

From CABINET MEETING held on 12 February 2018

Council Agenda Item 7 (Cabinet minute 6)

Portsmouth City Council - Budget & Council Tax 2018/19 & Medium Term Budget Forecast 2019/20 to 2021/22

RECOMMENDED

- (1) That the following be approved in respect of the Council's Budget:
[(a) not allocated]
- (b) The revised Revenue Estimates for the financial year 2017/18 and the Revenue Estimates for the financial year 2018/19 as set out in the General Fund Summary (Appendix A)
- (c) The Portfolio Cash Limits for the Revised Budget for 2017/18 and Budget for 2018/19 as set out in Sections 7 and 9, respectively
- (d) That £2.0m be transferred to the Revenue Reserve for Capital in 2017/18 to supplement the resources available for the Capital Programme to enable the Council to increase the Capital Resources available to properly fund its statutory responsibilities including School Places, Sea Defences, critical maintenance obligations and potential match funding commitments for the City Centre Re-development
- (e) The additional £3.1m received from the Business Rate Retention Pilot (currently guaranteed for 1 year only) be used to enable the Council to make a Revenue Contribution to the Capital Programme to ensure the Council can properly meet its statutory responsibilities for providing Special School Places
- (f) That £2.0m be transferred to the MTRS Reserve in 2017/18 and a further £2.5m in 2018/19 to restore it to a level sufficient to enable the Council to pursue both Spend to Save schemes, Invest to Save schemes and fund redundancy costs, all aimed at facilitating the Council's savings strategy
- (g) That £1.7m is carried forward from 2017/18 to 2018/19 in respect of contingent items that were expected to arise in 2017/18 but are now expected to occur in 2018/19
- (h) Any further underspendings for 2017/18 arising at the year-end outside of those made by Portfolios be transferred to Capital Resources in order to provide funding for known future commitments such as Sea Defences and the enabling transport infrastructure necessary for the City's development and growth which have, as yet, insufficient funding
- (i) Any variation to the Council's funding arising from the final Local Government Finance Settlement be accommodated by a transfer to or from General Reserves.

- (j) The S.151 Officer be given delegated authority to enter into the Solent¹ 100% Business Rates Retention Pilot agreement with the Department for Communities and Local Government
 - (k) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
 - (l) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold² for 2018/19 announced by Government (as calculated in recommendation (4) (d))
 - (m) That the level of Council Tax be increased by a further 1.5% beyond the referendum threshold (as calculated in recommendation (4) (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept"; and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £1,071,700 is passported direct to Adult Social Care
 - (n) Managers be authorised to incur routine expenditure against the Cash Limits for 2018/19 as set out in Section 9
 - (o) That the savings requirement for 2019/20 be set at a minimum on-going sum of £4.0m
 - (p) That the S.151 Officer be given delegated authority to make transfers to and from reserves in order to ensure that they are maintained as necessary and in particular, adjusted when reserves are no longer required or need to be replenished
 - (q) Directors be instructed to start planning how the City Council will achieve the savings requirements shown in Section 10 and that this be incorporated into Service Business Plans
 - (r) The minimum level of General Reserves as at 31 March 2019 be maintained at £8.0m (£7.0m in 2017/18) to reflect the known and expected budget and financial risks to the Council
 - (s) Members have had regard for the Statement of the Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 13.
- (2) That the following be **noted** in respect of the Council's Budget:
- (a) The Revenue Estimates 2018/19 as set out in Appendix A have been prepared on the basis of a 1.5% tax increase for the "Social Care Precept" (amounting to £1,071,700) and that this is passported to Adult Social Care in order to provide for otherwise unfunded budget pressures including the current underlying budget deficit, the cost of

¹ Includes Isle of Wight Council, Portsmouth City Council and Southampton City Council

² Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

the new National Living Wage and demographic pressures arising from a "living longer" population

- (b) The decision on the amount at which to set the Adult Social Care precept will be critical for the Social Care and wider Health system in the City; in the event that the additional flexibility of the "Social Care Precept" and associated 1.5% tax increase (amounting to £714,500 for each 1%) is not taken, then equivalent savings will need to be made in Adult Social Care in 2018/19
- (c) In general, due to the additional costs of the Pay Award and inflation generally amounting to an additional £1.1m, any reduction from the 4.49% Council Tax increase proposed will require additional savings of £714,500 for each 1% reduction in order for the Budget 2018/19 to be approved
- (d) The Revenue Forecast for 2019/20 onwards as set out in Section 10 and Appendix B
- (e) The estimated Savings Requirement of £12m for the three year period 2019/20 to 2021/22, for financial and service planning purposes, be phased as follows:

Financial Year	In Year Savings Requirement	Cumulative Saving £
	£m	m
2019/20	4.0	4.0
2020/21	4.0	8.0
2021/22	4.0	12.0

- (f) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies will hold an uncommitted balance of £4.8m³ and will only be replenished in future from an approval to the transfer of any underspends, contributions from the Revenue Budget or transfers from other reserves which may no longer be required
- (g) The Council Tax element of the Collection Fund for 2017/18 is estimated to be a surplus of £1,210,318 which is shared between the City Council (85%), Police & Crime Commissioner (11%) and the Hampshire Fire & Rescue Authority (4%)
- (h) The Business Rate element of the Collection Fund for 2017/18 is estimated to be a surplus of £1,114,662 which is shared between the City Council (49%), the Government (50%) and the Hampshire Fire & Rescue Authority (1%)

³ Including the transfer into the reserve of £4.5m contained with the recommendations in this report

- (i) The Retained Business Rate income⁴ for 2018/19 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2017, the Non Domestic Rates poundage for 2018/19 and estimated rateable values for 2018/19 and has been determined at £73,567,319
- (3) That the S.151 Officer has determined that the Council Tax base for the financial year 2018/19 will be **55,857.4** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the "Act")].
- (4) That the following amounts be now calculated by the Council for the financial year 2018/19 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£486,934,953	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£412,275,394	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£74,659,559	Being the amount by which the aggregate at (4) (a) above exceeds the aggregate at (4)(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	£1,336.61	Being the amount at (4)(c) above (Item R), all divided by Item (3) above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands (Portsmouth City Council)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
891.07	1,039.59	1,188.10	1,336.61	1,633.63	1,930.66	2,227.68	2,673.22

Being the amounts given by multiplying the amount at (4)(d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

⁴ Including the Portsmouth City Council element of the Collection Fund surplus of £546,184, S31 Grants of £6,008,979, the "Tariff" paid to Government of £17,157,504 and the contributions to the "Growth Pool" of £4,853,053 and from the "Growth Pool" of £3,094,522

- (5) That it be noted that for the financial year 2018/19 the Hampshire Police & Crime Commissioner is consulting upon the following amounts for the precept to be issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Police & Crime Commissioner)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
118.31	138.02	157.74	177.46	216.90	256.33	295.77	354.92

- (6) That it be noted that for the financial year 2018/19 Hampshire Fire and Rescue Authority are recommended to approve the following amounts for the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Fire & Rescue Authority)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
43.83	51.13	58.44	65.74	80.35	94.96	109.57	131.48

- (7) That having calculated the aggregate in each case of the amounts at (4)(e), (5) and (6) above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2018/19 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,053.21	1,228.74	1,404.28	1,579.81	1,930.88	2,281.95	2,633.02	3,159.62

- (8) The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2018/19, which represents a 4.49% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:
- i) The 4.49% increase includes a 1.5% increase to support the delivery of Adult Social Care
 - ii) As the billing authority, the Council has not been notified by a major precepting authority (the Police and Crime Commissioner for Hampshire or the Hampshire Fire & Rescue Authority) that its relevant basic amount of Council Tax for 2018/19 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

- (9) The S.151 Officer be given delegated authority to implement any variation to the overall level of Council Tax arising from the final notification of the Hampshire Police & Crime Commissioner and Hampshire Fire and Rescue Authority precepts.

From CABINET MEETING held on 12 February 2018

Council Agenda Item 8 (Cabinet minute 7)

Capital Programme 2017/18 to 2022/23

RECOMMENDED

(1) That the following be approved in respect of the Council's Capital Programme:

- 1) The Revised Capital Programme 2017/18 to 2022/23 attached as Appendix 1 which includes all additions, deletions and amendments for slippage and rephrasing described in Sections 6 and 8 be approved
- 2) The S.151 Officer be given delegated authority to determine how each source of finance is used to fund the overall Capital Programme and to alter the overall mix of financing, as necessary, to maximise the flexibility of capital resources used and minimise the ongoing costs of borrowing to the Council
- 3) That the S.151 Officer in consultation with the Leader of the Council be given delegated authority to release capital resources held back for any contingent items that might arise, and also for any match funding requirements that may be required of the City Council in order to secure additional external capital funding (e.g. bids for funding from Government or the Solent Local Enterprise Partnership)
- 4) The following schemes as described in Section 9 and Appendix 2 be reflected within the recommended Capital Programme 2017/18 to 2022/23 and be financed from the available corporate capital resources:

Recommended New Capital Schemes		Corporate Resources Required £	Total Scheme Value £
Education			
	Schools' Conditions Project 2018/19	1,000,000	1,100,000
	Sufficiency of Secondary School Places	10,237,800	10,237,800
	Sufficiency of Special School Places - Redwood Park Academy	2,053,700	3,053,700
	Sufficiency of Special School Places - The Willows Centre	400,000	400,000
	Milton Childcare Sufficiency	250,000	250,000
	Forest School at Foxes Forest - Community Accessible Education Centre	125,000	125,000
Culture, Leisure and Sport			
	Farlington Pavillion Refurbishment	70,000	140,000
	Lumps Fort Sun Huts Maintenance	50,000	50,000
	Milton Park Barn Thatched Roof	130,000	130,000

	Victoria Park Heritage Lottery Funding Bid	250,000	2,500,000
	Disabled Beach Buggies & Access Mats	20,000	20,000
	Allotment Security Grants	35,000	35,000
	Outdoor Fitness Equipment	80,000	80,000
Environment and Community Safety			
	Public Toilets New Provision, across the City	125,000	180,000
	Wheeled Bins for Refuse	1,120,000	1,120,000
Health and Social Care			
	Shearwater House - Backup Power Supply	50,000	50,000
Housing			
	307 Twyford Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	190,000	190,000
	4 Target Road - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	100,000	100,000
	69 Goldsmith Avenue - Refurbishment of Supported Housing Accommodation for Adult Social Care clients	160,000	160,000
Planning, Regeneration and Economic Development			
	City Centre Public Realm 2018/19	500,000	500,000
Resources			
	Landlord's Maintenance	2,395,000	2,395,000
	Channel Shift - Phase 2	582,500	582,500
	Windows 10 Upgrade & Hardware Refresh	1,500,000	1,800,000
Traffic and Transportation			
	Cathodic Protection - Hard Interchange	1,200,000	1,200,000
	Western Corridor - South	120,000	120,000
	Central Corridor	250,000	250,000
	Eastern Corridor Road Link - Phase 2	500,000	500,000
	LTP 4	1,500,000	1,500,000
	Smart Cities - Intelligent Transport System	500,000	803,000
	Pedestrian Crossing - Henderson Road	80,000	80,000
Total Recommended Sum To Be Approved		25,574,000	29,652,000

- 5) The following Schemes as described in Section 14 be included within the "Reserve List" of Capital Schemes to be considered once additional capital resources are identified

Future Priority Capital Schemes – Not in Priority Order
School Condition (roofs, boilers, electrics, windows etc.)
Camber Quay Berth 4 Replacement
Enabling Transport Infrastructure match funding - City Centre development
Sea Defences

Landlords Repairs & Maintenance
Local Transport Plan - Road safety and traffic improvement schemes
Digital Strategy (Including move to cloud based Information Technology systems)

- 6) The Prudential Indicators described in Section 15 and set out in Appendix 3 be approved.
- (2) That the following be noted in respect of the Council's Capital Programme:
- 1) The passported Capital Allocations (Ring-fenced Grants) as set out in Section 7
 - 2) That Cabinet Members, in consultation with the Section 151 Officer, have authority to vary Capital Schemes and their associated funding within their Portfolio in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
 - 3) As outlined in Section 9 and Appendix 2 that the Director of Property & Housing Services will work with other Directors to further prioritise the schedule of identified Landlord's Maintenance works to ensure that those with the highest priority are undertaken up to the value of the £2.4m allocated
 - 4) The use of Drayton & Farlington Neighbourhood CIL to fund £70,000 of a £140,000 scheme to undertake a refurbishment of Farlington Pavilion, as outlined in Section 12 and Appendix 2
 - 5) As outlined in Section 13 and Appendix 2 the release of £55,000 towards a £180,000 scheme from the Environment & Community Safety Portfolio Reserve to provide new public toilets across the City
 - 6) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes as described in Section 15

From CABINET MEETING held on 12 February 2018

Council Agenda Item 9 (Cabinet minute 5)

Portsmouth Youth Offending Team Youth Justice Strategic Plan 2017-19

Cabinet noted the achievements made by the Portsmouth Youth Offending Team (YOT) in implementing the plan and endorses the priorities for the team and Management Board in maintaining and developing high levels of practice and performance as well as trying to meet the current challenges.

RECOMMENDED that Council endorses the refreshed Youth Justice Strategic Plan 2017 - 19 and recommend that it is approved by Council.