is confidence that the instances i) to v) above can be satisfied, the earmarked reserve may be used for any other development or initiative

The forecast balance of each Portfolio Specific Reserve that will be carried forward into 2018/19 is set out below:

Portfolio/Committee Reserve	Balance Brought Forward £	Approved Transfers 2017/18 £	Forecast Under/ (Over) Spending £	Balance Carried Forward £
Children's Social Care	83,700	(83,700)	0	0
Culture, Leisure & Sport	547,800	0	(133,000)	414,800
Education	210,700	(73,000)	(59,200)	78,500
Environment & Community Safety	1,504,100	(82,700)	418,300	1,839,700
Health & Social Care	0	0	0	0
Housing	848,300	0	(40,600)	807,700
Leader	46,900	0	19,000	65,900
PRED	134,500	(45,000)	(89,500)	0
Port	2,561,200	625,000	680,600	3,866,800
Resources	1,240,000	(197,300)	349,800	1,392,500
Traffic & Transportation	306,400	(30,500)	(125,400)	150,500
Licensing	138,600	0	0	138,600
Governance, Audit & Standards	367,500	0	0	367,500
Total	**7,989,700**	**112,800**	**1,020,000**	**9,122,500**

Note: Releases from Portfolio Reserves to fund overspending cannot exceed the balance on the reserve

7. Conclusion - Overall Finance & Performance Summary

7.1 The overall forecast outturn for the City Council in 2017/18 as at the end of June 2017 is forecast to be £160,973,000. This is an overall underspend of £684,600 against the Amended Budget and represents a variance of 0.4%.

7.2 The forecast takes account of all known variations at this stage, but only takes account of any remedial action to the extent that there is reasonable certainty that it will be achieved.

7.3 The overall financial position is deemed to be "green" since the forecast outturn is lower than budget.

7.4 In financial terms, the forecast overspend within the Children's Social Care and Health & Social Care Portfolios represent the greatest concerns in terms of the impact that they have on the overall City Council budget for 2017/18. Of the £4.1m forecast overspending (after transfers from reserves) relating to these areas, £3.5m is estimated to be ongoing and therefore represents their combined underlying deficits. This is a significant deterioration in the underlying stability of these budgets compared to 2016/17. Consequently, it is recommended that Directors continue to work with the relevant portfolio holder to consider measures to significantly reduce or eliminate the adverse budget position presently being forecast by these Portfolios, and any necessary decisions presented to a future meeting of the relevant Portfolio.

7.5 In terms of the overall budget position for 2017/18, the Council has set aside funding within the Contingency Provision to guard against potential overspending. So, whilst the forecast of overspending within some portfolios in the current year can be mitigated to a large extent, the underlying deficit will need to be addressed in 2018/19.

7.6 Where a Portfolio is presently forecasting a net overspend in accordance with current Council policy, any overspending in 2017/18 which cannot be met by transfer from the Portfolio Specific Reserve will be deducted from cash limits in 2018/19 and therefore the appropriate Directors in consultation with Portfolio Holders should prepare an action plan outlining how their 2017/18 forecast outturn or 2018/19 budget might be reduced to alleviate the adverse variances currently being forecast.

7.7 Based on the Budget (as adjusted) of £161,657,600 the Council will remain within its minimum level of General Reserves for 2017/18 of £7.0m as illustrated below:

	£m
General Reserves brought forward @ 1/4/2017	19.256
Less:	
Forecast Underspend 2017/18	0.685
Add:	
Planned Contribution to General Reserves 2017/18	0.584
Forecast General Reserves carried forward into 2018/19	**20.525**

Levels of General Reserves over the medium term are assumed to remain within the Council approved minimum sum of £7.0m in 2017/18 and future years since any ongoing budget pressures / savings will be reflected in future years' savings targets.

8.   City Solicitor's Comments

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

9.   Equalities Impact Assessment

10.1   This report does not require an Equalities Impact Assessment as there are no proposed changes to PCC's services, policies, or procedures included within the recommendations.

………………………………….

Chris Ward
Director of Finance & Information Service

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 & Council Tax 2017/18 & Medium Term Budget Forecast 2018/19 to 2020/21		Office of Deputy Director of Finance
Electronic Budget Monitoring Files		Financial Services Local Area Network

The recommendations set out above were:

Approved / Approved as amended / Deferred / Rejected by the Cabinet on 28th September, 2017

Signed: ………………………………….

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FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING JUNE 2017 Appendix A

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2017/18

PORTFOLIO   **City Council General Fund**

BUDGET   **Total General Fund Expenditure**

TOTAL CASH LIMIT   161,657,600

CHIEF OFFICER   **All Budget Holders**

MONTH ENDED   **June 2017**

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2017/18			
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget	
		£	£	£	%
1	Children's Social Care	23,800,200	26,628,900	2,828,700	11.9%
2	Culture, Leisure & Sport	5,235,000	5,368,000	133,000	2.5%
3	Education	5,611,100	5,670,300	59,200	1.1%
4	Environment & Community Safety	14,175,600	13,757,300	(418,300)	(3.0%)
5	Health & Social Care	42,556,300	43,987,300	1,431,000	3.4%
6	Housing	3,297,700	3,423,000	125,300	3.8%
7	Leader	124,200	124,200	0	0.0%
8	PRED	(7,792,000)	(8,023,000)	(231,000)	(3.0%)
9	Port	(7,743,500)	(8,424,100)	(680,600)	(8.8%)
10	Resources	18,246,500	17,913,000	(333,500)	(1.8%)
11	Traffic & Transportation	14,409,100	14,514,500	105,400	0.7%
12	Licensing Committee	(231,300)	(231,300)	0	0.0%
13	Governance, Audit & Standards Com	40,900	40,900	0	0.0%
14	Levies	83,400	83,400	0	0.0%
15	Insurance	1,325,400	1,325,400	0	0.0%
16	Treasury Management	23,845,700	21,434,600	(2,411,100)	(10.1%)
17	Other Miscellaneous	24,673,300	22,619,300	(2,054,000)	(8.3%)
	TOTAL	**161,657,600**	**160,211,700**	**(1,445,900)**	**(0.9%)**
	Total Value of Remedial Action (from Analysis Below)		(83,700)		
	Forecast Outturn After Remedial Action	**161,657,600**	**160,128,000**	**(1,529,600)**	**(0.9%)**
	Forecast Transfers To Portfolio Specific Reserves		1,020,000		
	Forecast Transfer From Ring Fenced Public Health Reserve		(175,000)		
	Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves	**161,657,600**	**160,973,000**	**(684,600)**	**(0.4%)**

Note All figures included above exclude Capital Charges
      Income/underspends is shown in brackets and expenditure/overspends without brackets

VALUE OF REMEDIAL ACTIONS & TRANSFERS (FROM)/TO PORTFOLIO SPECIFIC RESERVES

Item No.	Reason for Variation	Value of Remedial Action	Forecast Portfolio Transfers
1	Children's Social Care	0	0
2	Culture, Leisure & Sport	0	(133,000)
3	Education	0	(59,200)
4	Environment & Community Safety	0	418,300
5	Health & Social Care	0	0
6	Housing	(84,700)	(40,600)
7	Leader	(19,000)	19,000
8	PRED	0	(89,500)
9	Port	0	680,600
10	Resources	0	349,800
11	Traffic & Transportation	20,000	(125,400)
12	Licensing Committee	0	0
13	Governance, Audit & Standards Com	0	0
14	Levies	0	
15	Insurance	0	
16	Asset Management Revenue Account	0	
17	Other Miscellaneous	0	
	Total Value of Remedial Action	**(83,700)**	**1,020,000**

Note Remedial Action resulting in savings should be shown in brackets

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Agenda Item 7

Title of meeting:	Governance and Audit and Standards Committee
	Cabinet
	City Council
Date of meeting:	Governance and Audit and Standards Committee 15 September 2017
	Cabinet 28 September 2017
	City Council 17 October 2017
Subject:	Treasury Management Outturn Report 2016/17
Report by:	Director of Finance and Information Services (Section 151 Officer)

Wards affected: All

Key decision: No

Full Council decision: Yes

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1.   Executive Summary

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Prudential Code of Practice requires local authorities to calculate prudential indicators before the start of and after each financial year.

These end of year indicators are shown at Appendix A of the report for information and noting by members in order to comply with the code.

The CIPFA Code of Practice on Treasury Management also requires the Section 151 Officer to prepare an annual report on the outturn of the previous year. This information is shown in Appendix B of the report.

2.   Purpose of Report

To inform members and the wider community of the Council's treasury management activities in 2016/17 and of the Council's treasury management position as at 31 March 2017.

1

3. **Recommendations**

It is recommended that:

(a) The actual prudential indicators based on the unaudited draft accounts , as shown in Appendix A, be noted

(b) The actual treasury management indicators for 2016/17, as shown in Appendix B, be noted

4. **Background**

The Local Government Act 2003 requires local authorities to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA) Prudential Code for Capital Finance in Local Authorities.

5. **Reasons for Recommendations**

The net cost of Treasury Management activities and the risks associated with those activities have a significant effect on the City Council's overall finances.

6. **Equality Impact Assessment**

The contents of this report do not have any relevant equalities impact and therefore an equalities assessment is not required.

7. **Legal implications**

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. **Director of Finance & Information Services (Section 151 Officer) comments**

All financial considerations are contained within the body of the report and the attached appendices

……………………………………………………………….
Signed by Director of Finance & Information Services (Section 151 Officer)

2

Appendices:

Appendix A: Prudential Indicators
Appendix B: Treasury Management Outturn

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
1	Information pertaining to the treasury management outturn	Financial Services
2		

3

ACTUAL PRUDENTIAL INDICATORS

1. SUMMARY OF ACTUAL PRUDENTIAL INDICATORS FOR 2016/17

Ratio of non-Housing Revenue Account (HRA) financing costs to the non HRA net revenue stream	9.9%
Ratio of HRA financing costs to the HRA net revenue stream	12.4%
Non HRA capital expenditure	£193,853,000
HRA capital expenditure	£30,690,000
Non HRA capital financing requirement at 31 March	£340,948,000
HRA capital financing requirement at 31 March	£151,780,000
External debt at 31 March	£579,343,337

2. RATIO OF FINANCING COSTS TO NET REVENUE STREAM 2016/17

This ratio reflects the annual cost of financing net debt as a proportion of the total revenue financing received. It therefore represents the proportion of the City Council's expenditure that is largely fixed and committed to repaying debt. The higher the ratio, the lower the flexibility there is to shift resources to priority areas and/or reduce expenditure to meet funding shortfalls.

For the General Fund, this is the annual cost of financing debt as a proportion of total income received from General Government Grants, Non Domestic Rates and Council Tax. The ratios of financing costs to net revenue streams for the General Fund in 2016/17 were as follows:

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	Original Estimate	Actual
	£'000	£'000
Financing Costs:		
Interest Payable	17,434	18,948
Interest Receivable	(3,051)	(6,365)
Provision for Repayment of Debt	6,819	3,674
Total Financing Costs	**21,202**	**16,257**
Net Revenue Stream	**159,419**	**163,480**
Ratio of Financing Costs to Net Revenue Stream	**13.3%**	**9.9%**

Interest Payable

Interest payable was £1.5m more than the original estimates.

The Council borrowed £15m in 2015/16 and £94m in 2016/17 which had not been included in the original estimates in order to take advantage of relatively low interest rates. Although this should reduce the amount of interest payable in the long term it did result in an additional £2.4m cost in 2016/17.

The Council has entered into a finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The Council has paid £0.3m interest on this finance lease in 2016/17.

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The highways maintenance private finance initiative (PFI) scheme provides for capital works to bring the highway network up to a specified condition (including interest and principal repayments on loans taken out by the contractor), lifecycle replacement (subsequent capital works), and operation and maintenance. This is an inseparable PFI which means that although the Council knows how much it pays the contractor it does not know how the contractor spends its revenues on the various components of the scheme. The original estimate of the interest on the highways maintenance (PFI) was prepared on the basis of nominal costs in the original financial model prepared at the commencement of the contract in 2004. In preparing the 2016/17 Statement of Accounts it was decided that the estimated indexation used previously may have become less accurate over time and that more accurate estimates may be derived from using actual indexation. This has resulted in the interest on the highways maintenance PFI being £1.8m less than the original estimate. This does not represent an overall saving to the Council as the overall cost of the highways maintenance PFI is broadly the same with additional expense being charged to highways operation and maintenance, capital expenditure charged to revenue balances to cover lifecycle replacement costs, and principal repayment of debt.

The Housing Revenue Account's (HRA) contribution towards interest payable was 0.6m lower than anticipated. This was because the original capital program provided for £15.3m of HRA capital expenditure to be financed from borrowing whereas no HRA capital expenditure was actually financed from borrowing. In addition the original estimates provided for properties worth £3.7m to be appropriated from the General Fund into the HRA which also did not happen.

Interest Receivable

Interest Receivable was £3.3m more than the original estimates. This was due to the Council having more cash to invest than had been anticipated, largely due to additional borrowing, and the interest rates on the Council's investments being higher than had been anticipated.

Provision for the Repayment of Debt

The provision for the repayment of debt was £3.1m less than the original estimate. On 21 March 2017 the City Council approved two amendments to the Council's minimum revenue provision (MRP) for the repayment of debt policy which has reduced total MRP compared to the original estimate.

The Council decided to change the the method of calculating the (MRP) for the repayment of government supported General Fund borrowing (with the exception of finance leases, service concessions and borrowing to fund long term debtors) from a straight 2% to a 50 year annuity in order to better reflect the maturity pattern of the Council's borrowing and avoid the credit risk associated with providing for the repayment of debt long before there is any realistic chance of the debt being repaid.

In recent years the Council has made a number of changes to its methods of calculating its MRP for the repayment of debt. In 2016/17 it was decided to back date the revised MRP calculations in order to ascertain the over provision of MRP made in previous years and the Treasury Management Strategy was amended by the City Council to give the Director of Finance and Information Services (Section 151 Officer) delegated authority to release the £31.3m over provision of MRP into the General Fund over a prudent period. £1.9m, being equal to the General Fund MRP charge excluding provision for finance leases and service concessions (including PFIs), was released to the General Fund in 2016/17.

The reduction in MRP was partly offset by an additional £0.5m being set aside to repay debt connected to the highways maintenance PFI.

Net Revenue Stream

Council Tax receipts, retained non-domestic rates and non-ring fenced government grants were all higher than anticipated in the original budget. This had the effect of further reducing the ratio of financing costs to net revenue stream.

Housing Revenue Account (HRA)

The ratio of Housing Revenue Account (HRA) financing costs to net revenue stream is shown below. For the HRA, this is the annual cost of financing capital expenditure, as a proportion of total gross income received including housing rents and charges.

	Original Estimate	Actual
HRA	12.7%	12.4%

3. ACTUAL CAPITAL EXPENDITURE 2016/17

A revised capital program was approved by the City Council on 14 February 2016. There has been significant under spending against the budget. Much of this was due to slippage or funding not being available. This does not represent additional capital resources. Actual capital expenditure in 2015/16 was as follows:

	Revised Estimate £'000	Actual £'000
Culture, Leisure & Sport	1,867	1,364
Children & Education	8,694	9,273
Environment & Community Safety	6,051	4,402
Health & Social Care (Adults Services)	1,599	1,167
Resources	10,192	6,376
Planning, Regeneration & Economic Development	102,117	116,491
Commercial Port	3,135	1,542
Traffic & Transportation	14,444	11,443
Housing General Fund	2,843	1,756
Local Enterprise Partnership	52,169	40,039
Total Non HRA	**203,111**	**193,853**
Housing Revenue Account (HRA)	33,836	30,690
Total	**236,947**	**224,543**

Actual capital expenditure was £12.4m below the original revised program. The main variances were as follows:

Environment and Community Safety - £1.6m Underspend

This is due to slippage on coastal flood protection works as a result of staff shortages.

<u>Resources - £3.8m Underspend</u>

£2,260k of this underspend is due to slippage on landlords maintenance, utilities management & investment in solar PV. £303k of capital works to the Guildhall is delayed until external funding can be obtained.

<u>Planning, Regeneration and Economic Development - £14.4m Overspent</u>

The Council has entered into a £10.6m finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The effect of this transaction was to repurchase a long term debtor, Wightlink's obligations under its lease, and finance the repurchase from unsupported borrowing. This transaction was not included in the revised capital program.

<u>Commercial Port - £1.6m Underspend</u>

The port regeneration scheme is underspent by £851k following the delayed resolution of a dispute over the final account because the contractor has not responded to communications in a timely manner. The purchase of a link span for berth 4 is underspent by £740k because the actual payment terms are different to those forecast when phasing the budget.

<u>Traffic and Transportation - £3.0m Underspend</u>

There has been slippage of £1,260k on the Tipner Park and Ride scheme due to agreement not being reached on costs. £1,304k of expenditure on the Hard Interchange has slipped into early 2017/18.

<u>Local Enterprise Partnership (LEP) - £12.1m Underspend</u>

A £3m loan to Red Funnel did not go ahead as they were unable to obtain the necessary planning permissions. The £7.7m Centenary Quay scheme will now be funded from another source. A number of other programmes have slipped.

<u>Housing General Fund - £1.1m Underspend</u>

This is mainly due to slippage on disabled facilities grants where catch up work was not started until late in the year. In addition it has proved difficult to spend Section 106 monies as there are very few housing associations building social housing in the city.

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4. ACTUAL CAPITAL FINANCING REQUIREMENT

This represents the underlying requirement to borrow for capital expenditure. It takes the total value of the City Council's fixed assets and determines the amount that has yet to be repaid or provided for within the Council's accounts.

The capital financing requirement is increased each year by any new borrowing and reduced by any provision for the repayment of debt. Broadly, the higher the capital financing requirement, the higher the amount that is required to be set aside for the repayment of debt in the following year.

The actual capital financing requirements as at 31st March 2016 were as follows:

	Original Estimate	Actual
	£'000	£'000
Non HRA	380,872	340,948
HRA	168,667	151,780
Total	549,539	492,728

The non HRA capital financing requirement is lower than had been originally estimated. This was largely because the original estimate provided for £66m to be borrowed to finance the acquisition of commercial properties whilst only £37.5m of borrowing was actually required to finance the acquisition of commercial properties. The original estimate also provided for £4.2m to be borrowed to finance the provision of care homes, but it has not been possible to identify sites for these care homes.

The HRA capital financing requirement is lower than the original estimate. The original estimates provided for £15.3m to be borrowed to finance HRA capital expenditure. Most of this money was to provide new council dwellings but much of this expenditure has slipped through delays in obtaining planning permission. In addition a scheme to redevelop Arthur Pope House using £4.8m of borrowing has slipped due to delays in relocating the doctors' surgery. In addition the original estimates provided for properties worth £3.7m to be appropriated from the General Fund into the HRA which would have increased the HRA capital financing requirement but this did not happen.

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5. ACTUAL EXTERNAL DEBT

At 31 March 2017, the City Council's level of external debt amounted to £579,343,337 consisting of the following:

- Long Term Borrowing £495,238,598

- Finance leases £12,125,077

- Service concessions (including PFI schemes) £71,979,662

The overall level of debt, excluding debt managed by Hampshire County Council, has increased between 2015/16 and 2016/17 by £96,105,919. This is because the Council borrowed £94m from the PWLB in 2016/17 in order to take advantage of relatively low interest rates and entered into a new £10.6m finance lease for the Isle of Wight Ferry Terminal. This new debt was partly mitigated by principal repayments.

6. CODE OF PRACTICE

The Prudential Code requires local authorities to adopt CIPFA's Code of Practice for Treasury Management in Local Authorities. The City Council has complied with this code.

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TREASURY MANAGEMENT DECISIONS 2016/17

1. **SUMMARY OF ACTUAL TREASURY MANAGEMENT INDICATORS FOR 2016/17**

Gross debt less investments at 31 March	£142,657,935
Maturity structure of the Council's borrowing:	
- Under 1 year	1%
- 1 to 2 years	4%
- 3 to 5 years	4%
- 6 to 10 years	6%
- 11 to 20 years	22%
- 21 to 30 years	11%
- 31 to 40 years	21%
- 41 to 50 years	31%
Sums invested for periods longer than 364 days at 31 March:	
31/3/2017	£180m
31/3/2018	£106m
31/3/2019	£18m
Fixed interest rate exposure at 31 March	£315m
Variable interest rate exposure at 31 March	(£257m)

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2. GOVERNANCE

Treasury management activities were performed within the Prudential Indicators approved by the City Council.

Treasury management activities are also governed by the Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council.

3. FINANCING OF CAPITAL PROGRAMME

The 2016/17 capital program was financed as follows:

Source of Finance	Revised Estimate £'000	Actual £'000
Corporate Reserves (including Capital Receipts)	61,291	59,664
Grants & Contributions	83,119	66,561
Revenue & Reserves	26,463	26,579
Long Term Borrowing	66,073	71,739
Total	236,946	224,543

£16.6m less grants and contributions were applied to finance capital expenditure than had been included in the revised capital program. This was largely due to the LEP underspending on schemes which would have been financed from grants and contributions.

4. COMBINED BORROWING AND INVESTMENT POSITION (NET DEBT)

On 31 March 2017 the Council had gross debt including finance leases and private finance initiative (PFI) schemes of £579m and gross investments of £436m giving rise to a net debt of £143m. The current high level of investments has arisen from the Council's earmarked reserves and borrowing in advance of need to take advantage of low borrowing rates thus securing cheap funding for the Council's capital program. The current high level of investments does increase the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period when investments are high in advance of capital expenditure being incurred, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested. The difference between current borrowing and investment rates is 1.26%. This should provide longer term savings through reduced borrowing costs.

5. BORROWING ACTIVITY

The Council employs Capita Asset Services to provide interest rate forecasts. The forecast overall longer run trend is for gilts and Public Works Loans Board (PWLB) certainty rates to rise, albeit gently, with 25 year rates expected to rise from their current 2.6% to 3.3% by March 2020.

Borrowing rates were particularly low in the summer of 2016 (see Appendix C) and the Council borrowed £94.0m from the Public Works Loans Board (PWLB) repayable in equal instalments of principal over 25 years at an average rate of 2.37%.

The Council also rescheduled a £10.5m loan in September 2016. The effect of the rescheduling was to replace a 15 year equal instalment of principal loan with a 50 year maturity loan and to reduce the interest rate from 4.52% to 2.09%. This represents an effective interest rate of 3.34% after taking account of the premium payable to the PWLB for early redemption of £3.2m. This has generated an annual saving of £47,000 per annum after taking account of the cost of financing the premium and in overall terms resulted in a total saving (in net present value* terms) of £1.1m.

* Net present value is a method of making a like for like comparison of different cash flows over time

In December 2016 the Council entered into a £10.6m finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The effect of this transaction was to repurchase a long term debtor, Wightlink's obligations under its lease, and finance the repurchase from unsupported borrowing.

The Council's gross debt at 31 March 2017 of £579m is within the Council's authorised limit (the maximum amount of borrowing permitted by the Council) of £618m and the Council's operational boundary (the maximum amount of borrowing that is expected) of £600m. The Council aims to have a reasonably even maturity profile so that the Council does not have to replace a large amount of borrowing in any particular year when interest rates might be high. The maturity profile of the Council's borrowing (Appendix D) is within the limits contained in the Council's Treasury Management Policy.

6. INVESTMENT ACTIVITY

Investment rates followed a falling trend in the first four months of 2016/17 with a sharp fall of around 0.25% in line with the reduction in the base rate in August. Base rate is not forecast to rise from 0.25% until June 2019 and then to only rise slowly. Since August investment rates have been broadly stable (see Appendix E).

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The Council's investment portfolio has increased by £64.9m from £371.8m at 1 April to £436.7m, but the total sums invested for longer than 364 days did remain within the limits approved by the City Council. The average return on the Council's investments during 2016/17 was 1.11%. This compares with 0.97% during 2015/16. The Council's investment returns are benchmarked by Capita Asset Services and as at the end of March 2017 the average return on the Councils investments of 0.89% exceeded the risk adjusted benchmark return of 0.75% by 0.14%. The Council's investment return for 2016/17 was £5.3m and performance for the year was £0.1m above the revised estimate of £5.2m. The duration of the Council's investments was within the limits set in the Council's Treasury Management Policy.

7. INTEREST RATE EXPOSURES

Fixed interest rates avoid the risk of budget variances caused by interest rate movements, but prevent the Council from benefiting from falling interest rates on its borrowing or rising interest rates on its investments. The Council's net fixed interest rate borrowing at 31 March 2017 was £315m which was within the limit set in the 2016/17 Treasury Management Policy of £358m. Variable interest rates expose the Council to the benefits and dis-benefits of interest rate movements and can give rise to budget variances. The Council's net variable interest rate investments at 31 March 2017 were £257m which was within the limit set in the 2016/17 Treasury Management Policy of £444m.

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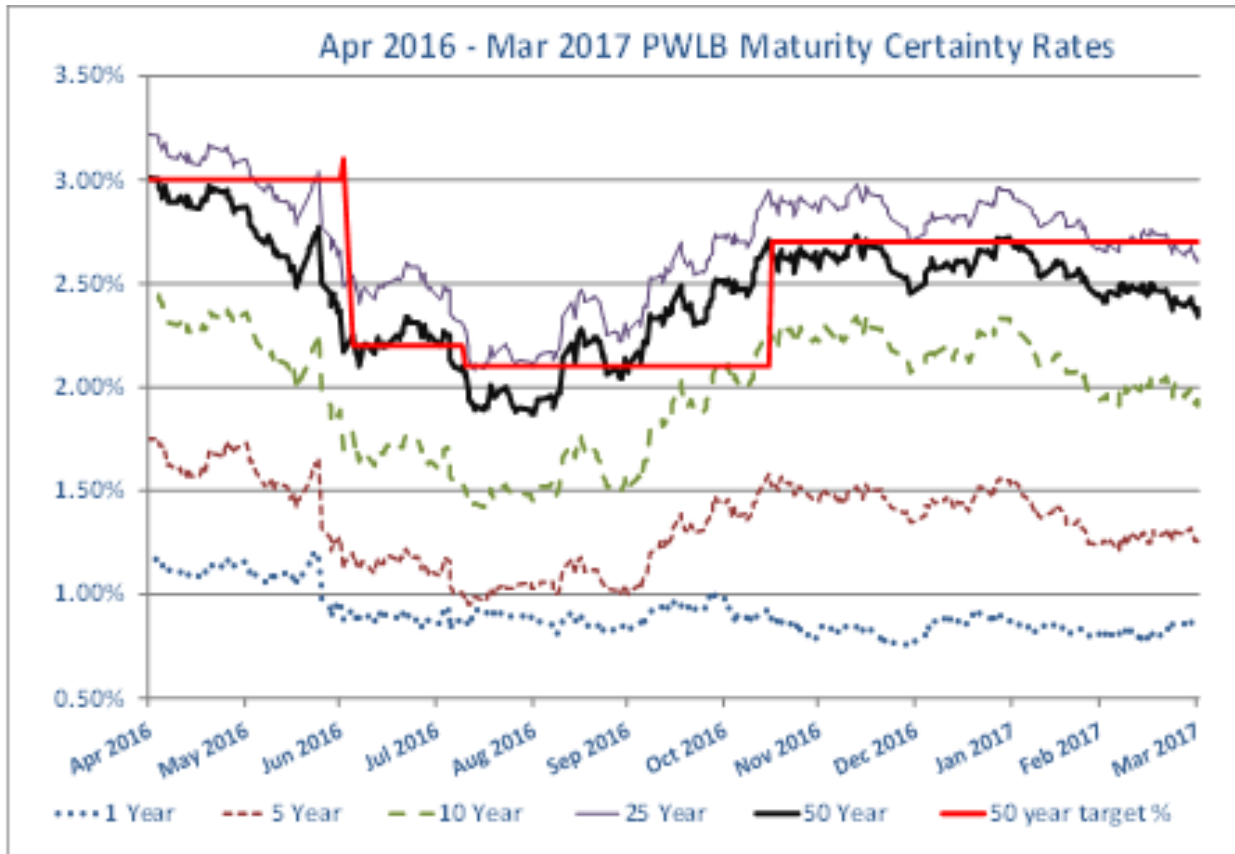## 8. REVENUE COSTS OF TREASURY MANAGEMENT ACTIVITIES IN 2016/17

Expenditure on treasury management activities against the revised budget is shown below.

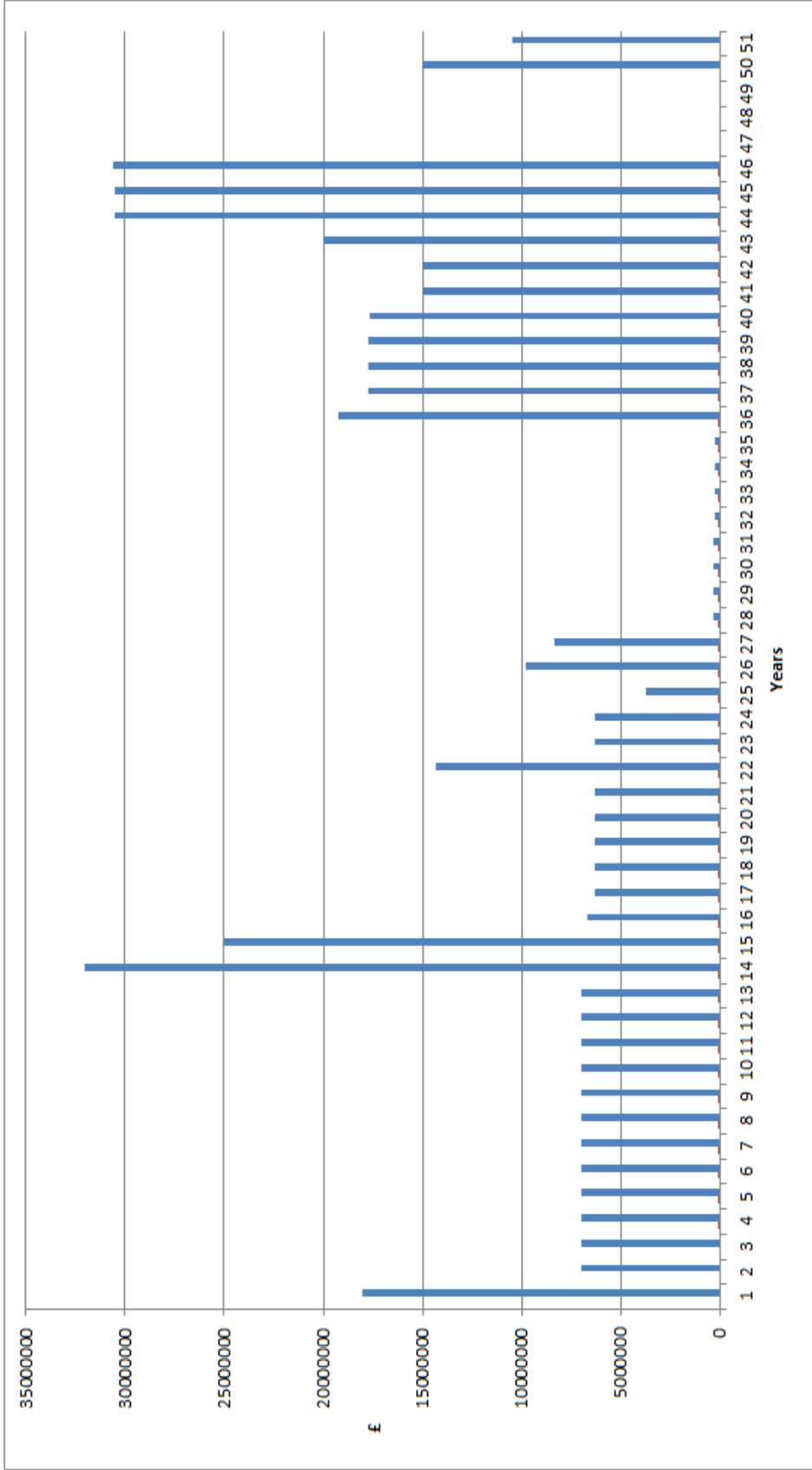|	Revised Estimate 2016/17 £000	Actual 2016/17 £000	Variance +/- £000
Interest Payable:			
PWLB – Maturity Loans	12,415	12,415	-
PWLB - E.I.P Loans	5,340	5,340	-
Other Long Term Loans	512	510	(2)
HCC Transferred Debt	420	410	(10)
Interest on Finance Lease	220	546	326
Interest on Service Concession Arrangements (including PFIs)	8,763	6,982	(1,781)
Interest Payable to External Organisations	4	1	(3)
Premiums and Discounts on Early Redemption of Debt	31	33	2
	27,705	26,237	(1,468)
Deduct			
Investment Income:			
Interest on Investments	(5,192)	(5,297)	(105)
Other interest receivable	(1,376)	(1,340)	36
	21,137	19,600	(1,537)
Provision for Repayment of Debt	6,368	6,628	260
Debt Management Costs	399	360	(39)
	27,904	**26,588**	**(1,316)**

Net treasury management costs were £1.3m below the revised budget mainly due to a reduction in interest payable.
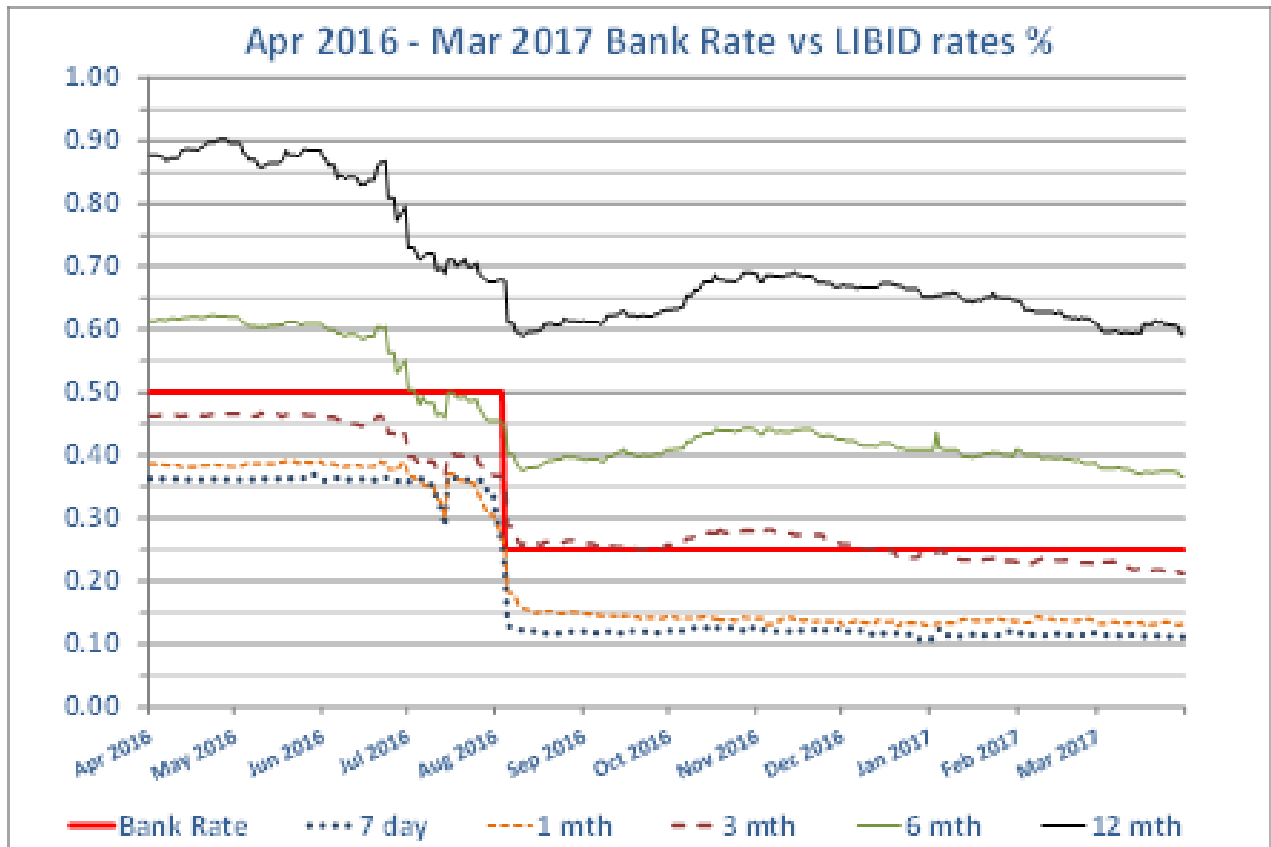
16

The highways maintenance private finance initiative (PFI) scheme provides for capital works to bring the highway network up to a specified condition (including interest and principal repayments on loans taken out by the contractor), lifecycle replacement (subsequent capital works), and operation and maintenance. This is an inseparable PFI which means that although the Council knows how much it pays the contractor it does not know how the contractor spends its revenues on the various components of the scheme. The revised estimate of the interest on the highways maintenance (PFI) was prepared on the basis of nominal costs in the original financial model prepared at the commencement of the contract in 2004. In preparing the 2016/17 Statement of Accounts it was decided that the estimated indexation used previously may have become less accurate over time and that more accurate estimates may be derived from using actual indexation. This has resulted in the interest on the highways maintenance PFI being £1.8m less than the revised estimate. This does not represent an overall saving to the Council as the overall cost of the highways maintenance PFI is broadly the same with additional expense being charged to highways operation and maintenance, capital expenditure charged to revenue balances to cover lifecycle replacement costs, and principal repayment of debt.

The reduction in interest payable on the highways maintenance PFI was partly offset by an increase in interest payable on under finance leases. The Council has entered into a finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. The Council has paid £0.3m interest on this finance lease in 2016/17 which was not included in the revised estimate.

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Apr 2016 - Mar 2017 PWLB Maturity Certainty Rates

DEBT MATURITY PROFILE

Apr 2016 - Mar 2017 Bank Rate vs LIBID rates %

Title of meeting:	Governance and Audit and Standards Committee Cabinet City Council
Date of meeting:	Governance and Audit and Standards Committee 15 September 2017 Cabinet 28 September 2017 City Council 17 October 2017
Subject:	Treasury Management Mid-Year Review 2017/18
Report by:	Director of Finance and Information Services (Section 151 Officer)
Wards affected:	All
Key decision:	No
Full Council decision:	Yes

1. Executive Summary

This report seeks to increase the Council's authorised limit for external debt, ie. the amount of debt that it can hold by £10.6m from £607.6m to £618.2m and to increase the operational boundary by a corresponding amount.

This report also seeks to broaden the range of non-specified investments that the Council can invest in to include the proposed Energy Supply Company and any other subsidiary companies that that the Council may establish in addition to MMD (Shipping Services) Ltd.

This report outlines the Council's performance against the treasury management indicators approved by the Council on 21 March 2017.

2. Purpose of report

The purpose of the report is to inform members and the wider community of the Council's Treasury Management position at 31 July 2017 and to amend the Council's Treasury Management Strategy to reflect the Council's current circumstances.

In March 2009 the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Panel issued a bulletin on Treasury Management in Local Authorities. The bulletin states that "in order to enshrine best practice it is suggested that authorities report formally on Treasury Management activities at least twice yearly". The report in Appendix A covers the first four months of 2017/18.

1

3.   **Recommendations**

a   That the authorised limit for external debt be increased by £10,600,000 from £607,555,000 to £618,155,000

b   That the operational boundary for external debt be increased by £10,600,000 from £589,255,000 to £599,855,000

c   That non-specified investments of up to £20m are permitted in the Council's subsidiary companies including but not restricted to MMD (Shipping Services) Ltd

d   That the actual Treasury Management indicators for July 2017 in Appendix A be noted

4.   **Background**

The Council's treasury management operations cover the following:
- Cash flow forecasting (both daily balances and longer term forecasting
- Investing surplus funds in approved investments
- Borrowing to finance short term cash deficits and capital payments
- Management of debt (including rescheduling and ensuring an even maturity profile)
- Interest rate exposure management

The key risks associated with the Council's treasury management operations are:
- Credit risk - ie. that the Council is not repaid, with due interest in full, on the day repayment is due
- Liquidity risk - ie. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs
- Interest rate risk - that the Council fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the Council has budgeted
- Maturity (or refinancing risk) - this relates to the Council's borrowing or capital financing activities, and is the risk that the Council is unable to repay or replace its maturing funding arrangements on appropriate terms
- Procedures (or systems) risk - ie. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud, error or corruption

2

The total borrowings of the Council are £576m. The Council has investments lodged with 52 institutions that amount to £465.5m. The cost of the Council's borrowings and the income derived from the Council's investments are included within the Council's treasury management budget of £22m per annum. The Council's treasury management activities account for a significant proportion of the Council's overall budget. As a consequence the Council's Treasury Management Policy aims to manage risk whilst optimizing costs and returns. The Council monitors and measures its treasury management position against the indicators described in this report. Treasury management monitoring reports are brought to the Governance and Audit and Standards Committee for scrutiny.

5.   **Reasons for Recommendations**

The Council's total external debt, including finance leases and service concessions including private finance initiative (PFI) schemes must not exceed the Council's authorised limit for external debt. The Council's external debt including finance leases and service concessions amounted to £576m as at 31 July 2017, £32m below the authorized limit for external debt. The Council has entered into a £10.6m finance lease for the Isle of Wight ferry terminal to enable it to fulfil its obligations to Wightlink following the disposal of the head lease for this site. It is recommended that the authorised limit for external debt be increased by £10,600,000 from £607,555,000 to £618,155,000 in order to maintain the Council's capacity to borrow to either fund either capital expenditure or temporary cash deficits.

It is recommended that the operational boundary be increased by a similar amount to the authorised limit. The operational boundary is based on probable external debt. It is not a limit, but acts as a warning mechanism to prevent the authorised limit being breached.

The Treasury Management Policy approved by the City Council on 21 March provides for up to £2m to be invested in the Council's subsidiary company MMD (Shipping Services) Ltd. On 29 July the Cabinet approved the outline business case to establish a municipal energy supply company. This is estimated to require circa £8m of cash flow support. In addition the 2017/18 budget had a stronger focus on entrepreneurial activities to generate income which could lead to the establishment of further subsidiary companies. It is recommended that the Treasury Management Policy be amended to permit up to £20m to be invested in subsidiary companies including but not restricted to MMD (Shipping Services) Ltd.

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To highlight any variance from the approved Treasury Management Policy and to note any subsequent actions.

To provide assurance that the Council's treasury management activities are effectively managed.

6. Equality impact assessment (EIA)

The contents of this report do not have any relevant equalities impact and therefore an equalities impact assessment is not required.

7. Legal Implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

8. Director of Finance's comments

All financial considerations are contained within the body of the report and the attached appendices

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Signed by Director of Financial Services & IS (Section 151 Officer)

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Appendices:

Appendix A: Treasury Management Mid-Year Review 2017/18
Appendix B: Debt Maturity Profile
Appendix C: LIBOR Rates

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
1	Information pertaining to treasury management strategy and performance	Financial Services
2		

TREASURY MANAGEMENT MID YEAR REVIEW OF 2017/18

1. SUMMARY OF TREASURY MANAGEMENT INDICATORS AS AT 31 JULY

The Council's debt at 31 July was as follows:

	Original Prudential Indicator	**Recommended Prudential Indicator**	**Position at 31/7/17**
Authorised Limit	£608m	£618m	£576m
Operational Boundary	£589m	£600m	£576m

The maturity structure of the Council's borrowing was:

	Under 1 Year	**1 to 2 Years**	**3 to 5 Years**	**6 to 10 Years**	**11 to 20 Years**	**21 to 30 Years**	**31 to 40 Years**	**41 to 50 Years**
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%
Upper Limit	10%	10%	10%	20%	30%	30%	30%	40%
Actual	1%	4%	4%	6%	22%	11%	21%	31%

Sums invested for periods longer than 364 days at 31 July 2017 were:

Maturing after	**Limit £m**	**Actual £m**
31/3/18	168	128
31/3/19	148	15
31/3/20	144	15

The Council's interest rate exposures at 31 July 2017 were:

	Limit £m	**Actual £m**
Fixed Interest	389	305
Variable Interest (net Investments)	(389)	(288)

2. GOVERNANCE

The Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council on 21 March 2017 provide the framework within which Treasury Management activities are undertaken.

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3. NET DEBT

On 31 July 2017 the Council had gross debt including finance leases and private finance initiative (PFI) schemes of £576m and gross investments of £465m giving rise to a net debt of £111m. The current high level of investments has arisen from the Council's earmarked reserves and borrowing in advance of need to take advantage of low borrowing rates thus securing cheap funding for the Council's capital programme. The current high level of investments does increase the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. In the interim period when investments are high in advance of capital expenditure being incurred, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested.

4. BORROWING ACTIVITY

The Council employs Capita Asset Services to provide interest rate forecasts. The forecast overall longer run trend is for gilts and Public Works Loans Board (PWLB) certainty rates to rise, albeit gently, with 25 year rates expected to rise from their current 2.6% to 3.3% by December 2019.

The Council did not undertake any new borrowing in the first four months of 2017/18.

The Council's gross debt at 31 July 2017 of £576m is within the Council's authorised limit (the maximum amount of borrowing permitted by the Council) of £608m and the Council's operational boundary (the maximum amount of borrowing that is expected) of £589m. The Council aims to have a reasonably even maturity profile so that the Council does not have to replace a large amount of borrowing in any particular year when interest rates might be high. The maturity profile of the Council's borrowing (Appendix B) is within the limits contained in the Council's Treasury Management Policy (see paragraph 1).

5. INVESTMENT ACTIVITY

In accordance with the Government's statutory guidance, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite.

Investment rates available in the market for investments that are longer than 3 months have followed a downward trend in the first four months of 2017/18. Market rates available for shorter term investments have remained stable in line with the 0.25% Bank of England base rate. Short term market interest rates for the first four months of 2017/18 are shown in Appendix C.

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The Council's investment portfolio has increased by 7% in 2017/18 from £436.7m on 1 April to £465.5m as at 31 July largely due to a number of income streams including Council Tax receipts tending to be front loaded.

The overall investment portfolio yield for the first four months of the year was 0.94%.
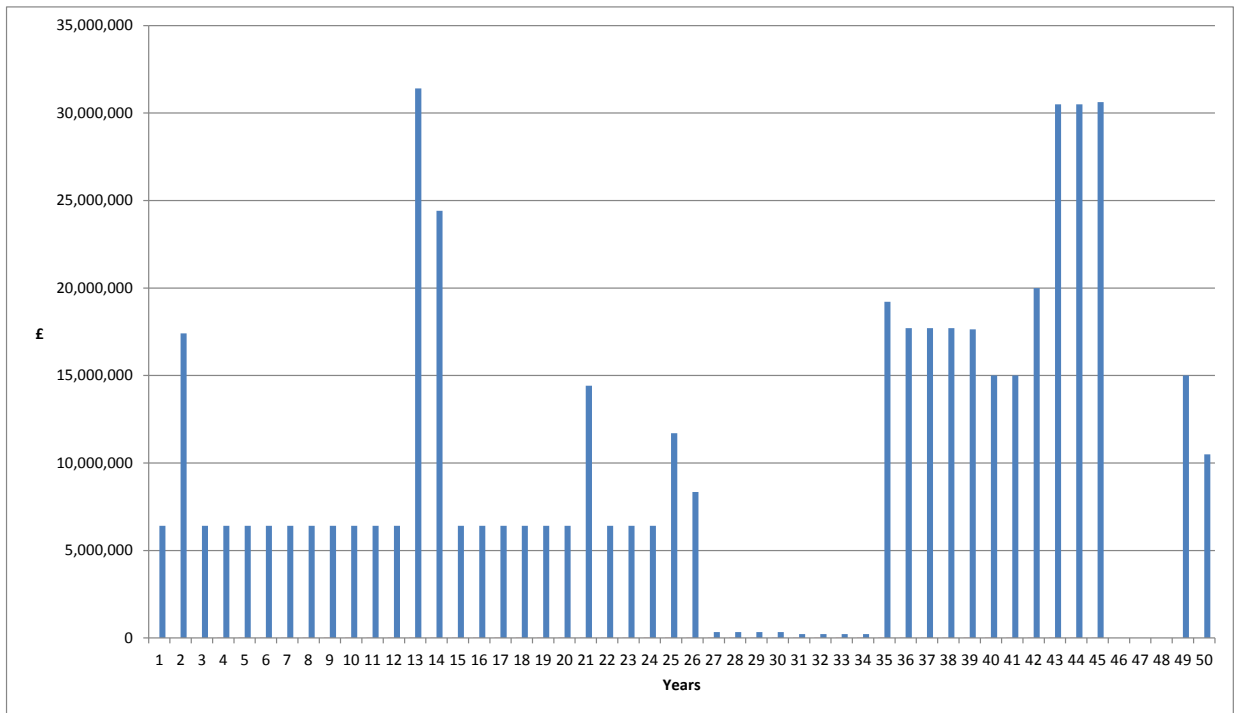
The Council's budgeted investment return for 2017/18 is £2,730k, and performance for the year to date is £582k above budget. This is due to having better than anticipated investment returns.

The current investment portfolio yield is unlikely to be maintained as maturing investments are having to be replaced with lower yielding investments reflecting the current market and the current Bank of England base rate of 0.25%.

6. INTEREST RATE EXPOSURES

Fixed interest rates avoid the risk of budget variances caused by interest rate movements, but prevent the Council from benefiting from falling interest rates on its borrowing or rising interest rates on its investments. The Council's net fixed interest rate borrowing at 31 July 2017 was £305m which was within the limit set in the 2017/18 Treasury Management Policy of £389m. Variable interest rates expose the Council to the benefits and dis-benefits of interest rate movements and can give rise to budget variances. The Council's net variable interest rate investments at 31 March 2017 were £288m which was within the limit set in the 2017/18 Treasury Management Policy of £389m.

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DEBT MATURITY PTOFILE

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LIBOR RATES

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