



SUPPLEMENTARY AGENDA

CABINET

TUESDAY, 6 FEBRUARY 2024 AT 2.30 PM

COUNCIL CHAMBER - THE GUILDHALL, PORTSMOUTH

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Membership

Councillor Steve Pitt (Chair)
Councillor Suzy Horton (Vice-Chair)

Councillor Dave Ashmore
Councillor Kimberly Barrett
Councillor Ian Holder
Councillor Lee Hunt

Councillor Hugh Mason
Councillor Darren Sanders
Councillor Gerald Vernon-Jackson CBE
Councillor Matthew Winnington

(NB This supplementary agenda should be retained for future reference with the main agenda and minutes of this meeting).

SUPPLEMENTARY AGENDA

11 **Portsmouth City Council Budget and Council Tax 2024/2025 and Medium Term Budget Forecast 2025/2026 to 2027/2028** (Pages 9 - 144)

Purpose

1. The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2024/25 and the associated level of Council Tax necessary to fund that Budget.
2. The report makes recommendations on the level of Council spending for 2024/25 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy, with its stated aim as follows:

OVERALL AIM

"In year" expenditure matches "in year" income over the medium term whilst continuing the drive towards regeneration of the City, being innovative, creative and

protecting the most important and valued services.

3. The recommended Budget for 2024/25 has been prepared on the basis of the following:
 - The requirement to meet savings amounting to £2.0m to achieve a "structurally balanced budget" and accommodate the substantial cost pressures being driven by extraordinary levels of inflation and service demand
 - An increase in the level of Council Tax for 2024/25 for general purposes of 2.99%
 - The flexibility to increase the level of Council Tax for an "Adult Social Care Precept", within the limits set by Central Government at 2.0%, and the direct passporting of that additional funding to Adult Social Care to provide for otherwise unfunded cost pressures including the 9.8% increase in the National Living Wage.
4. This report also provides a comprehensive revision of the Council's rolling 3 Year Forward Financial Forecast for the new period 2025/26 to 2027/28 (i.e. compared to the previous forecast covering 2024/25 to 2026/27, this forecast now replaces the forecast for the previous 3 year period).
5. The new forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's needs and aspirations for the City, as well as maintaining the Council's overall financial resilience throughout this uncertain period.
6. In particular, this report sets out the following:
 - (a) The impact of the dramatic change in the financial environment over the past 2 years and how that legacy translates into the financial challenges now presented for 2024/25 and beyond
 - (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings
 - (c) The revised Revenue Budget and Cash Limits for the current year
 - (d) The Local Government Finance Settlement for 2024/25
 - (e) The Business Rate income for 2024/25 and future years
 - (f) The Council Tax base and recommended Council Tax for 2024/25
 - (g) The forecast Collection Fund balance as at 31 March 2024 for both Council Tax and Business Rates
 - (h) The detailed indicative savings (Appendix C) that could be made by each Portfolio / Committee in meeting its overall savings amount in order to provide the Council with the assurance necessary to approve the recommended savings amount for each Portfolio / Committee
 - (i) The proposed Revenue Budget and Cash Limits for 2024/25
 - (j) The forecast Revenue Budgets for 2025/26, 2026/27 and 2027/28
 - (k) Estimated General Reserves over the period 2023/24 to 2027/28
 - (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial

position and proposed use to achieve cashable savings

- (m) The proposed Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2024/25 and future years in accordance with the Capital Strategy
- (n) The Statement of the S.151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

RECOMMENDED that the following be approved in respect of the Council's Budget:

- 1) The revised Revenue Estimates for the financial year 2023/24 and the Revenue Estimates for the financial year 2024/25 as set out in the General Fund Summary (Appendix A)
- 2) The Portfolio Cash Limits for the Revised Budget for 2023/24 and the Budget 2024/25 incorporating the savings amounts for each Portfolio and amounting to £2.0m as set out in Sections 7 and 11, respectively
- 3) To maintain the overall financial resilience of the Council, any underspendings arising at the year-end (outside of those made by Portfolios) be transferred either to Capital Resources to fund future Capital Programmes, the MTRS Reserve or General Reserves with the level of each transfer to be determined by the S.151 Officer
- 4) 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
- 5) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts
- 6) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold^[1] for 2024/25 announced by Government (as calculated in recommendation 3.4 (d))
- 7) That the level of Council Tax be increased by a further 2.0% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept", and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £1,922,600 is passported direct to Adult Social Care
- 8) Managers be authorised to incur routine expenditure against the Cash Limits for 2024/25 as set out in Section 11
- 9) That a minimum savings requirement of £1m for 2025/26 be set at this stage but that this is kept under review, pending any significant impact on the Council's future Forecast that may arise during 2024/25
- 10) 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

- 11) The minimum level of General Reserves as at 31 March 2025 be maintained at £10.0m to reflect the known and expected budget and financial risks to the Council
 - 12) The Revised Capital Programme 2023/24 to 2028/29 attached as Appendix E which includes all additions, deletions and amendments for slippage and re-phasing
 - 13) 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
 - 14) 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 any other external source)
 - 15) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & S.151 Officer, the schemes described in Appendix D be reflected within the recommended Capital Programme 2023/24 to 2028/29
 - 16) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & S.151 Officer, that delegated authority to borrow up to £15m per year be granted in order that the Council can enter into transactions in an efficient and timely fashion and avoid the risk of lost opportunities which may be of a time critical nature
 - 17) The Prudential Indicators described set out in Appendix F be approved
 - 18) Members have had regard for the Statement of the S.151 Officer in accordance with the Local Government Act 2003 as set out in Section 16.
2. That the following be noted in respect of the Council's Revenue Budget and Capital Programme:
- 1) The Revenue Estimates 2024/25 as set out in Appendix A have been prepared on the basis of a 2.0% tax increase for the "Social Care Precept" (amounting to £1,922,600) 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 the National Living Wage and demographic pressures arising from a "living longer" population
 - 2) 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 2.0% tax increase is not taken, then equivalent savings will need to be made in Adult Social Care in 2024/25
 - 3) In general, any reduction to the proposed increase in the level of

Council Tax for 2024/25 will require equivalent offsetting savings to be made in order for the Budget 2024/25 to be approved. Each 1% reduction requires additional savings of £961,300 to be made

- 4) The indicative savings proposals set out in Appendix C which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 3.1 2) above, are robust and deliverable**
- 5) The likely impact of savings as set out in Appendix C**
- 6) That the responsibility of the Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the Council to approve any individual savings within those Portfolios / Committees**
- 7) That it is the responsibility of the individual Portfolio Holders (not Full Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value within their Portfolio**
- 8) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process**
- 9) The Revenue Forecast for 2025/26 to 2027/28 as set out in Section 12 and Appendix B**
- 10) That, at this stage, the Council's Future Forecast for the 3 Year Period 2025/26 to 2027/28 is estimated to be a £3m Deficit; this is the Council's "central base case scenario" but due to the uncertainty associated with inflation, unavoidable cost pressures that may arise (particularly in Care Services), business rate appeals arising from the 2023/24 revaluation and the forthcoming overhaul of Local Government Funding, this could vary by +/- £5m**
- 11) 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 £7.3m 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**
- 12) The Council's share of the Council Tax element of the Collection Fund surplus for 2023/24 is estimated to be £2,357,452**
- 13) The Council's share of the Business Rate element of the Collection Fund surplus for 2023/24 is estimated to be £5,021,116**
- 14) The Retained Business Rate income^[2] for 2024/25 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2024, the Non Domestic Rates poundage for 2024/25 and estimated rateable values for 2024/25 and has been determined at £70,907,151**
- 15) That Cabinet Members, in consultation with the S.151 Officer, have**

authority to vary Capital Schemes and their associated funding within or across Portfolios in order to manage any potential overspending or funding shortfall or to respond to emerging priorities

- 16) That Cabinet Members, in consultation with the S.151 Officer, have authority to vire funding between Portfolios (both Revenue and Capital Budgets) in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
- 17) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes.

3. That the S.151 Officer has determined that the Council Tax base for the financial year 2024/25 will be 58,299.40 [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 2024/25 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

a	£543,649,931	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
b	£442,724,925	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
c	£100,925,006	Being the amount by which the aggregate at 3.4 (a) above exceeds the aggregate at 3.4 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
d	£1,731.15	Being the amount at 3.4(c) above (Item R), all divided by Item above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council for the year.

(e) Valuation Bands (Portsmouth City Council)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,154.10	1,346.45	1,538.80	1,731.15	2,115.85	2,500.55	2,885.25	3,462.30

Being the amounts given by multiplying the amount at 3.4(d) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section

36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

5. That it be noted that for the financial year 2024/25, 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 £
174.31	203.36	232.41	261.46	319.56	377.66	435.77	522.92

6. That it be noted that for the financial year 2024/25, for Hampshire and Isle of Wight Fire and Rescue Authority it is recommended that 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 and Isle of Wight Fire and Rescue Authority)

A £	B £	C £	D £	E £	F £	G £	H £
55.23	64.43	73.64	82.84	101.25	119.66	138.07	165.68

7. That having calculated the aggregate in each case of the amounts at 3.4(e), 3.5 and 3.6 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2024/25 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A £	B £	C £	D £	E £	F £	G £	H £
1,383.64	1,614.24	1,844.85	2,075.45	2,536.66	2,997.87	3,459.09	4,150.90

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 2024/25, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:

1. The 4.99% increase includes a 2.0% increase to support the delivery of Adult Social Care
2. As the billing authority, the Council has not been notified by a major precepting authority (the Hampshire Police & Crime Commissioner or the Hampshire and Isle of Wight Fire and Rescue Authority) that its relevant basic amount of Council Tax for 2024/25 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 and Isle of Wight Fire and Rescue Authority precepts.**

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

^[2] Includes Retained Business Rates £42,006,006, "Top Up" £6,736,612, a surplus on the Collection Fund of £5,021,116 plus S.31 Grants of £17,143,417 for compensation due to national Government business rate relief initiatives

30 January 2024

Agenda Item 11



Portsmouth
CITY COUNCIL

Title of meeting:	City Council
Date of meeting:	06 February 2024 (Cabinet) 13 February 2024 (City Council)
Subject:	Portsmouth City Council - Budget & Council Tax 2024/25 & Medium Term Budget Forecast 2025/26 to 2027/28
Report by:	Director of Finance & Resources (S.151 Officer)
Wards affected:	All
Key decision:	Yes
Full Council decision:	Yes

1. Preface

- 1.1 Working within a Local Government financial envelope set by the Government in their Comprehensive Spending Review 2021 for the period 2022/23 to 2024/25, which did not foresee the elevated and prolonged levels of inflation of the past 2 years, the Budget setting process over this period has been some of the most challenging that the Council has experienced. For the past 2 years it was envisaged that the Council would not have been required to make any savings, the absence of funding keeping pace with inflation and pressures in Social Care has made that impossible.
- 1.2 Cognisant of the risks associated with Social Care cost pressures and inflation generally, it was highlighted that the Council's Forecasts had the potential to vary by +/- £5m over the forecast 3 year period (or £1.67m p.a).
- 1.3 Within 6 months of the Comprehensive Spending Review being set and just 1 month before it came into effect, the financial environment changed rapidly precipitated by the war in Ukraine and other economic factors causing inflation to swiftly escalate across the globe. The enduring impact of elevated inflation has led to unavoidable and unplanned cost increases in the delivery of Council Services as well as a "cost of living crisis" for residents which, in turn, has increased the demand for Council Services. These effects are being experienced in the current year and illustrated by the reported overspendings particularly across the Care Services and Housing and will endure into next year and beyond. Despite this climate of increased cost and demand, the funding envelope for Local Government has remained unchanged.
- 1.4 Rising cost pressures and constrained funding is a feature across Local Government as a whole, with services such as Adult Social Care, Children's Services and Homelessness experiencing the most severe increases in price, demand and therefore cost, and resulting in all councils needing to continue to make substantial budget savings.
- 1.5 For the Council, additional spending of £14.5m in Children's Services and Adult Social Care is required next year simply to maintain services at existing levels. This increase is

represented by the inflation and demand "hangover" of the current year of £4.8m carrying through into next year plus further inflation and demand pressures for next year itself, the most significant of which relates to the 9.8% increase in the National Living Wage (a further £5m) which is passed over to providers of care supporting those residents whose care is paid for by the Council.

- 1.6 Adhering to the Comprehensive Spending Review 2021, Government have not provided any further relief for the extraordinary cost pressures being experienced by Councils over this 2 year period beyond that which was announced in either the Autumn Statement or Provisional Local Government Finance Settlement for 2024/25.
- 1.7 Within the Provisional Local Government Finance Settlement, there is an increase in funding for Social Care generally of £4.1m, this was pre-announced and part of the Comprehensive Spending Review and intended to cover the new burdens associated with "Market Sustainability and Fair Cost of Care" set out in the white paper "People at the Heart of Care". In addition, the funding was provided to enable the Council to support Hospital Discharge, which itself therefore added costs to the Council. The funding was not provided for general increases in cost and demand. The Settlement also confirmed the flexibility to increase Council Tax by an additional 2% (over the 3.0% limit for general purposes) amounting to £1.9m. The Government's own calculations of the increase in funding to Local Councils, using their "Core Spending Power" measure assumes that all Councils will increase their Council Tax by the maximum amount.
- 1.8 Following vehement representations from the Local Government sector and a significant number of Members of Parliament at the unsustainable and unfunded cost pressures being experienced, on 24 January 2024, Government announced a £500m increase in Social Care funding for 2024/25. For Portsmouth this is expected to amount to £1.9m. Taking all Social Care funding together, the Council will receive an additional £6.0m from Government in 2024/25.
- 1.9 Whilst funding from Government has increased by £6.0m, the Cabinet are proposing to increase spending in Adult Social Care and Children's Services by £14.5m just to maintain current service levels and to ensure that the financial position of these services remains robust in the short and medium term. The residual Social Care Funding Gap of £8.5m sets the context for the need for an increase in Council Tax of the maximum permitted at 4.99% to raise £4.8m, and the compulsion to make Budget Savings of £2m.
- 1.10 Even the combination of additional Care Funding, the full increase in Council Tax and £2m of Budget Savings is not sufficient to meet the Social Care Funding Gap. The Council, therefore, is relying on the underlying increase in Business Rates of £5.6m to balance the Social Care position and meet all the demand and inflationary pressures across all other Services of the Council.
- 1.11 As illustrated above, the late announcement of the additional £1.9m for Social Care has provided some, but not full, relief to Councils for their unfunded cost pressures and has helped to avert the need for this Council to draw on its reserves to meet the Social Care Funding Gap.
- 1.12 Aside from Social Care, the "cost of living crisis" is being felt across the spectrum of all other Council Services. This is particularly acute in Housing and the escalating demand for Temporary Accommodation. Housing waiting lists are at elevated levels and rising, and homelessness has doubled at an additional cost to the Council of £1.3m. Coupled with the ceasing of the Household Support Fund (£3.8m in 2023/24), the opportunity for supporting the most financially vulnerable residents next year has now been severely curtailed. Whilst

it is understood that there will be no "cliff edge", it is not yet clear how this funding will be tapered out.

- 1.13 The imperative for the Council to maintain its record of responsible financial management and to avoid entering 2024/25 with a "structural deficit" has required the Cabinet to identify £2m of Budget Savings. Alongside this, the Council must continue to manage and mitigate a substantial amount of forthcoming budget pressures.
- 1.14 It is the substantial and prolonged financial impact of inflation itself, and the "cost of living crisis" for residents resulting from it, that has led to the unavoidable cost and demand pressures being experienced by the Council. These are the driving factors behind the challenges of setting a "structurally balanced budget" for 2024/25.
- 1.15 Looking ahead beyond the Budget 2024/25, the following 3 Year Forward Forecast for the period 2025/26 to 2027/28 is estimated to be a deficit of £3m, this represents the "Base Case", but which could vary between +/- £5m due to cost risks and funding uncertainty. This deficit of £3m (+/- £5m) is predicated on assumed Council Tax increases of 4.99% per annum, representing 2.99% for general purposes and 2% for Adult Social Care in 2024/25 and all future years of the Forecast.
- 1.16 The driving factors behind the Council's future Forecast Deficit of £3m are the rising costs of Social Care coupled with the anticipated impact of the review of Local Government Funding.
- 1.17 The review of Local Government Funding is now anticipated to take place in 2026/27 at the earliest and is forecast to adversely affect the Council's funding level by £1.5m. The funding review covers the following:
- The "Fair Funding Review", (to determine a new formula methodology which will set each Local Authority's baseline funding level and create "winners and losers")
 - The Retained Business Rates system, which involves the removal of all existing growth retained to date (amounting to £4m) and re-distributing that growth nationally according to relative need (rather than where it was generated).
- 1.18 The most significant risks to the 3 Year Forecast Deficit of £3m to 2027/28 are:
- i) The impact on Council Services of the prolonged elevated levels of inflation both on its own costs and in demand for Council Services
 - ii) Unavoidable cost pressures that may arise, particularly in Care Services
 - iii) The level of successful business rate appeals arising from the revaluation in 2023/24
 - iv) The impact of the review of Local Government Funding described above.
- Taking these risks together, the Forecast Deficit has the potential to vary by between +/- £5m, which when spread over 3 years, would therefore amount to annual savings requirements of £1m (Base Case annual sum) +/- £1.67m per annum.
- 1.19 With a "Base Case" Forecast Future Deficit of £3m, the Budget Savings requirements for the future years beyond 2024/25 will be £1m per annum. Given the uncertain nature of the Forecast for future years, the forecast of £1m savings for the years 2025/26, 2026/27 and 2027/28 must be considered as indicative at this stage.

- 1.20 During this unprecedented level of uncertainty, it is imperative that the Council continues to exercise financial restraint and manage its cost base carefully if it is to remain well placed to respond to any inflation and service demand volatility, as well as the review of Local Government Funding. Equally, the Council should retain reserves at the levels proposed in this report to secure the necessary financial resilience to be able to respond in all reasonable circumstances.
- 1.21 The Capital Programme makes proposals for new Capital Expenditure of £33m, of which £19.0m is from Corporate Capital Resources, therefore leveraging in borrowing capability and external funding amounting to £7.8m.
- 1.22 Capital Funding largely comprises specific grants for schemes, grant funding which is required to be passported to Services, or borrowing for Invest to Save Schemes. Genuinely unrestricted Capital Funding (within Corporate Resources) remains scarce and arises from Community Infrastructure Levy receipts and contributions from the Revenue Budget.
- 1.23 Available Capital Resources for 2024/25 have been targeted to:
- 1) Provide for statutory requirements including School Places, Transport Safety, Homelessness and necessary Health and Safety obligations
 - 2) Ensure that the Council's services to residents continue to operate from safe "fit for purpose" buildings
 - 3) Support the renewal of the Council's aging Leisure Estate and end of life sports and play facilities across the City
 - 4) Continue the Council's environmental agenda, including the downsizing of the Civic Offices and further greening initiatives
 - 5) Continue with the Council's key regeneration opportunity for the City Centre North, aiming to stimulate housing and employment in the Council's most deprived area.
- 1.24 The Council's proposed Budget for 2024/25 will inevitably carry substantial risk seeking to accommodate the uncertain inflationary environment, the continuing pressures in Social Care and the increasing demands for Council Services arising from the "cost of living crisis", all making a compelling case for maintaining the minimum level of General Reserves to be held of £10m.
- 1.25 The key proposals within this report recommend a Budget for 2024/25 that provides for:
- The full financial impact of the extraordinary inflation and associated demand related cost pressures experienced over the past year and extending into 2024/25
 - £2.0m of Budget Savings driven by the Social Care Funding Gap that the Council has been unable to mitigate
 - A Council Tax increase of 4.99% (2.0% of which is raised specifically to be passported to Adult Social Care)
 - Increased spending in Adult Social Care of £9.4m; being greater than the funding provided by the Adult Social Care precept (£1.9m) and the additional Social Care funding from Central Government (£6.0m)
 - Increased spending in Children's Services of £5.1m
 - A forecast £3m deficit for the 3 year period to 2027/28 but which could vary between +/- £5m

- A minimum savings requirement for 2025/26 of £1m but with any future year's savings beyond 2025/26 subject to review at next year's Annual Budget Meeting (February 2025)
- New Capital Investment of £33m.

1.26 An Executive Summary of these key points and others is set out on the next page.

EXECUTIVE SUMMARY

Context

- Since 2011/12, the Council will have made £108m in savings (49% of controllable spend)
- Adult and Children's Social Care representing in excess of 50% of controllable spend, provide services to the most vulnerable, experience the greatest cost pressures and have historically received significant protection from savings
- Funding levels (e.g. Government Funding, Council Tax and Business Rates) have not kept pace with the cost pressures arising from prolonged levels of inflation and the ensuing "cost of living crisis"
- The Council continues to operate in a climate of uncertainty created by prolonged inflation and its volatility, cost of living related increases in demand for services and the forthcoming review of the Local Government Funding system
- The Council's Medium Term Financial Strategy seeks to maximise savings through income generation, economic regeneration and efficiency measures.

Budget Consultation - "The Big Portsmouth Survey" (September 2023)

- The "Top Three" most important service areas for residents at present are, in order of popularity:
 - Ensure people have access to the health and care services they need (68%)
 - Making sure people feel safe and supported in their homes and communities (40%)
 - Regenerate major sites to create homes, jobs and economic opportunities in the City (29%)
- Compared with current levels of spending in Portfolio areas, residents suggest reducing spending in Community, Wellbeing, Health & Care and Children, Families & Education and spending more on Safety in the Community and Housing & Tackling Homelessness
- The "Top Three" priorities for Capital Investment were:
 - Building new homes in the City, including flats offering special care for elderly residents (49%)
 - Invest in greening projects across the City (37%)
 - Create better facilities for sustainable transport such as cycling and walking (37%)
 - Build more classrooms and specialist provisions for children with additional needs (37%)

EXECUTIVE SUMMARY (Cont'd)

Revised Budget 2023/24

- A Balanced Budget for 2023/24
- Contingency provision for forecast overspendings - Inflation & Demand related costs across Services - £10.0m
- Increased losses at Portico - £2.2m
- Higher pay award - £1.8m
- Improvement in Treasury Management activities £8.7m
- General Reserves at £21.4m.

Budget 2024/25

- A "Structurally Balanced" Budget with General Reserves at £21.2m
- Total increase in spending of £20.1m (including all cost and inflationary pressures)
- Total Savings of £2.0m necessary to offset the extraordinary costs of inflation and demand related budget pressures
- Additional Spending in Children's Services of £5.1m (to cover existing overspendings and other unavoidable cost pressures)
- Additional Spending in Adult Social Care of £9.4m (including the uplift in the National Living Wage of 9.8% that will be passed to care providers as well as all other inflationary pressures)
- An inflationary uplift for all Services at an average of 6.4% in order to maintain "steady state" services and amounting to £2.6m (excluding Adult & Children's Social Care above)
- Additional Government Funding of £5.2m for 2024/25, with £6.0m provided for Social Care but a cut for all other services of £0.8m
- A Council Tax increase of 4.99%, of which:
 - 2.99% is for general council services
 - 2.0% (amounting to £1.9m) is to be passported directly to Adult Social Care
- Sums set aside within the Council's Corporate Contingency for known risks including Temporary Accommodation, Port Health, Buildings Maintenance and all other known and potential liabilities.

EXECUTIVE SUMMARY (Cont'd)

Future Forecast - 2025/26 to 2027/28

- A Forecast Deficit for the new 3 Year Period to 2027/28 of £3m but predicated on a Council Tax increase of 4.99% per annum, representing 2.99% for general purposes and 2.0% for Adult Social Care
- A minimum requirement for Budget Savings of £1m for 2025/26
- Potential for the "Forecast Deficit" of £3m to vary between +/- £5m due to the considerable uncertainty associated with inflation and unavoidable cost pressures that may arise (particularly in Care Services), business rate appeals arising from the 2023/24 revaluation and the forthcoming review of Local Government Funding
- An assumption that the Council will introduce a 100% Council Tax premium for second homes commencing in April 2025
- Future forecasts make some provision for contributions towards necessary Capital Investment requirements
- General Reserves are maintained at circa. £21m over the period
- The Council will need to continue to exercise financial restraint and manage its cost base carefully to remain well placed to respond to any inflation and service demand volatility as well as the review of Local Government Funding.

Capital Programme 2023/24 to 2028/29

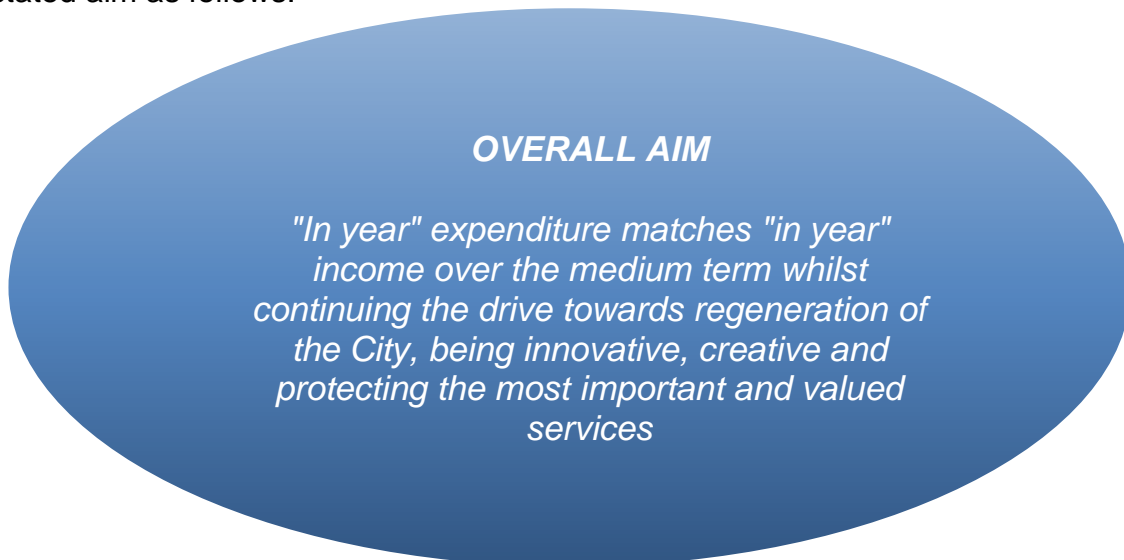
- Total New Capital Investment of £33m
- Key Investments include:
 - School places across Secondary and Special School Sectors - £7.5m
 - New Leisure Centre incl. Pool, Sports Facilities and GP Surgery - £6.6m
 - Port Shore Power facilities - £5m
 - Critical Buildings Maintenance - £2.5m
 - Transport and Street Environment improvements (including active travel) - £5.2m.

Conclusion

- The Council's financial health is sound and remains well placed to face future inflationary and demand volatility as well as the uncertainty arising from the review of Local Government Funding.

2. Purpose of report

- 2.1 The primary purpose of this report is to set the Council's overall Budget for the forthcoming year 2024/25 and the associated level of Council Tax necessary to fund that Budget.
- 2.2 The report makes recommendations on the level of Council spending for 2024/25 and the level of Council Tax in the context of the Council's Medium Term Financial Strategy, with its stated aim as follows:



- 2.3 The recommended Budget for 2024/25 has been prepared on the basis of the following:
- The requirement to meet savings amounting to £2.0m to achieve a "structurally balanced budget" and accommodate the substantial cost pressures being driven by extraordinary levels of inflation and service demand
 - An increase in the level of Council Tax for 2024/25 for general purposes of 2.99%
 - The flexibility to increase the level of Council Tax for an "Adult Social Care Precept", within the limits set by Central Government at 2.0%, and the direct passporting of that additional funding to Adult Social Care to provide for otherwise unfunded cost pressures including the 9.8% increase in the National Living Wage.
- 2.4 This report also provides a comprehensive revision of the Council's rolling 3 Year Forward Financial Forecast for the new period 2025/26 to 2027/28 (i.e. compared to the previous forecast covering 2024/25 to 2026/27, this forecast now replaces the forecast for the previous 3 year period).
- 2.5 The new forecast considers the future outlook for both spending and funding, and in that context, wider recommendations are made regarding the levels of reserves to be maintained and additional contributions to the Capital Programme in order to meet the Council's needs and aspirations for the City, as well as maintaining the Council's overall financial resilience throughout this uncertain period.
- 2.6 In particular, this report sets out the following:
- (a) The impact of the dramatic change in the financial environment over the past 2 years and how that legacy translates into the financial challenges now presented for 2024/25 and beyond

- (b) A brief summary of the Medium Term Financial Strategy for achieving the necessary savings
- (c) The revised Revenue Budget and Cash Limits for the current year
- (d) The Local Government Finance Settlement for 2024/25
- (e) The Business Rate income for 2024/25 and future years
- (f) The Council Tax base and recommended Council Tax for 2024/25
- (g) The forecast Collection Fund balance as at 31 March 2024 for both Council Tax and Business Rates
- (h) The detailed indicative savings (Appendix C) that could be made by each Portfolio / Committee in meeting its overall savings amount in order to provide the Council with the assurance necessary to approve the recommended savings amount for each Portfolio / Committee
- (i) The proposed Revenue Budget and Cash Limits for 2024/25
- (j) The forecast Revenue Budgets for 2025/26, 2026/27 and 2027/28
- (k) Estimated General Reserves over the period 2023/24 to 2027/28
- (l) The Medium Term Resource Strategy (MTRS) Reserve, its financial position and proposed use to achieve cashable savings
- (m) The proposed Capital Programme and "new starts" (including the Housing Investment Capital Programme) for 2024/25 and future years in accordance with the Capital Strategy
- (n) The Statement of the S.151 Officer on the robustness of the budget in compliance with the requirements of the Local Government Act 2003.

3. Recommendations

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

- 1) The revised Revenue Estimates for the financial year 2023/24 and the Revenue Estimates for the financial year 2024/25 as set out in the General Fund Summary (Appendix A)
- 2) The Portfolio Cash Limits for the Revised Budget for 2023/24 and the Budget 2024/25 incorporating the savings amounts for each Portfolio and amounting to £2.0m as set out in Sections 7 and 11, respectively
- 3) To maintain the overall financial resilience of the Council, any underspendings arising at the year-end (outside of those made by Portfolios) be transferred either to Capital Resources to fund future Capital Programmes, the MTRS Reserve or General Reserves with the level of each transfer to be determined by the S.151 Officer
- 4) 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
- 5) The S.151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts

- 6) That the level of Council Tax be increased by 2.99% for general purposes in accordance with the referendum threshold¹ for 2024/25 announced by Government (as calculated in recommendation 3.4 (d))
- 7) That the level of Council Tax be increased by a further 2.0% beyond the referendum threshold (as calculated in recommendation 3.4 (d)) to take advantage of the flexibility offered by Government to implement a "Social Care Precept", and that in accordance with the conditions of that flexibility, the full amount of the associated sum generated of £1,922,600 is passported direct to Adult Social Care
- 8) Managers be authorised to incur routine expenditure against the Cash Limits for 2024/25 as set out in Section 11
- 9) That a minimum savings requirement of £1m for 2025/26 be set at this stage but that this is kept under review, pending any significant impact on the Council's future Forecast that may arise during 2024/25
- 10) 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
- 11) The minimum level of General Reserves as at 31 March 2025 be maintained at £10.0m to reflect the known and expected budget and financial risks to the Council
- 12) The Revised Capital Programme 2023/24 to 2028/29 attached as Appendix E which includes all additions, deletions and amendments for slippage and re-phasing
- 13) 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
- 14) 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 any other external source)
- 15) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & S.151 Officer, the schemes described in Appendix D be reflected within the recommended Capital Programme 2023/24 to 2028/29
- 16) Subject to a satisfactory financial appraisal approved by the Director of Finance and Resources & S.151 Officer, that delegated authority to borrow up to £15m per year be granted in order that the Council can enter into transactions in an efficient and timely fashion and avoid the risk of lost opportunities which may be of a time critical nature
- 17) The Prudential Indicators described set out in Appendix F be approved
- 18) Members have had regard for the Statement of the S.151 Officer in accordance with the Local Government Act 2003 as set out in Section 16.

3.2 That the following be **noted** in respect of the Council's Revenue Budget and Capital Programme:

- 1) The Revenue Estimates 2024/25 as set out in Appendix A have been prepared on the basis of a 2.0% tax increase for the "Social Care Precept" (amounting to £1,922,600) 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 Council Tax increases beyond the referendum threshold can only be implemented following a "Yes" vote in a local referendum

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

- 2) 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 2.0% tax increase is not taken, then equivalent savings will need to be made in Adult Social Care in 2024/25
- 3) In general, any reduction to the proposed increase in the level of Council Tax for 2024/25 will require equivalent offsetting savings to be made in order for the Budget 2024/25 to be approved. Each 1% reduction requires additional savings of £961,300 to be made
- 4) The indicative savings proposals set out in Appendix C which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 3.1 2) above, are robust and deliverable
- 5) The likely impact of savings as set out in Appendix C
- 6) That the responsibility of the Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the Council to approve any individual savings within those Portfolios / Committees
- 7) That it is the responsibility of the individual Portfolio Holders (not Full Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value within their Portfolio
- 8) Managers will commence the implementation of the approved savings required and any necessary consultation process or notice process
- 9) The Revenue Forecast for 2025/26 to 2027/28 as set out in Section 12 and Appendix B
- 10) That, at this stage, the Council's Future Forecast for the 3 Year Period 2025/26 to 2027/28 is estimated to be a £3m Deficit; this is the Council's "central base case scenario" but due to the uncertainty associated with inflation, unavoidable cost pressures that may arise (particularly in Care Services), business rate appeals arising from the 2023/24 revaluation and the forthcoming overhaul of Local Government Funding, this could vary by +/- £5m
- 11) 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 £7.3m 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
- 12) The Council's share of the Council Tax element of the Collection Fund surplus for 2023/24 is estimated to be £2,357,452
- 13) The Council's share of the Business Rate element of the Collection Fund surplus for 2023/24 is estimated to be £5,021,116
- 14) The Retained Business Rate income² for 2024/25 is based on the estimated Business Rate element of the Collection Fund surplus as at March 2024, the Non Domestic Rates poundage for 2024/25 and estimated rateable values for 2024/25 and has been determined at £70,907,151
- 15) That Cabinet Members, in consultation with the S.151 Officer, have authority to vary Capital Schemes and their associated funding within or across Portfolios in order to

² Includes Retained Business Rates £42,006,006, "Top Up" £6,736,612, a surplus on the Collection Fund of £5,021,116 plus S.31 Grants of £17,143,417 for compensation due to national Government business rate relief initiatives

manage any potential overspending or funding shortfall or to respond to emerging priorities

- 16) That Cabinet Members, in consultation with the S.151 Officer, have authority to vire funding between Portfolios (both Revenue and Capital Budgets) in order to manage any potential overspending or funding shortfall or to respond to emerging priorities
- 17) The City Council note that Prudential Borrowing can only be used as a source of capital finance for Invest to Save Schemes.

3.3 That the S.151 Officer has determined that the Council Tax base for the financial year 2024/25 will be **58,299.40** [item T in the formula in Section 31 B(1) of the Local Government Finance Act 1992, as amended (the “Act”)].

3.4 That the following amounts be now calculated by the Council for the financial year 2024/25 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£543,649,931	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£442,724,925	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£100,925,006	Being the amount by which the aggregate at 3.4 (a) above exceeds the aggregate at 3.4 (b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B(1) of the Act.
(d)	£1,731.15	Being the amount at 3.4(c) above (Item R), all divided by Item 3.3 above (Item T), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year.

(e) Valuation Bands (Portsmouth City Council)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,154.10	1,346.45	1,538.80	1,731.15	2,115.85	2,500.55	2,885.25	3,462.30

Being the amounts given by multiplying the amount at 3.4(d) above by the number which, in the proportion set out in Section 5 (1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36 (1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings in different valuation bands.

- 3.5 That it be noted that for the financial year 2024/25, 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
£	£	£	£	£	£	£	£
174.31	203.36	232.41	261.46	319.56	377.66	435.77	522.92

- 3.6 That it be noted that for the financial year 2024/25, for Hampshire and Isle of Wight Fire and Rescue Authority it is recommended that 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 and Isle of Wight Fire and Rescue Authority)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
55.23	64.43	73.64	82.84	101.25	119.66	138.07	165.68

- 3.7 That having calculated the aggregate in each case of the amounts at 3.4(e), 3.5 and 3.6 above, the Council, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992 as amended, hereby sets the following amounts as the amounts of Council Tax for the financial year 2024/25 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,383.64	1,614.24	1,844.85	2,075.45	2,536.66	2,997.87	3,459.09	4,150.90

- 3.8 The Council determines in accordance with Section 52ZB of the Local Government Finance Act 1992 that the Council's basic amount of Council Tax for 2024/25, which represents a 4.99% increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZC of the Act; and it be noted that:

- i) The 4.99% increase includes a 2.0% 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 Hampshire Police & Crime Commissioner or the Hampshire and Isle of Wight Fire and Rescue Authority) that its relevant basic amount of Council Tax for 2024/25 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK of the Local Government Finance Act 1992.

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

4. Budget Consultation

4.1 The budget consultation was included within a broader online survey - The Big Portsmouth Survey Wave 5. The survey was available from 24 July 2023 to 03 September 2023 and has been used to assist the Cabinet in formulating its Budget proposals. The consultation was promoted through the following channels:

- Press release announcing start of consultation
- Social media promotion including boosted posts and adverts
- PCC website
- PCC email marketing distribution lists
- Inclusion in news bulletins
- Inclusion in staff bulletins and all-staff emails.

4.2 Using the various channels of marketing and communications listed above, the consultation attracted 2,652 responses (1,519 responses in 2022). Assuming a 'total population' of 170,818 people (the latest 2021 census data from the Office for National Statistics for people aged 16+ in Portsmouth), this volume of responses ensures a 95% confidence level with a margin of error of 2%.

4.3 The Executive Summary of the "Budget Consultation 2023 (Relating to 2024/25 Fiscal Year)" is reproduced below:

Summary of Findings - "The Big Portsmouth Survey" (September 2023)

4.4 Key findings from the budget consultation are outlined below:

- The core responsibilities residents feel are most important are 'keep the city clean, tidy and safe', 'collect the bins and offer recycling opportunities', 'maintain our transport infrastructure, parks, open spaces and sports provision' and 'ensure older people and vulnerable adults are looked after and supported to live independently'.
- The top broader priority respondents feel the council should focus on is 'ensure people have access to the health and care services they need' (68%). Further analysis shows there is no geographical variation in priorities between respondents from different postcode districts.
- When asked to divide a hypothetical £100 between the council's nine portfolios, respondents allocate the highest proportion of funding, on average, to 'community wellbeing, health and care' (18%) and 'children, families and education' (18%) - both

represent a decrease on the current budget allocation (-12 and -9 percentage points respectively).

- Respondents would like to see the budget allocation for 'safety in the community' increased by ten percentage points, and 'housing and tackling homelessness' increased by nine percentage points.
- Three quarters of respondents agree that the council should be spending more money on environmental, climate change and greening projects
- Respondents who left further comments on the consultation survey feel that the council should spend more on 'healthcare' (15%), 'police, crime, anti-social behaviour and safety' (15%), the environment (12%) and housing (12%)
- Respondents feel that 'building new homes in the City, including flats offering special care for elderly residents' (49%) is the most important project for the Council to spend its capital budget on. This is followed, in order of popularity, by 'invest in greening projects across the city'(37%), 'create better facilities for sustainable transport such as cycling and walking' (37%),and 'build more classrooms and specialist provisions for children with additional needs' (37%).
- A larger proportion of females compared to males took part in the consultation survey (58%). In line with usual trends in council consultations, a large proportion of respondents are aged 55 and over (58%).
- The vast majority of respondents are White (97%), and 29% of respondents in the consultation sample have a disability or long-term illness.

4.5 The full analysis can be found in Appendix G.

5. Medium Term Financial Strategy

5.1 The Council has been required to make £108m in savings and efficiencies over the past 13 years in order to balance the Budget, ensuring that spending remains in line with income and funding levels. This represents 49% of all controllable spending.

5.2 To deliver this magnitude of savings, the City Council has followed a Medium Term Financial Strategy (for both Revenue and Capital) with an emphasis on regeneration, innovation and creativity leading to stimulation of the funding base (Council Tax and Business Rates) and income generation as a means to make savings and avoid cuts to services. This is illustrated below and on the next page.

OVERALL AIM

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

STRAND 1 - Short / Medium Term

Transforming to an Innovative and Creative Council - through income generation

STRAND 2 - Medium / Long Term

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

STRAND 3 - Short / Medium Term

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

STRAND 4 - Short Term

Withdraw or Offer Minimal Provision for Low Impact Services

- 5.3 With an emphasis on innovation and regeneration activities, there is a presumption that Capital Investment will also be targeted towards income generation and economic growth once the Council's statutory obligations have been met.

6. Revised Budget 2023/24

- 6.1 The original Revenue Budget approved by the City Council on 28 February 2023 was £201,586,700 and did not rely on any draw down from General Reserves.
- 6.2 The Cabinet has received regular quarterly Budget Monitoring reports on the 2023/24 Budget throughout the year. Those forecasts have consistently reported a broadly balanced position overall but with significant overspendings amounting to almost £7m being met from a combination of the Council's Corporate Contingency, Portfolio Reserves and a significant forecast underspending in the Council's Treasury Management activities.
- 6.3 In the main, the forecast overspendings in the current year's Budget will endure into 2024/25 and future years but the offsetting underspend in Treasury Management will not. The main forecast overspendings in the current year are:
- Children, Families and Education - £2.0m
 - Adult Social Care - £2.8m
 - Housing & Tackling Homelessness - £1.6m.

To accommodate these forecast Portfolio overspendings and other potential risks, £10m has been set aside within the Council's Corporate Contingency.

- 6.4 Other key adjustments to the Council's Revised Budget 2023/24 have been made to accommodate the following:
- Increased losses at Portico - £2.2m

- Higher pay award - £1.8m
- Improvement in Treasury Management activities £8.7m.

6.5 The legacy impact of the prolonged period of extraordinary levels of inflation and ensuing "cost of living" crisis have been the defining factors affecting the Budget in the current year and will continue to do so into 2024/25. Whilst the additional costs have been substantial, the combination of improved returns from the Council's Treasury Management activities plus the funding provided by the Council's Corporate Contingency and Portfolio Reserves has enabled the Budget 2023/24 to remain in balance.

6.6 The Original Budget has now been comprehensively revised and it is proposed to reduce the Budget to £201,487,000, an overall reduction of £99,700 or 0.05%. Whilst spending has reduced, estimated funding has also reduced by £302,900, a net movement of £203,200.

6.7 As a consequence of the net deterioration in the Council's financial position of £203,200, the originally planned £99,300 contribution to General Reserves is now a £103,900 withdrawal from General Reserves.

6.8 The Revised Revenue Budget is set out in the General Fund Summary (Appendix A).

7. Revised Cash Limits 2023/24

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

7.2 The Cash Limits for 2023/24 have been revised to take account of:

- Items released from Contingency in the current year
- Windfall savings and windfall costs
- Passporting of grants that were received for new burdens or specific purposes
- Adjustments to reflect forecast underspends, transfers to / from Portfolio reserves, additional unavoidable costs and other City Council decisions throughout the year.

7.3 The table on the next page sets out the revised Cash Limits for 2023/24 and those items outside the Cash Limit (e.g. capital and similar charges, levies and insurance premiums), which together form the Revised Budget for each Portfolio.

Portfolio	Revised Cash Limits 2023/24 £'000	Items Outside the Cash Limit £'000	Revised Budget 2023/24 £'000
Children, Families & Education	50,257	17,923	68,180
Climate Change and Greening the City	24	0	24
Community, Wellbeing, Health & Care	54,742	5,034	59,776
Culture, Leisure & Economic Development	11,293	5,107	16,400
Environmental Services	15,169	1,565	16,734
Housing & Tackling Homelessness	3,365	3,138	6,503
Leader	(23,557)	1,514	(22,043)
Planning Policy & City Development	1,431	0	1,431
Resources	24,894	7,057	31,951
Safety in the Community	2,757	556	3,313
Transport	12,433	9,923	22,356
Portfolio Expenditure	152,641	51,919	204,560

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

8. Revenue Budget 2024/25

8.1 As described in the previous section, the legacy "hangover" from Social Care, Housing and the Pay Award in the current year, in total amounting to £8.2m in addition to inflationary costs in 2024/25 at £9.4m across all Services, are the defining factors for the 2024/25 Budget which in total has increased by £20.1m. This is explained further below.

Budget & Inflationary Pressures 2024/25

8.2 In the current financial year, a number of Portfolios are exhibiting signs of financial stress largely relating to the effects of the high inflation / high demand environment, the impact of which is expected to endure into 2024/25 and beyond. At the mid-point of the year (September 2023) the Consumer Price Index (CPI), the main measure of inflation, was 6.7% versus the Office of Budget Responsibilities central assumption of 5.5% and pay increased by 6.7% versus a budget assumption of 4.0%. Inflation and demand in the Care Services specifically were at levels significantly greater than budgeted and the demand for temporary accommodation doubled.

8.3 These pressures emanating in 2023/24 and their ongoing impact plus all other inflationary and unavoidable Budget Pressures have been factored into the Budget for 2024/25. The Budget proposal for 2024/25 represents an increase in spending of £20.1m over the Budget for 2023/24 and includes additional costs and inflationary pressures as follows:

- Additional Spending in Adult Social Care of £9.4m (to include overspendings in the current year, inflation and the uplift in the National Living Wage of 9.8% that will be used to support care providers as well as all other cost and inflationary pressures)

- Additional Spending in Children's Services of £5.1m (to include inflation, existing overspendings in the current year, Home to School Transport, Placement Costs and additional Social Worker costs)
- An inflationary uplift for all Services to maintain "steady state" provision amounting to £2.6m (excluding Adult Social Care and Children's Services above)
- Additional Costs of Temporary Accommodation - £1.3m
- Other Windfall Costs and unavoidable Budget Pressures - £1.7m
- The Council has also made Budget provision within the Corporate Contingency for the costs associated with the D-Day 80 Anniversary

8.4 The paragraphs that follow describe the Council's funding position alongside the spending and savings proposals that provide for a "structurally balanced" Budget for 2024/25.

Funding - Summary of the Local Government Finance Settlement

8.5 The Local Government Finance Settlement is the term used to describe the main non-ring-fenced Revenue and Capital grant funding allocations from Government.

8.6 In overall terms the provisional Local Government Settlement has provided additional grant funding in 2024/25 of £5.2m as follows:

- i) Increase in Social Care Grant (for Adult Social Care and Children's Services) - £4.7m
- ii) Social Care market sustainability & improvement - £0.5m
- iii) Support for hospital discharge - £0.8m
- iv) Reduction in Grants for all other Services - £0.8m

8.7 Set against the new funding of £6.0m of funding from Social Care (Adults and Children) are the existing and known Budget Pressures across those Services of £14.5m, leaving a funding shortfall of £8.5m. Therefore, further funding from the Adult Social Care Precept of £1.9m is required to narrow the gap between these cost pressures and the funding available.

8.8 Other features of the Settlement include:

- A 1 year Settlement for 2024/25
- No increase in the Improved Better Care Fund, therefore remaining "cash flat"
- Council Tax increase thresholds of:
 - 3.0% or £5 for Shire District Councils
 - 3.0% for Upper Tier and Unitary Councils
 - 2.0% for Adult Social Care (Upper Tier Authorities only)
 - 3.0% for Fire and Rescue Authorities
 - £13 for Police & Crime Commissioners
- No announcement regarding the future of the Household Support Fund although it is anticipated that it will be tapered out over 2024/25.

8.9 It has now been 8 years since the Government first announced that it would consult and implement a Local Government Funding Review. The Funding Review has been further delayed and is not expected to be implemented until 2026/27 at the earliest. The Funding Review covers the following:

- The "Fair Funding Review" (to determine a new formula methodology which will set each Local Authority's baseline funding level and create "winners and losers")
- The Retained Business Rates system which involves the removal of all existing growth retained to date (amounting to £4m) and re-distributing that growth nationally according to relative need (rather than where it was generated) and in accordance with the "Fair Funding Review" formula (above).

8.10 Whilst the Local Government Finance Settlement is a significant factor in determining the Council's overall financial position and therefore any necessary savings, other significant factors that will affect the Council's future financial position include Business Rates income, Council Tax income, inflation, interest rates and any new unfunded burdens passed down from Government. These are described in the paragraphs that follow.

Funding - Retained Business Rates 2024/25 & Future Forecasts

8.11 The Retained Business Rates system is complex and subject to a significant degree of inherent risk. The current national system is characterised by a complex formula which includes the following:

- i) Retention of 50%³ of all business rates received and which is affected by the value of successful appeals, the number of mandatory reliefs (e.g. charitable relief) and the overall collection rate (i.e. how much is uncollectable and written off)
- ii) Increased by a fixed amount "top up" which increases annually by the rate of inflation
- iii) Compensation through S.31 Grants for national government initiatives which have the effect of reducing Business Rates to the Local Authority such as business rate capping for small businesses
- iv) A "safety net" set at 7.5% below a pre-determined baseline below which retained Business Rates will not fall.

8.12 In total, for 2024/25, Retained Business Rates are estimated at £70.9m⁴ which includes a surplus relating to the previous year of £5.0m (although this partly relates to timing differences which are neutral on the overall financial position, with the remainder being of a "one-off" nature and used to "even out" Business Rate income volatility over time).

8.13 The estimation of Business Rate receipts is extremely complex, with the potential to be volatile and with many of the factors outside this Council's control. In particular, the Valuation Office Agency will determine whether a rating appeal is successful, and the level of reduction granted with the Council having no right of challenge. To help mitigate against this risk, the Council maintains a reserve to provide the Council with a degree of funding stability in the event of fluctuations within and between years.

³ 49% To the City Council and 1% to the Hampshire and Isle of Wight Fire & Rescue Authority

⁴ Includes Retained Business Rates £42,006,006, "Top Up" £6,736,612, a surplus on the Collection Fund of £5,021,116 plus S.31 Grants of £17,143,417 for compensation due to national Government business rate relief initiatives

- 8.14 Despite the complications and risks associated with appeals, there remains the financial incentive within the system for many Local Authorities (including Portsmouth⁵) to generate economic growth and job creation. Irrespective of the financial incentive, the Council's Medium Term Financial Strategy is aimed at reducing the need for Council Services generally and therefore growth, jobs and prosperity are vital to achieve that.
- 8.15 From 2026/27, there is expected to be a review of the Business Rate Retention Scheme, the details of which are not yet known. The review will include a "Reset" which will remove all current business rate growth currently being enjoyed by authorities and which for the Council amounts to £4.0m⁶.
- 8.16 The Business Rate growth enjoyed by all Councils will be removed from Councils, aggregated and then re-distributed based on "Need" through the Fair Funding Review. If the Council's "Relative Needs" have increased by more than the average of all other Councils, then the Council will be a "winner " in terms of the re-distribution and vice versa.

Funding - Council Tax Proposals 2024/25 & Future Years

Collection Fund Balance (Council Tax Element) 2023/24

- 8.17 The Collection Fund is the account into which are paid amounts collected in respect of Council Tax and out of which are paid the Council Tax precepts to:
- Portsmouth City Council (83.2% share)
 - Hampshire Police & Crime Commissioner (12.7% share)
 - Hampshire and Isle of Wight Fire and Rescue Service (4.1% share)

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

For 2023/24, it is estimated that the Collection Fund will be in surplus by £2,831,968. The Portsmouth City Council element of that amounts to £2,357,452.

This surplus is factored into the Council Tax income estimates for 2024/25.

Council Tax Amount

- 8.18 The Council has a relatively low taxbase and a relatively low tax charge. That means that both the average Council Tax band is low, and the amount of Council Tax charged to residents is also low compared with our statistical neighbours. By illustration, the Council receives circa £9.0m per annum less in Council Tax than the average Unitary Authority within its statistical neighbour group, and therefore Portsmouth City Council has a 9.4% lower Council Tax.
- 8.19 The level of Council Tax charged is an important factor in relation to the Fair Funding Review, which will make a deduction to a Local Authority's overall funding allocation in respect of the amount that can be raised locally through Council Tax. The Council's past decisions to maintain a low level of Council Tax have been, and are expected to continue

⁵ Applies to Local Authorities that, in general, remain above the safety net threshold over time

⁶ Based on 2023/24 Estimates in a 50% Business Rate Retention Scheme

to be, a disadvantage in relation to the Council's funding allocation after the Fair Funding Review. This is because the funding formula is expected to continue to make a deduction based on a *national average level of Council Tax* which is currently significantly higher than that of Portsmouth, resulting in a higher deduction than the Council currently raises in Council Tax.

- 8.20 Council Tax is expected to represent 47% of the Council's total revenue funding next year and as Government funding has reduced, this has become an increasingly more important and dependent funding source for the Council.
- 8.21 Council Tax for the average Council Tax payer in Portsmouth (Band B) currently amounts to £1,540.59, of which £1,282.45 (83%) is the City Council element. Not all residents are subject to the full amount of Council Tax with many benefitting from exemptions and discounts (such as the single person discount) and a significant number of residents receiving Local Council Tax Support bringing the level of Council Tax payable to an assessed affordable level. After discounts, exemptions and Local Council Tax Support is taken into account, circa. 57% of all properties are subject to the full level of Council Tax.
- 8.22 The Provisional Local Government Finance Settlement for 2024/25 confirmed a Council Tax increase limit for general purposes (i.e. referendum threshold) of 2.99%. Any increase beyond the 2.99% threshold can only be implemented following a "Yes" vote in a local referendum.
- 8.23 As described more fully earlier in this report, the actual level of inflation for the Council in 2024/25, taking into account pay and price rises that the Council is exposed to specifically, significantly exceeds the level of increase allowed in the Council Tax. The Council's estimated inflation amounts to a composite 6.4%.
- 8.24 The additional flexibility to apply a Council Tax increase for the Adult Social Care Precept has been provided in recognition of the extreme cost pressures facing Adult Social Care, both through the increase in the National Living Wage (which has increased by 9.8% and affects the Council's contracts with Care Providers for Adults) as well as the demographic pressures from general aging and a "living longer" population.
- 8.25 For Portsmouth City Council, it is vital that the flexibility of the Adult Social Care (ASC) Precept is taken for the following reasons:
- The Service is already experiencing Budget Pressures in the current year, which for 2024/25 are expected to amount to £2.8m
 - The National Living Wage increase of 9.8% plus other demand and inflationary pressures facing the Service amount to £6.6m (in addition to the £2.8m above)
 - Additional funding from Government to cover both Adult Social Care and Children's Services unavoidable cost pressures results in an overall Social Care Funding Gap of £8.5m⁷
 - The alternative to not applying the 2% ASC Precept would be to increase the level of savings required by the Service, presenting risks to the wider health system.
- 8.26 Given the scale of cost and inflationary pressures generally and in particular the demographic pressures within both Adult Social Care and Children's Services, it is proposed that:

⁷ Children's Social Care cost pressures £5.1m, Adults Social Care cost pressures £3.4m, less increase in Social Care Grants of £6.0m

- i) The Council Tax for General Purposes be increased by 2.99% for 2024/25, representing 74p per week for a Band B tax payer and yielding £2.9m
 - ii) Adult Social Care precept be increased by 2.0% for 2024/25, representing 49p per week for a Band B tax payer and yielding £1.9m to be passported direct to Adult Social Care.
- 8.27 The Council could elect not to increase the level of Council Tax by 4.99% but if it chose to do so would need to identify additional savings to maintain "structural budget" balance over and above the £2.0m savings proposed. For every 1% reduction in Council Tax, additional savings of £961,300 will be required.

Council Tax Base

- 8.28 The Council Tax Base (i.e. the number of Band D equivalent properties paying the full Council Tax) has been determined as **58,299.4** for 2024/25.

Total Council Tax Income 2024/25 & Future Years

- 8.29 Considering the Council Tax increase, Council Tax Base and the surplus on the Collection Fund, the total Council Tax income for 2024/25 is estimated at £103,282,458.
- 8.30 As Government funding reduces, rises in Council Tax income are fundamental to the Council's future financial position and therefore the future sustainability of Council Services. The Council's Medium Term Financial Forecast assumes that Council Tax Income will rise to £117,162,373 by 2027/28 and is based on the following assumptions:
- Annual increase in the amount of Council Tax of 4.99% for 2024/25 and each year thereafter (including 2% p.a. for the Adult Social Care Precept)
 - An increase of £1.1m due to the adoption of a policy to introduce a 100% Council Tax Premium on Second Homes from April 2025

Funding Summary

- 8.31 Over the 3 year period of the Council's forecast, funding is anticipated to rise by just 5.5% (or an average of 1.8% p.a.), reflecting:
- Increases in Council Tax of 4.99% per annum and the introduction of a 100% Premium on Second Homes
 - Government Funding rising in line with inflation
 - Inflation related rises in Business Rate income but offset by a loss of income arising from the review of Local Government Funding amounting to £1.5m.

Cumulative Effects of the Overall Local Government Funding System

- 8.32 Over the past 11 years and including the coming year, the emphasis of the Local Government Funding system has changed considerably. There are clear financial incentives for Local Authorities to promote business growth and increase employment. This is illustrated by the following:

- The Business Rates retention scheme allows the City Council to retain (for a period of time between "resets") circa £0.7m for every 1% increase in Business Rate growth (under the 50% BRR scheme). Equally, the City Council will lose £0.7m for every 1% decline in the Business Rate base
- The risk of increased numbers of households requiring financial support to pay their Council Tax (formerly Council Tax Benefit) falls on the City Council. The City Council therefore will be worse off if caseloads increase, and better off if caseloads fall. The estimated value of the Council Tax support for 2024/25 is £11.4m. Each 1% change therefore will represent a cost / saving of £114,000.

8.33 Whilst the Fair Funding Review and Business Rate Retention Scheme (expected to be introduced in 2026/27) may alter these incentives, it is still expected that they will remain significant given the continued drive to incentivise Local Councils to stimulate their local economies. It is important, therefore, that when the Council is developing policy and strategy and making its decisions, particularly relating to the Capital Programme, it is cognisant of these financial incentives.

Revenue Contributions to Capital

8.34 As described in detail later in this report, new Capital Investment totalling £33.0m is proposed. This level of investment relies on a number of funding sources provided either by the Council or from external grants and contributions. For 2024/25, £19.0m is being provided by the Council in the form of "cash backed" funding. A further £6.2m is provided from Earmarked Reserves and £7.8m from Council borrowing, both of these sums being subject to a satisfactory business case and financial appraisal approved by the S.151 Officer.

8.35 Capital Funding available for new Capital Investment remains constrained. It largely comprises:

- i) Specific grants for schemes awarded through a bidding process for external funding and therefore only available to support that bid
- ii) Grant funding which is required to be passported to Services
- iii) Borrowing for Invest to Save Schemes
- iv) Genuinely unrestricted Capital Funding (within Corporate Resources) arising from Community Infrastructure Levy receipts and contributions from the Revenue Budget.

8.36 Furthermore the ability to provide funding from the Revenue Budget has also been constrained due to the scale of the demand and inflationary pressures that the Council are experiencing, and has denied the Council the opportunity to make any Revenue Contribution to the Capital Programme in either 2023/24 or 2024/25.

8.37 Looking ahead, if the Council is to meet both its aspirations and operationally essential Capital Investment needs, future Revenue Contributions to the Capital Programme will inevitably be required. Whilst bidding for external capital funding will always form part of the strategy to fund Capital Investment requirements, not all investments will be either eligible or successful. The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital funding which may be available. Core capital funding of circa £7m from annual capital grants (mainly passported), capital receipts and CIL contributions that the Council receives, there is a hugely significant shortfall ("Capital Gap") to be met.

8.38 Given that this Capital Investment is necessary for both the Council's statutory obligations and also to transform the City's growth potential, it is vital that the Council makes provision for Revenue Contributions to Capital wherever possible. To fulfil even some of the future obligations and aspirations, further revenue contributions to capital will be required in future years and will need to be embedded within the Council's financial planning process.

9. Budget Savings Proposals for 2024/25

9.1 At last year's Annual Budget Meeting in February 2023, forecasts for this coming financial year 2024/25 and the subsequent two financial years estimated that the overall Budget position would be in balance and no savings would be required for 2024/25. That report however, cautioned that the Forecast could vary by +/- £1.67m per annum due to the uncertainty and volatility associated with inflation alongside unavoidable cost pressures that may arise in Social Care.

9.2 Since those forecasts were prepared in February last year, as described, the financial environment has remained challenged with prolonged and elevated levels of inflation leading to unavoidable and unplanned cost increases in the current year which will leave a lasting legacy on the cost of Council Services flowing into 2024/25 and beyond. There is a need for the Council to approve £2m of budget savings to contribute towards the Social Care Funding Gap and achieve a "structurally balanced" Budget for 2024/25.

9.3 The Cabinet's budget savings proposals are aligned with the Medium Term Financial Strategy previously described in Section 5 and have been prepared paying due regard to the responses from the Budget Consultation described previously and the Cabinet's strategic priorities. The proposed savings amounts to be made by each Portfolio, and which are recommended for approval, are attached at Appendix C.

9.4 A summary of the overall savings proposals for 2024/25, by Portfolio, is set out below:

Portfolio	Saving 2024/25	
	£	%
Children, Families and Education	103,000	0.2%
Community, Wellbeing, Health & Care	659,000	1.2%
Culture, Leisure, and Economic Development	6,000	0.1%
Environmental Services	622,000	4.5%
Housing & Preventing Homelessness	0	0.0%
Leader	100,000	0.4%
Planning Policy and City Development	25,000	1.7%
Resources	470,000	1.9%
Safety In The Community	0	0.0%
Transport	15,000	0.2%
Grand Total	2,000,000	1.4%

9.5 Inevitably, there are several financial risks contained within the proposals for making savings of the scale of £2.0m (or 1.4%) on the back of making £108m in savings and

efficiencies over the past 13 years. The risks are unavoidable. For those risks with the highest likely impact, mitigation strategies are being developed.

- 9.6 It is important to note that the Council's responsibility is to set the overall Budget of the Council and determine the cash limits for each Portfolio. It is not the responsibility of the Council to approve the detailed savings that need to be made in order for the Portfolio to meet its cash limit. The Council do need to have the confidence that the recommended savings for each Portfolio are deliverable and what the likely impact of delivering those savings might be. Indicative savings that are likely to be necessary in delivering the overall Portfolio savings are attached at Appendix C, and whilst the detailed savings are not a matter for the Council to decide, they are presented to inform the decision of Council relating to the overall savings to be made by each Portfolio / Committee.
- 9.7 For the City Council to be able to implement the Savings Requirement in good time, a number of savings proposals will require that consultation take place and notice periods be given. Should the Portfolio savings set out above be approved, Managers will commence the implementation of those savings and any consultation process or notice periods necessary.
- 9.8 For savings proposals that require consultation, the actual method of implementation or their distributional effect will not be determined until the results of consultation have been fully considered. Following consultation, the relevant Portfolio Holder may alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix C with alternative proposal(s) amounting to the same value.

10. Summary of Proposed Revenue Budget 2023/24

- 10.1 The proposed Budget for 2024/25 has been prepared to include the following:

Spending 2024/25:

- Total increase in Spending (including all cost, inflation and savings) of £20.1m
- Due to affordability constraints, no contributions from the Revenue Budget to the Capital Programme
- Overall contingency provision to cover known and anticipated financial risks of the Council amounting to £17.0m (£15.1m in 2023/24), especially those relating to the volatility of inflation and demand, increases in demand for services provided by Adult Social Care and Children's Services, Emergency Repairs risks and the delivery of budget savings more generally
- Adjustments to pension costs, forecast borrowing costs and investment rates
- The £2.0m savings proposals as set out in Appendix C.

Funding 2024/25:

- An increase in funding from Government of £5.2m with £6.0m provided for Social Care but a cut for all other services of £0.8m (plus no funding for inflation for other services which is running at over 6.4%)
- Underlying Business Rate income for 2024/25 is an increase of 9.2%, largely reflecting an inflationary uplift (of 6.7%)
- An overall increase in Council Tax of 4.99%, yielding £4.7m

- An increase in the Council Tax base equivalent to 818.8 Band D properties resulting in additional Council Tax income of £1.4m
 - A "one-off" surplus on the Council Tax Collection Fund of £2.4m
 - A "one-off" surplus on the Business Rate Collection Fund of £5.0m (although this partly relates to timing differences which are neutral on the overall financial position with the remainder being of a "one-off" nature and used to "even out" Business Rate income volatility over time).
- 10.2 Financial risks remain across the whole Budget for 2024/25 relating to both cost pressures and the delivery of necessary savings. All Services of the Council are expected to be able to manage within their overall cash limit with any necessary support from the Council's Corporate Contingency or Portfolio Reserve to enable any such pressures to be managed over time.
- 10.3 The proposed Budget for 2024/25, including the main changes described above results in net spending of £221,698,100. This amounts to a net increase in spending of £20,111,400 (or 10.0%) over the Original Budget 2023/24.
- 10.4 The proposed Budget for 2024/25 as described in this Section is recommended for approval.

11. Cash Limits

- 11.1 As previously described, Cash Limits relate to that element of the Budget that is Portfolio and Service specific and which is controllable. Cash Limits have been prepared to reflect all changes set out in the proposed Budget for 2024/25 described in Section 10 and in particular include:
- Reductions to Cash Limits to take out the approved Budget savings
 - Additions to reflect new initiatives and budget pressures
 - Inflation
 - Additions to Cash Limits for passporting funds relating to new burdens
 - Adjustments to reflect the revenue costs of the proposed Capital Programme
 - Windfall costs and savings
 - Other refinements.
- 11.2 The table on the next page shows the proposed Cash Limits for 2024/25 and also those items outside Cash Limits (i.e. capital and similar charges, levies and insurance premiums), which together form the Budget for each service.

Portfolio	Cash Limits 2024/25 £'000	Items Outside the Cash Limit £'000	Budget 2024/25 £'000
Children, Families & Education	52,963	17,923	70,886
Climate Change and Greening the City	25	0	25
Community, Wellbeing, Health & Care	59,876	5,034	64,910
Culture, Leisure & Economic Development	11,780	5,107	16,887
Environmental Services	15,783	1,571	17,354
Housing & Tackling Homelessness	3,542	3,138	6,680
Leader	(24,247)	1,514	(22,733)
Planning Policy & City Development	1,451	0	1,451
Resources	26,079	7,178	33,257
Safety in the Community	2,891	556	3,447
Transport	9,674	9,923	19,597
Licensing Committee	(167)	102	(65)
Portfolio Expenditure	159,650	52,046	211,696

- 11.3 Managers will be expected to contain their expenditure in 2024/25 within Cash Limits and to regularly monitor their budgets to ensure this is achieved. Managers will continue to have the freedom to change their budgets within the Cash Limit in the year, provided they do not enter into commitments which would increase their expenditure in future years beyond the agreed Cash Limit for 2024/25.
- 11.4 As set out in the Council's Financial Rules, any overspends against the current year's Cash Limit will become the first call on any retained underspendings from previous years contained within a Portfolio's Earmarked Reserve. Should a Portfolio's Earmarked Reserve be depleted, any remaining overspend will be deducted from the 2025/26 Cash Limit.
- 11.5 Managers have delegated authority to incur committed routine expenditure within their approved Cash Limit. Routine expenditure is any expenditure incurred to meet the day-to-day operational requirements of the service, or any specific approved budget pressure. Managers wishing to incur expenditure on any other specific item should seek approval from the relevant Portfolio holder before incurring that expenditure.
- 11.6 These Cash Limits will be adjusted under the delegated authority of the S.151 Officer to reflect transfers of budgets that come to light after the Budget has been approved, such as changes to the assumptions on inflation rates and any other virements.
- 11.7 Managers will be required to report their forecast outturn position to the relevant Portfolio holder on a regular basis and the Cabinet will receive a report on the overall budget position every quarter.

12. Future Year's Medium Term Forecasts - 2025/26 to 2027/28

- 12.1 A new medium term forecast has now been completed and "rolled on" a further year to cover the period 2025/26 to 2027/28. All of the financial assumptions have been comprehensively revised and a new 3 Year Forecast determined.
- 12.2 The previous medium term forecast estimated that the overall Forecast would be in balance across the 3 year period to 2026/27. The proposed Revenue Budget for 2024/25 provides for

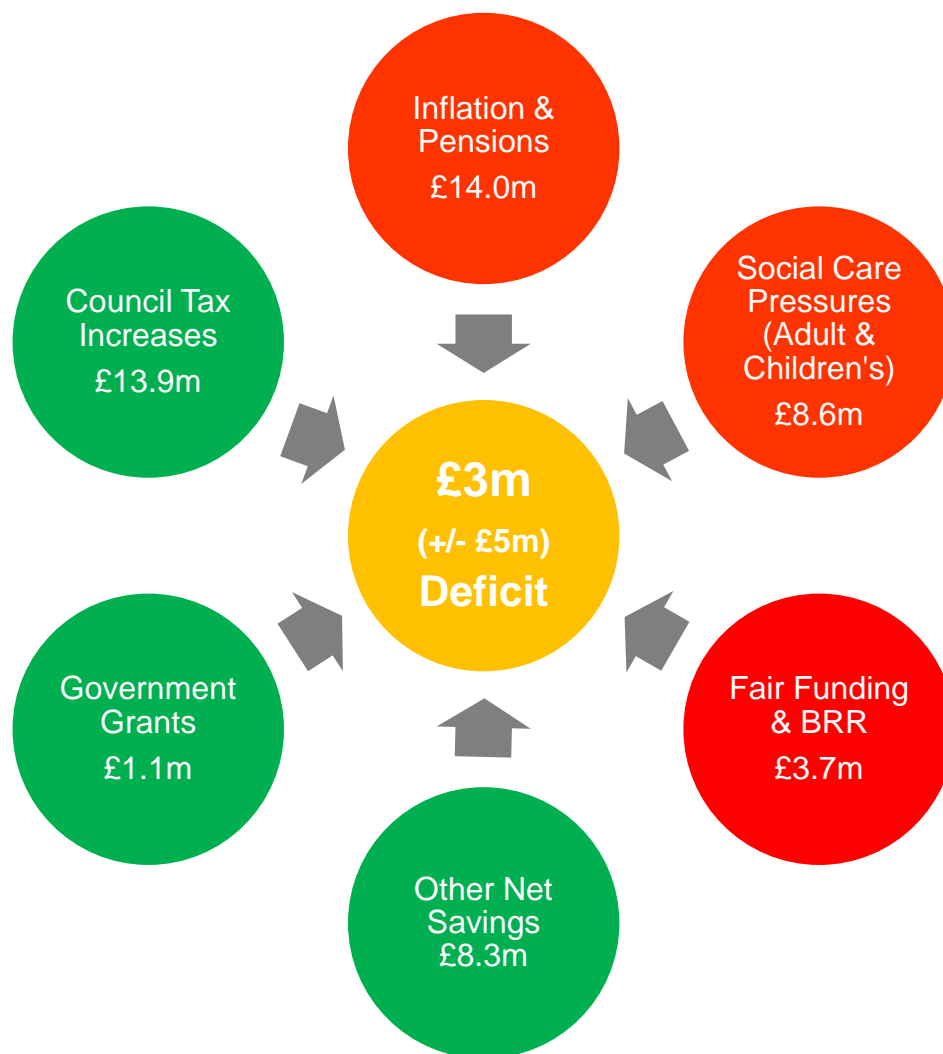
£2.0m of savings that were necessary to bring the Budget back into "Structural Balance" following the extraordinary level of inflationary and demand pressures experienced throughout the current year flowing through into 2024/25 and the Social Care Funding Gap. The new medium term forecast takes account of the £2.0m savings being achieved in 2024/25, comprehensively revises all other cost and funding assumptions and also makes a forecast for the additional year 2027/28. It is estimated that the overall 3 Year Forecast will be a deficit of £3m by the year 2027/28.

Deficit Reduction Strategy 2025/26 to 2027/28

- 12.3 The estimated 3 Year Budget Deficit of £3m is recommended to be phased evenly over the next 3 years (see table below), drawing on reserves where necessary in order to "smooth" the impact on services. This provides for a managed reduction in spending, giving good opportunity for alternative income / efficiency initiatives to take effect and the opportunity to make annual adjustments as estimates and assumptions change.

Financial Year £	Revised Budget Deficit £	In Year Budget Savings £	Revised Cumulative Saving £
2025/26	0.8m	1.0m	1.0m
2026/27	1.8m	1.0m	2.0m
2027/28	3.0m	1.0m	3.0m

- 12.4 Budget Savings requirements for the future years beyond 2024/25 will be £1m per annum. Given the uncertain nature of the Forecast for future years, the forecast of £1m savings for the years 2025/26, 2026/27 and 2027/28 must be considered as indicative at this stage and subject to the annual review of the 3 Year Forecast.
- 12.5 The Forecast is "finely balanced" due to the uncertainty associated with inflation and demand volatility coupled with the potential loss of funding arising from the review of Local Government Funding now anticipated for 2026/27. As is usual, the Forecast will be revisited and adjusted on an annual rolling basis.
- 12.6 The 3 Year Budget Deficit of £3m to 2027/28 is described in the paragraphs that follow with the most significant changes illustrated on the next page.



12.7 The most significant assumptions in the medium term forecasts for the period 2025/26 to 2027/28 are described below:

Spending:

- An overall inflationary provision covering all pay and prices amounting to £14.0m
- Demand related pressures in both Adult Social Care and Children's Services of £8.6m
- Other net savings largely arising from the reduction in overall level of contingencies used to support the Budget, assuming that inflation volatility, Social Care and "cost of living" related pressures ease
- An assumption of a "steady state" for other budgets.

Funding:

- A net loss in Business Rate funding, mainly arising from the Business Rate Retention scheme of £1.5m, phased in from 2026/27 onwards (**Note: the Business Rate "Reset" will remove £4.0m of growth which may not be fully re-distributed through the Fair Funding Review**)
- An overall increase in Council Tax Income of £13.9m which incorporates:
 - Increase of 4.99% for each of the years 2025/26, 2026/27 and 2027/28 (including 2% for the Adult Social Care Precept)
 - An increase of £1.1m due to the adoption of a policy to introduce a 100% Council Tax Premium on Second Homes from April 2025

- An inflation based increase in Government Grants of £1.1m
- Indexation uplifts on retained Business Rates of 3.3% for 2025/26, 1.6% for 2026/27 and 1.8% for 2027/28
- An underlying zero growth assumption for changes in Business Rates from 2025/26 onwards, to reflect the uncertainty relating to any recession / recovery, appeals and mandatory reliefs
- That any loss of business rates income arising from National Business Rate reduction / capping initiatives will continue to be recompensed by Government via S.31 grant funding.

12.8 Future funding from Government from 2025/26 onwards is heavily dependent on the outcome of the Fair Funding Review and Business Rate Retention scheme review. It must be recognised that the outcome of these reviews remains uncertain.

12.9 It is also important to recognise that this forecast extends beyond the Fair Funding Review and the revised Business Rate Retention Scheme expected to be implemented in 2026/27. It moves a year beyond these events and makes broad assumptions at the macroeconomic level pending any indicative information at the local level. Inflation assumptions are also potentially volatile and therefore a significant level of uncertainty remains surrounding the "Balanced Forecast" which could realistically vary by +/- £5m.

12.10 Due to the uncertain nature of the future years' forecasts, it is imperative that the Council continues to manage its cost base carefully if it is to remain well placed to respond to the review of Local Government Funding.

12.11 A plan for £1m savings in 2025/26 but with General Reserves and the Corporate Contingency held at current levels is a balanced approach appropriate to an eventuality where the Council's forecasts are either too pessimistic or too optimistic. For example, in the event that the 3 Year Forecast improves, the Council has not prematurely made a level of savings and service reductions that could have been avoided. If the forecast deteriorates, the Council will still be able to spread any deficit over a 3 year period and have sufficient General Reserves to avoid significant "spikes" in Savings Requirements in any single year in the future.

12.12 Crucially, this savings strategy, as described above, can only work if the Council retains General Reserves at the levels set out in this report.

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

12.14 The fundamental aim of the Medium Term Resource Strategy (MTRS) is for in-year expenditure to equal in-year income, excluding items of a "one-off" nature to achieve "structural balance".

13. Medium Term Resource Strategy Reserve

13.1 The Medium Term Resource Strategy (MTRS) Reserve was originally established to fund:

- Spend to Save and Spend to Avoid Cost initiatives
- Invest to Save capital schemes
- Feasibility Studies where there is likely to be an efficiency gain
- One-off redundancy costs arising from proposed savings.

- 13.2 Historically, the reserve has been replenished by transfers of underspends from previous years. Under the new financial framework of retained underspendings by Portfolios, the opportunities for replenishing this reserve are now diminished. The calls on the reserve however, for smaller scale Spend to Save or Invest to Save schemes are also diminished, since these are funded from Portfolio Reserves where available. It is important that the reserve is maintained to fund larger scale Spend to Save schemes that would otherwise be unaffordable by a Portfolio or if a Portfolio does not have any of its own Reserves to call on.
- 13.3 It is anticipated that the main call on the MTRS Reserve over the next few years will be Invest to Save Schemes of a capital nature and the revenue costs associated with transforming Services. Additionally, redundancy costs may also be required through Service re-organisation.
- 13.4 For 2024/25 there are commitments against the reserve totalling £4.2m for new Capital Invest to Save schemes as set out in the Capital Programme 2023/24 to 2027/28 section of this report.
- 13.5 To provide for future years anticipated redundancy costs, satisfy the demands for Invest to Save Schemes and meet all other commitments, it is anticipated that the uncommitted balance on the MTRS Reserve will be a modest £7.3m. Importantly, Invest to Save (or avoid cost) proposals are becoming an increasingly important component of the Capital Programme and it can be reasonably expected that future Capital Programmes will rely more heavily on this as a funding source in the future.
- 13.6 In future years, for this reserve to continue in this capacity, it will be necessary to replenish it either from non-Portfolio underspends or alternatively from the Revenue Budget.

14. Estimated General Reserves 2023/24 to 2027/28

- 14.1 In general, maintaining adequate reserves is a measure of responsible financial management and strong financial health. They are required in order to be able to respond to "financial shocks" without having to revert to the alternative of quick and severe reductions in services. Equally, they can be a vehicle to take advantage of any opportunities that may arise which are in the financial interests of the Council (for example, matched funding opportunities which could lever in additional funding for the City or for Spend to Save schemes). Importantly, they also enable differences between expenditure and funding levels to be "smoothed out" and managed in a planned way over time.
- 14.2 General Fund Revenue Reserves as at 31 March 2024 (Revised Estimate) are anticipated to be £21.4m after transfers to and from other reserves, and falling to £21.2m as at the end of 2025. Assuming that the forecast future savings are made in accordance with proposed Deficit Reduction Strategy of £1m p.a, then General Reserves are expected to remain broadly constant over the period to March 2028. The Council is expected therefore to remain within the recommended level of minimum General Reserves of £10.0m.
- 14.3 In accordance with Best Practice, the level and nature of all revenue reserves and balances has been reviewed as part of the budget process. The exercise has attempted to identify and assess all of the City Council's potential financial risks over the next few years to determine the prudent level of balances that should be retained, based on the City Council's risk profile. Each risk has been considered alongside the probability of it happening.
- 14.4 The experience of the past 2 years, and the Covid pandemic prior to that, exposed the vulnerabilities in the Council's overall financial resilience, making the compelling case the minimum level of reserves to be held £10m. It is recommended that the minimum level of

General Reserves be maintained at £10.0m as at March 2025. Assuming the 2024/25 Budget Savings are achieved, General Reserves as at 31 March 2025 are forecast to be £21.2m.

- 14.5 The minimum level of balances for future years will be reviewed annually as part of the budget process.
- 14.6 The statement below gives details of the General Reserves in hand at 01 April 2023, together with the proposed use of reserves from 2023/24 to 2027/28, and the resultant balances at 31 March 2028.

General Reserves Forecast - Up to 2027/28					
Financial Year	Current Year £m	Budget 2024/25 £m	Forecast 2025/26 £m	Forecast 2026/27 £m	Forecast 2027/28 £m
Opening Balance	21.5	21.4	21.2	21.4	21.6
In Year Surplus / (Deficit)	(0.1)	(0.2)	0.2	0.2	0.1
Forecast Balance	21.4	21.2	21.4	21.6	21.7

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

- The Council is not permitted to budget for a level of General Reserves below the minimum level determined by the S.151 Officer
- The susceptibility of the Council's forecast to vary by +/- £5m due to inflation and demand volatility plus the outcome of the Fair Funding Review and the Business Rate Retention "reset"
- There remain continuing risks associated with the financial sustainability plans for both Adult Social Care and Children's Services
- The uncertainty over the level of funding generally (in particular, retained Business Rates), demographic cost pressures for care services, inflation and interest rates in future years
- The uncommitted balance available in the MTRS reserve of just £7.3m means there are only limited funds available to fund the implementation costs of future efficiency savings (see Section 13).

15. Capital Programme 2023/24 to 2027/28

Summary

- 15.1 In accordance with the Council's Capital Strategy and Medium Term Financial Strategy, the Cabinet have prioritised those schemes that:

- 1) Provide for statutory requirements including School Places, Transport Safety, Homelessness and necessary Health and Safety obligations
- 2) Ensure that the Council's services to residents continue to operate from safe "fit for purpose" buildings
- 3) Support the renewal of the Council's aging Leisure Estate and end of life sports and play facilities across the City
- 4) Continue the Council's environmental agenda, including the downsizing of the Civic Offices and further greening initiatives
- 5) Continue with the Council's key regeneration opportunity for the City Centre North, aiming to stimulate housing and employment in the Council's most deprived area.

- 15.2 As described earlier in this report the key responses arising from the Budget Consultation for the future investment of the Council's Capital Programme selected by respondents are, in order of popularity:
- Building new homes in the city, including flats offering special care for elderly residents (49%)
 - Invest in greening projects across the city (37%)
 - Create better facilities for sustainable transport such as cycling and walking (37%)
 - Build more classrooms and specialist provisions for children with additional needs (37%)
- 15.3 The Cabinet's new scheme proposals contained within this report will lead to additional capital investment totalling £33m, of which £19.0m is funded by Corporate Capital Resources.
- 15.4 The Council has the opportunity, through its capital programme and borrowing powers, to invest in both the regeneration of the City and cost reduction schemes for the Council itself. Capital Investment needs and aspirations however, continue to significantly exceed the resources available. Importantly, there are likely to be opportunities throughout the year to lever in additional external capital funding for schemes that have strong potential to be catalytic for economic growth, but only if the Council itself can provide matched funding contributions. As a consequence, to maximise the Capital Investment opportunities for the City, it is recommended that any underspendings arising at the year-end (outside of those made by Portfolios) be transferred either to Capital Resources to fund future Capital Programmes, the Covid Reserve, the MTRS Reserve or General Reserves.

Overall Strategy

- 15.5 On 14 March 2023 the City Council approved the Capital Strategy 2023/24 - 2032/33. The key features of that strategy, which have been considered in the development of the Cabinet's Capital Programme proposals, are as follows:
- Contribution to Council Plan / Priorities
 - Statutory Obligations
 - Financial Appraisal
 - Option Appraisal
 - Risk and approach to risk - the expected benefits must outweigh the risk
 - Any overspendings on approved Capital Schemes being the first consideration for the use of any available capital resources.
- 15.6 As also described in the Medium Term Financial Strategy, the strategy is to maximise the capital resources available and then target new capital expenditure towards income generation and economic growth whilst ensuring the Council's statutory obligations are also met, (e.g. school places).
- 15.7 The development of a Capital Strategy considers investments that will be made in the acquisition, creation or enhancement of tangible or intangible fixed assets in order to yield benefits to the Council for a period of more than one year. It also considers how stewardship, value for money, prudence, sustainability and affordability will be secured. The priority of new capital expenditure will be assessed in accordance with the following capital expenditure criteria:

Criteria 1 - To support a Medium Term Outlook

- Allocating known resources to future years for critical capital investment, ensuring that in years where capital resources are limited, critical investment can continue to be made
- Aligning known resources to current approved spending, ensuring that uncertain or forecast resources are not applied to current investment, thus leaving potentially unfunded obligations in the future
- Smoothing out any significant gaps between capital investment needs and capital resources available by utilising contributions from revenue.

Criteria 2 - To Maximise the Capital Resources Available and the Flexibility of their Application

- Setting aside capital funding for "match funding" opportunities, where these are aligned with the Council's strategic objectives in order to take advantage of "free" funding
- Reviewing contractually uncommitted schemes against newly emerging capital investment priorities
- Avoiding ring-fencing of capital resources, except where such ring fencing is statutory
- Using prudential borrowing for "invest to save" schemes, or schemes which generate income.

Criteria 3 - Targeted Capital Investment

- Annual review of all contractually uncommitted capital schemes which rely on non-ring-fenced funding is undertaken to ensure that they remain a priority in the context of any newly emerging needs and aspirations
- Investment in programmes of a recurring nature that are essential to maintain operational effectiveness - including statutory responsibilities
- Capital Funding is particularly constrained for 2024/25 and has been targeted to:
 - 1) Stabilise the existing Capital Programme which has been subject to some unavoidable cost increases arising from the general economic conditions
 - 2) Provide for statutory requirements or health and safety obligations
 - 3) Ensuring continued Service operations
 - 4) Progressing Environmental initiatives
 - 5) Pursuing Regeneration and clean economic growth.

Total New Corporate Capital Resources

- 15.8 New Corporate Capital resources available as a funding source for 'new starts' in 2024/25 and onwards have been reviewed and the amount available to be allocated has been determined as £19.0m.
- 15.9 This sum includes allocating indicative grant funding amounts for 2024/25 and 2025/26 relating to Transport. This will allow the service to plan with more certainty over a 2 year period and with a larger capital allocation providing the ability to take a more strategic approach to capital investment over a longer time horizon.
- 15.10 Additionally, a small contingency has been retained to mitigate the risk of capital receipts and grants being lower than anticipated. Some funding has been held back to meet unavoidable

increases in costs to approved schemes, and to support match funding bids for additional external funding.

15.11 A summary of the total capital resources available to the Council for 'new starts' in 2024/25 and onwards are described below:

Corporate Capital Resources

15.12 This includes all non-ring-fenced capital grants, (e.g. local transport plan, education basic need and school condition funding), capital receipts and revenue contributions and are described later. Corporate Capital Resources include:

- Non-ring-fenced capital grants (Integrated Transport Block, Schools Capital Maintenance) of £13.7m
- Capital Receipts based on estimated values that have been declared surplus to requirements
- Estimated City Wide Community Infrastructure Levy receipts
- A contribution from reserves of £1.9m (previously withdrawn to cover the risks associated with the Covid pandemic but now returned as it was not required).

Ring Fenced Capital Funding

15.13 Funding passported to the Better Care Fund which is targeted at Disabled Facilities Grants and wider social care programmes. This is a Central Government initiative which creates a pooled budget arrangement between the Council and Health Services; an estimated £2.0m will be received by the Council in 2024/25.

Prudential Borrowing

15.14 Prudential Borrowing is only available for a Council's "Primary Purpose for Investment" which must be "consistent with statutory provisions, proportionate to service and revenue budgets and consistent with effective treasury management practice".

15.15 The arrangements for Prudential Borrowing were strengthened following growing concerns over Local Government commercial property investments and taking on disproportionate levels of commercial debt to generate yield. Borrowing for "debt-for-yield investment" is not permissible under the Prudential Code, as it does not constitute the primary purpose of investment and represents unnecessary risk to public funds.

15.16 Prudential borrowing is available for "Invest to Save" schemes only where those savings accrue directly to the Council on a sustained basis. Prudential Borrowing is governed by the Prudential Code and its associated tests of affordability, sustainability and prudence. Prudential borrowing is what is termed "unsupported borrowing" and means that the Government does not provide any revenue support through government grant for the repayment of that debt (neither principal nor interest).

15.17 The Affordability test dictates that the Council must be able to demonstrate that it can afford the debt repayments over the long term. Given the forecast £3m Budget Deficit and the uncertainty of the Future Forecasts which could vary that deficit by +/- £5m, prudential borrowing is only available for invest to save schemes where there is a demonstrable case that the capital expenditure incurred will result in savings (i.e. cost reduction or additional income) that at least cover the cost of borrowing. Also, that those savings accrue directly to the Council and will be available on a sustained basis over the lifetime of any borrowing.

- 15.18 Prudential borrowing is strictly controlled and only proceeds once the S.151 Officer is satisfied as to its legality in accordance with the Prudential Code (e.g. the "Primary Purpose" test) as well as its affordability on a sustained basis. This necessarily requires a business case and financial appraisal to be prepared that satisfies the S.151 Officer.
- 15.19 Historically, all decisions to undertake borrowing have been referred to Full Council. Whilst this is a feature of strong financial governance, there are occasions where this can inhibit the Council from acting responsively with the associated risk of losing a potential time limited opportunity. This can be particularly relevant to property acquisitions. At the present time, the Council is seeking to pursue regeneration opportunities that can involve land assembly and it is important that the Council can enter into transactions in an efficient and timely fashion. It is recommended therefore that the Council's S.151 Officer be given delegated authority within the year to borrow up to £15m but only once a satisfactory business case and financial appraisal has been approved by the S.151 Officer.

New Capital Investment Proposals & Revised Capital Programme

- 15.20 The Cabinet's proposals for the allocation of the Council's 'new start' Capital Investment amounts to £33.0m are set out in Appendix D for approval. They comprise a balanced set of proposals described below.
- 15.21 There is continuing support for educational attainment through the proposed investment of £7.95m into additional capacity for early years, secondary school, and special educational needs places.
- 15.22 To maintain the Council's operational facilities, £4.2m is being invested into Council buildings to provide for the highest priority maintenance needs at several high profile sites including school buildings. This includes a review of the Council's overall property estate in accordance with best practice asset management planning, with £0.25m of funding for Asset Management Surveys. The review would seek to align the operational property portfolio with the needs of the Council, assessing the sufficiency, condition and performance over their remaining lifetime. Should the review conclude that a rationalisation be pursued, the financial benefits would be:
- Reducing the drain on capital resources to equip and maintain their use, which in turn could release resources to be made available for as yet unfunded Capital Investment priorities and aspirations
 - Reducing the day to day costs of delivering services that could either contribute to future savings or be re-invested in enhancing service provision
 - Identifying ageing properties that are coming to the end of their life, and in that context the extent to which further capital investment should sensibly be made on a value for money basis.
- 15.23 The programme has been designed to support environmental enhancements and the climate change agenda by investing £5.9m into environmental initiatives and clean economic growth. Proposals include:
- £5m additional investment in the provision of shore power electricity supply at Portsmouth International Port at berth 5, to enable hybrid ferries to switch off their primary and secondary engines while in port, which will assist the Port in meeting carbon reduction and air quality targets
 - Other planned environmental enhancements include further investments in green initiatives and air quality monitoring.

15.24 The Cabinet also plan to bring certainty to the renewal of the Leisure Estate whilst also replacing/ upgrading end of life play and sports facilities across the City. Significant new investment totalling £7.7m is planned; £6.6m relates to the Bransbury Park Leisure Centre, which will include space for a new Doctors Surgery. The additional funding will now provide for a fully funded scheme and allow progress to be made with funding certainty. The additional funding is a package of measures as follows:

- £3.0m from the MTRS Reserve and predicated on a "payback" of circa £0.5m per annum arising from contractual changes, which will generate significant VAT savings alongside a general re-negotiation of the Leisure Contract reflecting an improved Leisure Estate
- £1.6m of borrowing, mainly to fund the cost of the new GP Surgery and for which a rental income stream will be received sufficient to repay the borrowing costs
- £1.2m from Reserves built up for the maintenance of the Pyramids which is not anticipated to be required
- £0.8m of Corporate Capital Resources, required to be substituted for previously assumed borrowing; interest rates have risen and therefore the affordability of borrowing has reduced.

15.25 There is an ambition to provide Young Persons Supported Living Accommodation in the City, enabling a number of young people to be brought back into the City, close to their social and family networks. It is envisaged that alongside the significant benefits to those younger people, that there will be a financial case to support using the MTRS Reserve to provide the necessary funding.

15.26 As a key enabler of vibrant local communities, the underpinning and enabling of regeneration and the move towards a sustainable future, significant investment continues to be made into the core local transport infrastructure amounting to £4.8m to ensure transport networks are reliable and efficient; improve road and transport safety; manage the adverse impact of transport on the environment and promote healthier travel.

Proposed Capital Programme 2023/24 to 2027/28

15.27 The overall Capital Programme, including all existing schemes which have been reviewed and considered as a continuing priority and proposed new schemes, is set out in Appendix E for approval.

Future Capital Obligations, Priorities and Aspirations

15.28 The proposals for capital investment contained within this report complement the existing capital programme and provide further solidity to secure the Council's financial viability for the medium term. Nevertheless, the Council will inevitably face future obligations of a statutory nature as well as wishing to further develop its priorities and aspirations for future capital investment to meet its overall aim of financial and public service sustainability.

15.29 Known obligations and aspirations, in line with the Medium Term Financial Strategy, for future capital investment once further capital resources become available include:

Statutory Obligations:

- Additional extensions / additions to schools in respect of pupils with complex educational needs in order to provide for additional school places
- Provision of additional disabled facilities grants
- Requirements to improve road safety, disabled access and air quality

- Landlords Repairs & Maintenance.

Improving the City Economy:

- Further development of key employment, housing and regeneration sites
- Anti-Poverty projects
- Coastal protection schemes to protect homes and businesses
- Improvements to road transport infrastructure as a means of supporting new business growth and productivity generally as well as the protection of the tourism economy.

Enhancing the Environment:

- Greening the City
- Creating space and access.

Public Service Transformation:

- Developing the Digital Council
- Use of technology to provide greater personal independence for those with care needs.

15.30 The Cabinet has identified some further specific priority and aspirational capital schemes to be pursued as further capital funding becomes available:

- Investing in a rolling programme of investment into council assets subject to the outcome of the Asset Management Strategy
- Enabling works and land assembly associated with the City Centre North scheme
- The Civic Offices regeneration / replacement scheme
- Greening and environmental improvement schemes
- Investing in replacing play park equipment across the City based on the strategy prepared by the Parks team
- Investing in refurbishing outside sports courts based on the strategy prepared by the Parks team
- Investing into schemes delayed due to inflationary pressures and higher than anticipated interest rates
- Completing the East-West cycle corridor
- Delivering future stages of the Eastern Road cycle lane scheme
- Enhancing the Southsea Sea Defences.

15.31 The scale of the funding required for these obligations and aspirations is such that it far outstrips the annual capital funding which may be available. With core capital funding of circa. £7m per annum, there is a hugely significant shortfall ("Capital Gap") to be met. From this £7m, there is an expectation from Central Government that amounts allocated for Education (circa. £0.8m) should be allocated for School Condition and there is an obligation to maintain a Local Transport Plan from the annual £1.8m provided from the Department for Transport. The overall implication being that routine annual funding available for Capital Investment is extremely limited.

15.32 In the context of the scarcity of capital funding available, as mentioned previously, the Council should consider whether the overall size of its building estate could be rationalised. Should this be achieved, it would have the dual benefit of:

- i) Reducing the drain on capital resources to equip and maintain their use which in turn could release resources to be made available for as yet unfunded priorities and aspirations
- ii) Reducing the day to day costs of delivering services that could either contribute to future savings or be re-invested in enhancing service provision.

15.33 Given the scale of the "Capital Gap" described above, the necessity to supplement the Capital Resources available remains an explicit feature of the Council's approved Medium Term Financial Strategy. This ensures that the Council can continue to fund essential services but also fund Regeneration and Income Generation schemes aimed at improving the overall financial sustainability of the Council and the economy of the City, whilst fulfilling its role in addressing the challenge of climate change. For this reason, the standing recommendations remain intact that enable the S.151 Officer be given delegated authority to transfer all or part of any further savings made in 2023/24 arising at the year-end to supplement the Capital Resources available for future years.

Prudential Borrowing Indicators

15.34 The Prudential Indicators of the Council are determined largely from its Capital Investment decisions. The 5 indicators are presented in Appendix F for approval. In summary, the Council's indicators illustrate that its current Capital Programme is affordable. Further details setting out what each indicator shown in Appendix F represents is set out below:

Ratio of Financing Costs to Net Revenue Stream

15.35 This indicator shows the proportion of the net revenue stream (i.e. the Council's Revenue Budget) that is attributable to the cost of financing capital expenditure.

Capital Financing Requirement (CFR)

15.36 This represents the Council's underlying need to borrow to fund current and future capital expenditure. The CFR arises directly from the capital activities of the Council and the resources applied to fund that capital activity. The CFR represents the unfinanced element of capital expenditure and is the difference between the value of total fixed assets on the balance sheet and the Revaluation Reserve and Capital Adjustment Account.

15.37 The Council's underlying need to borrow to finance its current and future capital expenditure (i.e. its Capital Financing Requirement) is increasing, primarily as a result of planned commercial property investments but will ultimately reduce as provision is made to repay debt.

Authorised Limit for External Debt & Operational Boundary for External Debt

15.38 The Council's Limit for External Debt, recommended for 2024/25, should be broadly equivalent to its CFR (described above) but should allow for a little headroom in excess of it. This has been set accordingly. Furthermore, the Operational Boundary for external debt serves as an early warning tool to highlight whether the External Limit is nearing a breach. This, therefore, is set at the level to which external debt is more likely to be.

Ratio of Net Income from Commercial & Service Investments to Net General Fund Revenue Stream

15.39 This represents the proportion of net General Fund expenditure funded from investment income.

16. Statement of the S.151 Officer in Accordance with the Local Government Act 2003

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

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

16.2 Section 25 of the Act concentrates on uncertainties within the budget year rather than the greater uncertainties in future years. In the current economic climate, there continues to be uncertainties in both the current and future years i.e. beyond 2024/25. Particular uncertainties exist regarding:

- The prolonged and elevated nature of inflation and its volatility
- The increased levels of demand for Council Services being driven by the "cost of living crisis"
- The continuing impact of the Covid pandemic, its impact on costs, Council Tax and Business Rate income levels
- The general uncertainty surrounding Business Rate income from the recent revaluation and the extent of successful appeals and mandatory reliefs, all of which affect Retained Business Rates
- Government Funding levels (including the outcome of the Fair Funding Review and the Business Rate Retention scheme review expected in 2026/27)
- The ability of the Council to continue to make necessary savings at the required scale and pace
- The likely demographic cost pressures arising in demand driven services such as Adult Social Care, Children's Services and Housing
- The extent to which new policy changes will be funded.

All of these uncertainties increase the need for adequate reserves and balances to be maintained in current and future years.

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

16.4 Should the level of reserves fall below the minimum approved sum of £10m as proposed in this report, either arising from an overspend in the previous year or the current year, the S.151 Officer has a duty to report this to the Council with recommendations as to the actions that should be taken to rectify the shortfall. In the most extreme of circumstances, the S.151 Officer can issue a S.114 notice, imposing spending controls until a balanced budget is approved by the Council.

- 16.5 In setting the Budget, the Council should have regard to the strategic and operational risks facing the City Council. Some of these risks reflect the current economic climate and the national issues surrounding local authority funding levels.
- 16.6 Estimates and forecasts have been prepared to include all known significant financial factors over the medium term in order to inform spending decisions.
- 16.7 Assumptions for the Budget and forecasts for future years are considered to be sound and based on the best available information. These are set out in detail in Sections 8 and 12 and use the following sources as their evidence base:
- Government funding as set out in the adjusted provisional settlement for 2024/25
 - An assumption that the overall outcome of the Fair Funding Review and Business Rate Retention scheme review will lead to a net reduction in funding of £1.5m
 - A "no growth" assumption for Retained Business Rates from 2025/26 onwards on the basis that any income arising from growth will be offset by appeals, reliefs and change of use
 - An assumption that the value of successful appeals against the 2023 rating list will be based on the most up to date information from the Valuation Office Agency
 - Increases in Council Tax based on what is likely to be acceptable and within expected referendum limits
 - Inflation on Retained Business Rates and prices in accordance with inflation estimates from the OBR
 - Specific provisions for increases in demand for both Adult Social Care and Children's Services based on current trends
 - Prudential borrowing requirements based on approved Capital schemes
 - Revenue contributions to Capital based on known commitments and estimates of future needs
 - Balances and contingencies based on a risk assessment of all known financial risks.
- 16.8 Savings contained within the Budget are those where Portfolio Holders and Directors assess the confidence level of achievement is medium and above. Savings proposals have also been subject to scrutiny by Members. Responsibility and accountability for delivering the savings rests with the relevant Portfolio Holders and Directors and progress will be monitored throughout the year as part of the Budget Monitoring process.
- 16.9 The most volatile budgets are those of Adult Social Care and Children's Services. Budget provision has been made available to cover these risks both directly within Service cash limits as well as within the City Council's overall contingency provision.
- 16.10 Additionally, Portfolios will be able to retain any underspendings in 2023/24 and utilise them as necessary in 2024/25 and future years for any purpose but with a clear priority to meet essential cost pressures in the first instance.
- 16.11 The forecasts prepared for the forthcoming and future years are robustly based and illustrate the expected costs the City Council will incur in order to deliver current levels of service.
- 16.12 Portfolio Holders will be given regular budget updates by Directors to ensure that action to address any potential over or underspend is taken promptly, and quarterly budget monitoring reports will continue to be presented to the Cabinet.

- 16.13 To encourage budget discipline, all future overspendings will be deducted from any retained underspendings accumulated in Portfolio Earmarked Reserves in the first instance and once depleted, then from the following year's Cash Limits.
- 16.14 Prudential Indicators are accurately calculated based on the Council's audited Balance Sheet, notified income streams and in depth financial appraisals of proposed capital schemes. These are published and reviewed on a regular basis to ensure that the City Council complies with the concepts of Affordability, Prudence, and Sustainability. The City Council has agreed to consider Prudential Borrowing for "Spend to Save Schemes" only, as it is currently unaffordable for any other purpose.
- 16.15 Future years' budgets will remain challenging due to inflation and demand volatility, the uncertainties associated with the overhaul of Local Government Funding and the continuing demographic pressures on Care Services.

(b) The Adequacy of Proposed Financial Reserves

- 16.16 During 2023/24, a review of the level and nature of all revenue reserves and balances has been undertaken. All of the City Council's potential financial risks over the next few years and the probability of each risk happening has been assessed. The outcome from this review concludes the need to maintain the minimum level of General Reserves at £10m as at 31 March 2025.
- 16.17 Reserves provide a buffer against unexpected costs such as pay awards, inflation, shortfalls in income and overspends and enable the City Council to manage change without undue impact on the Council Tax or immediate reductions to services. They are a key element of strong financial standing and resilience as they mitigate risks such as increased demand and other cost pressures.
- 16.18 The level of balances held will be higher than the minimum level recommended. This prudent approach is being taken for a number of specific reasons as set out in Sections 8 and 12. The position will continue to be reviewed and reported to Members on an annual basis.
- 16.19 As previously mentioned, the Council will maintain Portfolio Earmarked Reserves to retain accumulated Portfolio underspends in order that Portfolios can better manage any known or unknown cost pressures that arise.
- 16.20 The MTRS Reserve is the Council's primary vehicle for funding Spend to Save and Spend to Avoid Costs Initiatives, Feasibility Studies and redundancy costs. Taking account of all approvals from this reserve and future estimated redundancy costs over the next 4 years, it is estimated that the Reserve will have an uncommitted balance of £7.3m. In order for this Reserve to continue in this capacity, it will be necessary to replenish it from any non-Portfolio underspendings, transfers from other reserves no longer required or alternatively from the Revenue Budget.
- 16.21 The Council maintains a number of other Earmarked Reserves for specific purposes, all of which are at the levels required to meet known future commitments. The major reserves include the following:
- Revenue Reserve for Capital – to fund the Capital Programme
 - Highways PFI Reserve – to fund future commitments under that contract
 - Off Street Parking Reserve – to fund investment in transport
 - Insurance Reserve – to fund potential future liabilities.

16.22 The Council's contingency provision for 2024/25 has been set on a risk basis at £17.1m (£15.1m in 2023/24) and reflects anticipated calls on the budget where the timing and value is not yet known. The use and application of the contingency will continue to be exercised tightly.

17. Conclusion

17.1 The substantial financial impact of prolonged levels of inflation experienced over the last 2 years, its "hangover" effects flowing from the current year into 2024/25 and the ensuing impact this has had on residents by creating a "cost of living crisis" and increased demand for Council Services have been the defining factors in the Budget for 2024/25. Nevertheless, the proposed Budget is financially balanced, robustly based and provides sufficient cover for anticipated and potential financial risks within the year. Furthermore, the overall financial health of the Council currently remains sound, providing a good degree of resilience against an uncertain future.

17.2 The proposals within this report are consistent with the results from the Budget Consultation in relation to spending priorities for both day to day services and Capital Investment. The Savings and Council Tax proposals are made as part of a co-ordinated package of measures that are aligned with the approved Medium Term Financial Strategy with its stated aim that:

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

17.3 Due to prudent financial management over a number of years, the overall Forecast for the 3 Year period beyond 2024/25 is a relatively modest deficit of £3m, requiring £1m savings per annum for future years to 2027/28.

17.4 The 3 Year Forecast is "finely balanced" and is predicated on an assumed Council Tax increase of 4.99% for 2025/26 and all future years alongside the adoption of a 100% Council Tax premium for second homes. The most significant risks to this central projection are the uncertainties associated with inflation and demand volatility, the potential loss of funding arising from the overhaul of Local Government Funding as well as other unavoidable cost pressures that may arise, particularly in Care Services. Taken together, these risks have the potential to vary the Forecast Deficit of £3m by +/- £5m.

17.5 It is important that the Council continues to follow its Medium Term Financial Strategy, exercise spending restraint, manage its cost base and maintain Reserves at adequate levels if it is to remain well placed to respond in all likely circumstances.

17.6 The Council should also be particularly mindful of the potential future income or reduced demand / costs that the Council could derive through the delivery of its Capital Programme. This is likely to be the biggest influence on enabling jobs, growth and overall improved prosperity within the City.

18. Integrated Impact Assessment (EIA)

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

- 18.2 A public consultation was held in relation to the Budget across the period from 24 July 2023 to 03 September 2023 to assist the Cabinet in formulating its Budget proposals as described in Section 4.
- 18.3 The Scrutiny Management Panel also met to consider the proposals contained within this report and have the opportunity to make their representations to the Cabinet prior to their recommendation to the City Council. A public meeting of the Scrutiny Management Panel was held on 05 February 2024, where a presentation was made of the proposed Council Tax and Revenue Budget 2024/25, the Council's future financial forecasts for 2025/26 to 2027/28 and the proposed Capital Investment plans.

19. City Solicitor's Comments

- 19.1 The Cabinet has a legal responsibility to recommend a Budget and Council Tax amount to the Council and the Council has authority to approve the recommendations made in this report.
- 19.2 The S.151 Officer has a statutory duty under the Local Government Act 2003 to report on the robustness of the budget proposals and adequacy of reserves. The S.151 Officer's Statement within this report fulfils those obligations.

20. S.151 Officer's Comments

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

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Signed by:

Appendices:

A	General Fund Summary
B	Forecast Expenditure 2024/25 to 2027/28
C	Indicative Budget Savings 2024/25
D	New Capital Schemes Starting in 2024/25
E	Capital Programme 2023/24 to 2027/28
F	Prudential Indicators
G	Budget Consultation 2023

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

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

Title of document	Location
Budget Working Papers	Office of Director of Finance & Resources & Deputy Director of Finance
Local Government Finance Settlement 2024/25	Office of Director of Finance & Resources

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

.....
Signed by

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APPENDIX A

Calculation of the Council Tax 2024/25

Portsmouth City Council	2024/25 £	2023/24 £
Gross Expenditure	543,649,931	518,369,198
LESS: Gross Income	(395,459,849)	(380,367,400)
Net Expenditure	148,190,082	138,001,798
LESS: Government Grants	(47,265,076)	(43,223,761)
Council Tax Requirement - Portsmouth City Council Purposes	100,925,006	94,778,037
Council Tax Base	58,299.4	57,480.6
Council Tax - Portsmouth City Council Purposes at Band D 100,925,006 58,299.4 =	£1,731.15	£1,648.87

Hampshire Police & Crime Commissioner Precept	15,242,961	14,454,072
Council Tax - Hampshire Police & Crime Commissioner Purposes at Band D	£261.46	£251.46

Hampshire & IOW Fire and Rescue Authority Precept	4,829,522	4,623,165
Council Tax - Hampshire & IOW Fire and Rescue Authority Purposes at Band D	£82.84	£80.43

The Council Tax to be levied for all bands in 2024/25 will be as follows :

		Portsmouth City Council £	Police & Crime Commissioner For Hampshire £	Hampshire & IOW Fire & Rescue Authority £	TOTAL 2024/25 £	TOTAL 2023/24 £
Estimated Valuation as 1 April 1991						
Up to £40,000	A	1,154.10	174.31	55.23	1,383.64	1,320.51
£40,001 - £52,000	B	1,346.45	203.36	64.43	1,614.24	1,540.59
£52,001 - £68,000	C	1,538.80	232.41	73.64	1,844.85	1,760.67
£68,001 - £88,000	D	1,731.15	261.46	82.84	2,075.45	1,980.76
£88,001 - £120,000	E	2,115.85	319.56	101.25	2,536.66	2,420.93
£120,001 - £160,000	F	2,500.55	377.66	119.66	2,997.87	2,861.10
£160,001 - £320,000	G	2,885.25	435.77	138.07	3,459.09	3,301.27
£320,001 and over	H	3,462.30	522.92	165.68	4,150.90	3,961.52

GENERAL FUND SUMMARY - 2023/24 to 2027/28

APPENDIX A

Original Budget 2023/24 £	NET REQUIREMENTS OF PORTFOLIOS	Revised Budget 2024/25 £	Original Budget 2024/25 £	Forecast 2025/26 £	Forecast 2026/27 £	Forecast 2027/28 £
66,294,900	Children, Families & Education	68,180,000	70,886,500	74,233,700	76,292,200	78,288,400
22,500	Climate Change and Greening the City	23,500	24,800	25,700	26,300	26,900
58,656,700	Community, Wellbeing, Health & Care	59,776,800	64,910,100	70,618,500	73,274,200	76,083,700
15,840,000	Culture, Leisure & Economic Development	16,400,300	16,887,300	16,846,600	16,566,000	16,893,500
16,056,100	Environmental Services	16,734,000	17,353,700	18,563,400	18,917,100	17,650,000
6,282,400	Housing & Tackling Homelessness	6,502,700	6,680,000	8,504,900	8,659,200	8,818,000
(20,715,800)	Leader	(22,042,700)	(22,733,100)	(22,962,400)	(22,893,800)	(23,386,800)
1,406,700	Planning Policy & City Development	1,430,600	1,451,200	1,493,100	1,546,300	1,600,100
30,843,200	Resources	31,951,000	33,256,800	34,970,600	35,929,200	36,841,100
3,268,900	Safety in the Community	3,312,800	3,446,500	4,497,900	4,594,400	4,695,500
20,648,500	Transport	22,355,600	19,596,700	17,418,500	17,832,100	17,395,600
(166,800)	Licensing Committee	(64,900)	(64,900)	(64,900)	(64,900)	(64,900)
198,437,300	Portfolio Expenditure	204,559,700	211,695,600	224,145,600	230,678,300	234,841,100
	<u>Other Expenditure</u>					
75,000	Precepts	75,000	105,000	80,000	55,000	55,000
1,427,600	Pension Costs	1,306,000	1,443,500	1,496,900	1,527,300	1,555,800
15,106,700	Contingency Provision	12,000,900	17,048,400	4,735,000	4,635,000	4,635,000
5,023,100	Transfer to / (from) Reserves	12,392,500	11,912,000	5,691,300	1,698,300	1,698,300
(23,801,000)	Treasury Management	(33,414,300)	(26,424,400)	(20,907,300)	(17,574,300)	(15,732,100)
5,318,000	Other Expenditure	4,567,200	5,918,000	8,070,000	8,776,000	9,482,000
3,149,400	Other Expenditure	(3,072,700)	10,002,500	(834,100)	(882,700)	1,694,000
201,586,700	TOTAL NET EXPENDITURE	201,487,000	221,698,100	223,311,500	229,795,600	236,535,100
	FINANCED BY:					
(99,300)	Contribution (to) from Balances and Reserves	103,865	243,415	787,454	1,784,645	2,951,422
13,571,170	Revenue Support Grant	13,571,170	14,470,071	14,951,925	15,191,155	15,408,388
64,303,198	Business Rates Retention	63,294,902	70,907,151	68,080,040	67,669,320	67,158,442
29,652,591	Other General Grants	30,358,022	32,795,005	33,201,836	33,556,629	33,854,475
94,159,041	Council Tax	94,159,041	103,282,458	106,290,245	111,593,851	117,162,373
201,586,700		201,487,000	221,698,100	223,311,500	229,795,600	236,535,100
	BALANCES & RESERVES					
21,516,098	Balance brought forward at 1 April	21,514,489	21,410,624	21,167,209	20,379,755	18,595,110
99,300	Deduct (Deficit) / Add Surplus for Year	(103,865)	(243,415)	(787,454)	(1,784,645)	(2,951,422)
21,615,398	Balance carried forward at 31 March	21,410,624	21,167,209	20,379,755	18,595,110	15,643,688
10,000,000	Minimum Level of Balances	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
(99,300)	Underlying Budget Deficit / (Surplus)	103,865	243,415	787,454	1,784,645	2,951,422

APPENDIX B

BUDGET AND FORECAST EXPENDITURE 2024/25 to 2027/28

	Budget 2024/25 £'000	Forecast 2025/26 £'000	Forecast 2026/27 £'000	Forecast 2027/28 £'000
Service Cash Limits	159,649	172,024	178,513	182,637
Contingency	17,048	4,735	4,635	4,635
Debt financing costs	23,717	29,234	32,567	34,409
Levies and insurance premiums	1,905	1,980	2,024	2,063
Other income/expenditure	19,379	15,338	12,057	12,791
	221,698	223,311	229,796	236,535
<u>Less</u>				
- Council Tax Income	103,282	106,290	111,594	117,162
- Revenue Support Grant	14,470	14,952	15,191	15,408
- Business Rates Retention	70,907	68,080	67,669	67,158
- Other General Grants	32,795	33,202	33,557	33,856
	221,454	222,524	228,011	233,584
Budget (Deficit)/Surplus	(244)	(787)	(1,785)	(2,951)

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INDICATIVE BUDGET SAVINGS 2024/25

Indicative Savings Proposal			Saving 2024/25 £	Saving 2025/26 £	Saving 2026/27 £
<u>Children, Families and Education Portfolio</u>					
<u>Director of Children's Services & Education</u>					
001	Reduce unaccompanied minors (UAM) care experienced budget (PCC top-up of grant funding)	No impact as already implemented following the reduction in number of unaccompanied minors	21,500	21,500	42,500
002	Removal of vacant Independent Reviewing Officer (IRO) post (0.4 FTE)	No impact as post is already vacant	26,000	26,000	26,000
003	Relocation of the adoption team back to Civic offices	No impact as already implemented	34,500	34,500	34,500
004	Use of grant funding to meet the management & administration costs of grant funded initiatives	No impact on service provision	21,000	21,000	0
Children, Families and Education Portfolio Total			103,000	103,000	103,000
<u>Community, Wellbeing, Health & Care Portfolio</u>					
<u>Director of Adult Services</u>					
005	Increase in fees and charges for in-house residential & nursing placements for PCC Clients, to bring them in line with average cost in the external care market	No impact on service provision. Clients would continue to only contribute towards of the cost of their care, based on a financial assessment carried out in accordance with the Care Act and its related charging regulations	70,000	70,000	70,000
006	Increase in fees and charges to other organisations for use of PCC in-house residential, nursing and day care services	No impact on service provision	430,000	430,000	430,000
007	Review and renegotiation of contract for outsourced building services	No impact on service provision	157,000	157,000	157,000
<u>Director of Public Health</u>					
008	Increase contribution to Community Safety Partnership from Public Health	No impact on service provision	2,000	2,000	2,000
Community, Wellbeing, Health & Care Portfolio Total			659,000	659,000	659,000

INDICATIVE BUDGET SAVINGS 2024/25

Indicative Savings Proposal				Saving 2024/25 £	Saving 2025/26 £	Saving 2026/27 £
<u>Culture, Leisure and Economic Development Portfolio</u>						
<u>Director of Economy, Planning and Transport</u>						
009	Additional income from enhanced street market activity	No impact on service provision		6,000	6,000	6,000
Culture, Leisure and Economic Development Portfolio Total				6,000	6,000	6,000
<u>Environmental Services Portfolio</u>						
<u>Director of Housing, Neighbourhood & Building Services</u>						
010	Waste management electricity income derived from contractual changes previously negotiated and taking effect from 01 January 2024	No direct impact on service delivery		550,000	550,000	550,000
011	Increase in fortnightly garden waste charges by 19 pence	Increased fee will support investment in new vehicles and garden waste collection service costs		60,000	60,000	60,000
012	Increased income from fines (Fixed Penalty Notices (FPNs) – litter and fly-tipping)	No impact on service provision		12,000	12,000	12,000
Environmental Services Portfolio Total				622,000	622,000	622,000
<u>Leader Portfolio</u>						
<u>Director of Economy, Planning and Transport</u>						
013	Increase in rental income from new units at Dunsbury Business Park	No impact on service provision		98,000	98,000	98,000
014	Increase Surveyor Fees by 10% for externally commissioned work	No impact on service provision		2,000	2,000	2,000
Leader Portfolio Total				100,000	100,000	100,000
<u>Planning Policy and City Development Portfolio</u>						
<u>Director of Economy, Planning and Transport</u>						
015	Impact of new planning fee structure to compensate for costs historically unfunded by central government, relating to the planning function	No impact on service provision		25,000	25,000	25,000
Planning Policy and City Development Portfolio Total				25,000	25,000	25,000

INDICATIVE BUDGET SAVINGS 2024/25

Indicative Savings Proposal	Saving 2024/25 £	Saving 2025/26 £	Saving 2026/27 £
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Resources Portfolio**Chief Executive**

016	Reduction in the cost of the Partnership for Urban South Hampshire (PUSH) subscription	No impact on service provision	10,000	10,000	10,000
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Director of Corporate Services

017	Civic Office utilisation - reduce occupancy of civic offices by mothballing one wing	No impact on service provision	50,000	50,000	50,000
018	Reduce print usage from Multi Functional Devices (MFDs)	No impact on service provision	5,000	5,000	5,000
019	Rationalise Microsoft 365 licenses	No impact on service provision	300,000	300,000	300,000

Director of Finance & Resources

020	Reduction in administration processing for Housing Benefit	No impact - caseloads reducing	35,000	35,000	35,000
021	Commission income from establishing a framework contract available for other local authorities to access	No impact on service provision	25,000	25,000	25,000
022	Reduction in transactional activities through enhanced functionality and efficiency of finance systems	No impact on service provision	45,000	45,000	45,000

Resources Portfolio Total

470,000	470,000	470,000
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Transport Portfolio**Director of Economy, Planning and Transport**

023	Increase parking suspension charges by 10%	No impact on service provision	15,000	15,000	15,000
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Transport Portfolio Total

15,000	15,000	15,000
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Grand Total

2,000,000	2,000,000	2,000,000
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APPENDIX D

New Schemes Starting in 2024/25 and Relying on Available Corporate Resources

Portfolio	Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
Children, Families & Education					
	Children's Homes - ongoing maintenance and refurbishment	Planned refurbishment of Children's Homes	36,000	36,000	
	Conditions Work for the Lantern Building (centre for complex learners from Mary Rose School)	A planned programme to address urgent condition works to allow handover to an Academies Trust	350,000	350,000	
	Early Years' Demand	Creation of additional Early Years Places following changes to the statutory entitlement for free early years education from September 2024	380,000	380,000	
	Secondary & Special School Places	School places across the secondary and special school sector to meet increased demand from 2024/25 onwards. All schemes are subject to a full business case and Financial appraisal to be approved by S151 Officer	7,573,200	7,573,200	
Climate Change & Greening the City					
	Greening Fund	Planting of new trees in the city, such as street trees and other types of green infrastructure, e.g. improvements to existing green spaces in areas with highest need	100,000	100,000	
Community Wellbeing H&SC					
	WiFi In Care Homes	Provision and installation of Wi-Fi hardware and licences across 3 Social Care Homes to enable In-House Data Care Management System (DCMS) to be used allowing social workers to continue to work remotely with digital technology (as opposed to paper records), following the decommissioning of MyCity Wi-Fi	60,000	60,000	

New Schemes Starting in 2024/25 and Relying on Available Corporate Resources

Portfolio	Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
Culture, Leisure & Economic Development					
	Air Quality	Replacement of key Air Quality monitoring equipment to review and assess local air quality	66,200	66,200	
	Bransbury Park Leisure Centre	Additional funding for the construction of a new Leisure centre with swimming pool gym, sports facilities and a new GP Surgery. Due to an increase in borrowing costs, the affordability of borrowing for the scheme has reduced requiring an equivalent increase in cash backed Corporate Resources of £794,000. The financial environment of escalating inflation has also led to a significant increase in construction costs. As part of an overall strategic review of Leisure Provision and a change in the procurement method releasing significant VAT savings, there is an estimated overall reduction in the Leisure contract of circa. £0.5m which supports an Invest to Save Case for £3m to be provided by the MTRS Reserve. £1.2m is available to be released from the Pyramids Maintenance Reserve. Additionally, there is borrowing of £1.6m to fund the GP Surgery and Solar Panels.	794,000	6,639,068	
	Development of Portsmouth Historic Environment Record website	To deliver a website that provides online access to the Portsmouth Historic Environment Record making the record more accessible to the public and promoting engagement with the city's heritage and museum collections.	16,500	16,500	
	DLTC Castle Road Phase 2	Public Realm improvement works at Castle Road vicinity	300,000	300,000	
	DLTC Urban Spaces - Inclusive Design	This investment will allow the Council to prepare a design for a "shovel ready" scheme to improve urban spaces to be delivered in future years when external funding is available	30,000	30,000	
	Outside Court Improvements Across The City	Refurbishment of the City's outside sporting court facilities	555,000	555,000	
	Play area improvements	Refurbishment of the City's Play Areas	364,500	364,500	
	Portsmouth Enterprise Centre Fencing	Enhancements to the Enterprise Centre's perimeter fence	44,660	44,660	
	Refurbishment of 4 public toilet areas and stairwell carpets at City Museum	Refurbishment of the City Museum's visitor facilities	33,900	33,900	
	Refurbishment of Cumberland House Natural History Museum Welcome Area and Shop	Refurbishment of Cumberland House Museum's entrance area and shop	40,000	40,000	
	Replacement of the Big Screen - Guildhall Square	Replacement of the Guildhall Square's big screen	139,200	139,200	

APPENDIX D

New Schemes Starting in 2024/25 and Relying on Available Corporate Resources

Portfolio	Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
	Sea Defence Enhancements & Improvements	Increase to the existing fund	125,000	125,000	
	Southsea Skatepark roof project design and planning	This scheme is to complete the detailed design and submission of the planning application for a roof at Southsea Skatepark and enable the park to bid for additional funding	36,000	36,000	
Housing & Tackling Homelessness (GF)					
	Adventure Playground Equipment Replacement and Renewal	Refurbishment of Adventure Playgrounds within the City	30,000	120,000	
	Asset Management Surveys	To facilitate Asset Management Surveys for a range of General Fund assets. Surveys will assess the condition and future maintenance liability to improve long term decisions around maintenance, investment, reuse or disposal.	250,000	250,000	
	Creation of a Prevention Hub to include improved reception facilities for HNAS	The creation of a central hub for those who need support in preventing homelessness	352,000	352,000	
	Landlords Maintenance Capital - Priority 1	The Council has landlord maintenance responsibility for over 2,000 operational assets. The proposed maintenance work combines a number of projects including mechanical & electrical installations, repairs and refurbishments and fire safety building works that address critical health and safety issues that significantly impact the operation of the building or present a significant risk of impacting service delivery	2,241,000	2,441,000	
	Relocation of the Rough Sleeping Hub	This project is for relocating to a new site for the Rough Sleeping hub and any refurbishment works required	203,000	203,000	

New Schemes Starting in 2024/25 and Relying on Available Corporate Resources

Portfolio	Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
Leader					
	City Centre North Land Assembly	Land assembly to facilitate a re-development of the City Centre	100,000	100,000	
	Eastney Swimming Pool Site	This project is for the demolition and clearance of Eastney Swimming pool	50,000	50,000	
	Minimum Energy Efficiency Standards - Rental Estate	A programme within the City Council's commercial portfolio essential to ensure properties remain lettable and meet minimum energy efficiency standards. These works will be prioritised by lease expiry event to ensure properties remain income generating and have an improved energy performance	98,000	98,000	
	Share Capital - annual running costs	The scheme is for the acquisition of share capital in Ravelin, the funding will enable Ravelin to undertake feasibility studies (commissioned by the Council) into potential affordable and market housing developments where there is a demonstrable market failure requiring a public sector intervention.	150,000	150,000	
Resources					
	Civic Offices Downsizing Scheme	A review into downsizing the Civic Offices to achieve a significant reduction in carbon footprint as well as a reduction in annual operating and capital repair costs. The study will include analysis of the current business needs and will generate proposals for future service delivery and building options	472,800	472,800	
Safety in the Community					
	Increased CCTV in the Kennels	This project is to renew the CCTV and lighting in and around the stray dog kennels	12,000	12,000	
	Redeployable CCTV Cameras for Environmental and Anti Social Behaviour Issues	There is high demand for the current suite of cameras that are deployed. These additional cameras will be used in areas across the city to help prevent and tackle Anti-social behaviour and environmental issues	35,000	35,000	

APPENDIX D

New Schemes Starting in 2024/25 and Relying on Available Corporate Resources

Portfolio	Description of Scheme	Scheme Details	Council Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
Transport					
	Eastern Road Active Travel Corridor - Harbourside Park Phase	This project is provide a new segregated footway / cycleway through the removal of hedgerow; installation of acoustic fence along with greening, and upgrading of existing crossings at Burrfields Road and Airport Service Road	700,000	1,200,000	
	Highways PFI Tertiary Roads - Annual rolling fund contribution	This fund is to pay for the annual resurfacing of the Tertiary Network once the PFI contract exceeds 20 years	200,000	200,000	
	Non-PFI asset management - works	Following the identification and recording of all non-PFI highway assets, this scheme will provide more detailed inspections, planned maintenance and emergency funding	250,000	250,000	
	Portsmouth Transport Strategy Implementation Plan (LTP4) 2024/25	The Portsmouth Transport Strategy Implementation Plan (LTP4) 2024/25 includes statutory and prioritised schemes and will be delivered against the Portsmouth Transport Strategy. The programme of schemes will provide a strategic and proactive plan for delivery of the LTP4 vision, its objectives and the City Vision.	2,685,000	2,685,000	
	TriSails	This scheme is for monitoring equipment to measure the condition of the structure's stability and to then identify any further safety works	90,000	90,000	
	Verge hardening	The hardening of grass verges on specified roads in the north of the city	40,000	40,000	
Grand Total			19,002,960	25,638,028	

New Schemes Starting in 2024/25 and Relying on Prudential Borrowing

Schemes to be approved in principal and funded from prudential borrowing but only if supported by a satisfactory financial appraisal approved by the Director of Finance & Resources and S151 Officer which demonstrates that borrowing costs can be met from savings arising from the scheme

Portfolio	Description of Scheme	Scheme Details	Council Borrowing £	Total Capital Cost £	Annual Revenue Cost / (Saving) After Borrowing Costs
Culture, Leisure & Economic Development					
	Bransbury Park Leisure Centre	Additional funding for the construction of a new Leisure centre with swimming pool gym, sports facilities and a new GP Surgery. Due to an increase in borrowing costs, the affordability of borrowing for the scheme has reduced requiring an equivalent increase in cash backed Corporate Resources of £794,000. The financial environment of escalating inflation has also led to a significant increase in construction costs. As part of an overall strategic review of Leisure Provision and a change in the procurement method releasing significant VAT savings, there is an estimated overall reduction in the Leisure contract of circa. £0.5m which supports an Invest to Save Case for £3m to be provided by the MTRS Reserve. £1.2m is available to be released from the Pyramids Maintenance Reserve. Additionally, there is borrowing of £1.6m to fund the GP Surgery and Solar Panels.	1,623,768	6,639,068	
Environmental Services					
	Waste collection depot expansion & refurbishment	Additional funding to meet the needs of expanding and refurbishment of the waste collection depot	550,000	550,000	
Port					
	Shore Power Berth 5	Subject to a full business case demonstrating the affordability of borrowing, this scheme will provide a suitable and adequate shore supply facility at the Portsmouth International Port for Berth 5 enabling existing customers to connect electrically to the Port switching off their engines and assisting the port in meeting carbon reduction and air quality targets	5,000,000	5,000,000	
Transport					
	Wheel Chair Accessible Taxis - Lease Rental Scheme	Subject to a full business case demonstrating the affordability of borrowing, a scheme to provide wheel chair accessible taxis to the Taxi Trade	600,000	600,000	
Grand Total			7,773,768	12,789,068	-

APPENDIX D

New Schemes Starting in 2024/25 and Relying on Reserves

Portfolio	Description of Scheme	Scheme Details	Reserves Contribution £	Total Capital Cost £	Annual Revenue Cost / (Saving)
Culture, Leisure & Economic Development					
	Bransbury Park Leisure Centre	Additional funding for the construction of a new Leisure centre with swimming pool gym, sports facilities and a new GP Surgery. Due to an increase in borrowing costs, the affordability of borrowing for the scheme has reduced requiring an equivalent increase in cash backed Corporate Resources of £794,000. The financial environment of escalating inflation has also led to a significant increase in construction costs. As part of an overall strategic review of Leisure Provision and a change in the procurement method releasing significant VAT savings, there is an estimated overall reduction in the Leisure contract of circa. £0.5m which supports an Invest to Save Case for £3m to be provided by the MTRS Reserve. £1.2m is available to be released from the Pyramids Maintenance Reserve. Additionally, there is borrowing of £1.6m to fund the GP Surgery and Solar Panels.	4,221,300	6,639,068	
Housing & Tackling Homelessness (GF)					
	Adventure Playground Equipment Replacement and Renewal	Refurbishment of Adventure Playgrounds within the City	90,000	120,000	
Transport					
	Eastern Road Active Travel Corridor - Harbourside Park Phase	This project is provide a new segregated footway / cycleway through the removal of hedgerow; installation of acoustic fence along with greening, and upgrading of existing crossings at Burfields Road and Airport Service Road	500,000	1,200,000	
	Junction Improvements	Safety schemes to improve traffic flows and for easing congestions at busy junctions identified within the City	50,000	50,000	
	One Way Roads	This project is for consultation, design works and installation of one way road systems identified as areas of serious concern by residents and will be deployed in priority order	60,000	60,000	
	Additional lighting	This safety scheme will improve inadequate lighting identified within the City, particularly targeted in areas of vulnerability for women and children	40,000	40,000	
Community Wellbeing H&SC					
	Young Persons supported living accommodation	Subject to a Business Case demonstrating savings in the provision of Adult Social Care, creation of a new young person's supportive accommodation, enabling a number of young people to return to Portsmouth.	1,212,000	1,212,000	
Grand Total			6,173,300	9,321,068	

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Summary of Capital Programme (All Services)	Expenditure to 31 March 23 £	Revised Estimate 2023 / 24 £	Estimate 2024 / 25 £	Estimate 2025 / 26 £	Estimate 2026 / 27 £	Estimate 2027 / 28 £	Estimate 2028 / 29 £	Expenditure in Subsequent Years £	Final Cost £
Children, Families & Education	56,587,003	10,755,107	14,324,561	490,000	-	-	-	-	82,156,671
Climate Change & Greening The City	239,747	12,913,586	17,760,000	-	-	-	-	-	30,913,333
Community Wellbeing, Health & Care	3,334,887	129,300	1,864,100	11,712,422	-	-	-	-	17,040,709
Culture, Leisure & Economic Development	116,631,682	46,770,321	55,143,332	32,146,247	25,762,751	25,530,815	-	-	301,985,148
Environmental Services	2,461,680	6,105,228	3,055,000	26,579,368	16,776,108	-	-	-	54,977,384
Leader	451,918,926	27,823,494	74,391,655	31,715,511	-	-	-	-	585,849,586
Commercial Port	53,530,419	15,459,501	44,951,962	26,808,807	-	-	-	-	140,750,689
Planning, Policy & City Development	5,706,465	2,008,247	112,700	-	-	-	-	-	7,827,412
Resources	27,907,179	2,075,568	1,288,745	480,650	-	-	-	-	31,752,142
Safety in the Community	610,723	224,892	47,000	-	-	-	-	-	882,615
Transport	100,240,204	70,491,543	42,463,919	7,140,404	5,935,404	2,171,564	-	-	228,443,039
Total Capital Programme (Excluding Housing Investment Programme)	819,168,915	194,756,787	255,402,974	137,073,409	48,474,263	27,702,379	0	0	1,482,578,727
Housing Investment Programme	253,506,990	146,749,257	53,271,421	97,711,764	93,276,212	42,724,304	42,709,000	-	729,948,948
Total Capital Programme	1,072,675,905	341,506,044	308,674,395	234,785,173	141,750,475	70,426,683	42,709,000	0	2,212,527,675

Analysis of Programme by Source of Finance

Unsupported Borrowing		124,136,305	92,517,352	134,113,160	74,335,320	4,834,304	3,250,000	-	433,186,441
Corporate Reserves (Including Capital Receipts)		19,081,929	23,452,078	11,202,919	576,000	947,056	476,000	-	55,735,982
Revenue & Reserves		44,753,623	48,547,515	49,073,584	39,717,704	36,255,564	35,653,000	-	254,000,989
Grants		135,738,979	116,287,432	37,809,885	25,850,451	11,829,046	2,059,000	-	329,574,793
Contributions		17,795,208	27,870,019	2,585,625	1,271,000	16,560,713	1,271,000	-	67,353,565
Total Financing		341,506,044	308,674,395	234,785,173	141,750,475	70,426,683	42,709,000	0	1,139,851,770

RESOURCES AVAILABLE

Specific Resources

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

Specific Resources Available

Corporate Resources

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

Corporate Resources Available

Total Resources Available

Total Resources Used

Total Remaining Resources Available

Revised Estimate 2023 / 24 £	Estimate 2024 / 25 £	Estimate 2025 / 26 £	Estimate 2026 / 27 £	Estimate 2027 / 28 £	Estimate 2028 / 29 £	Expenditure in Subsequent Years £	Final Cost £
124,136,305	92,517,352	134,113,160	74,335,320	4,834,304	3,250,000	-	433,186,441
2,376,500	1,049,000	625,000	476,000	476,000	476,000	-	5,478,500
44,328,334	48,196,221	49,019,386	39,717,704	36,255,564	35,653,000	-	253,170,209
10,020,344	23,781,722	2,585,625	1,271,000	11,760,713	1,271,000	-	50,690,404
(635,356)	1,000,000	-	-	-	-	-	364,644
122,625,158	90,113,750	36,137,385	25,850,451	10,955,081	2,059,000	-	287,740,825
302,851,285	256,658,045	222,480,556	141,650,475	64,281,662	42,709,000	0	1,030,631,023
302,851,285	256,658,045	222,480,556	141,650,475	64,281,662	42,709,000	-	1,030,631,023
0	0	0	0	0	0	0	0
8,562,764	214,883	22,544					8,800,191
50,319,749	(8,181,457)	95,683	54,198				42,288,173
11,846,898	3,232,659						15,079,556
27,595,055	4,436,000	9,438,164					41,469,219
1,583,608	-						1,583,608
99,908,073	(297,915)	9,556,391	54,198	0	0	0	109,220,747
38,654,759	52,016,350	12,304,617	100,000	6,145,021	0	0	109,220,747
61,253,314	8,939,049	6,190,823	6,145,021	(0)	(0)	(0)	(0)
402,759,358	256,360,130	232,036,947	141,704,673	64,281,662	42,709,000	0	1,139,851,770
341,506,044	308,674,395	234,785,173	141,750,475	70,426,683	42,709,000	0	1,139,851,771
61,253,314	8,939,049	6,190,823	6,145,021	(0)	(0)	(0)	

CHILDREN, FAMILIES & EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
1	Children's Case Management Software Replacement	CorpRsv CP(DCSF)BN	2,331,119 79,385		296,496						2,627,615 79,385
	Sub Total		2,410,504	-	296,496	-	-	-	-	-	2,707,000
2	Beechside Children's Home	CorpRsv	63,188								63,188
3	E C Roberts Centre refurbishment Loan	CorpRsv	7,200	(7,200)							-
4	Adaptation to Carers Homes	MTRS CROC CorpRsv	38,745 41,734 21,935		26,517	300,000					365,262 41,734 21,935
	Sub Total		102,414	-	26,517	300,000	-	-	-	-	428,931
	Sufficiency Programme Phase Two 2015- 2017	CP(DCSF)BN CorpRsv UBIR CROC CIL GGR(DCSF)SSEYC GGR(DCSF)DF OC CP(DCSF)CM	2,136,350 2,482,590 4,097,868 300,000 635,710 726,721 - 251,344 72,000		382,281						2,136,350 2,864,871 4,097,868 300,000 635,710 726,721 - 255,968 72,000
	Sub Total		10,702,583	386,905	-	-	-	-	-	-	11,089,488
6	King Richard School Rebuild 900-1000 places	GGR(DCSF)TC CorpRsv OC CP(DCSF)BN	1,251,400 144,115 10,917 6,224		149,648						1,251,400 293,763 10,917 6,224
	Sub Total		1,412,656	-	149,648	-	-	-	-	-	1,562,304

CHILDREN, FAMILIES & EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28		
7	Secondary School Places Expansion Phase (1)	UBIR	626,860							626,860
		CP(DCSF)BN	776,118	22,749						798,867
		CP(DCSF)CM	8,211							8,211
		CROC	6,473	88,289						94,762
		OC	200,000							200,000
	Sub Total		1,617,662	111,038	-	-	-	-	-	1,728,700
8	Special Education Needs - Building Alterations	CP(DCSF)BN	1,122,785	(35)						1,122,750
		CP(DCSF)CM	68,810							68,810
		CorpRsv	880,254	58,100						938,354
		UBIR	540,000							540,000
		OC	0							0
	Sub Total		2,611,849	58,065	-	-	-	-	-	2,669,914
9	Schools DFC Balances and Devolved 2016-17	GGR(DCSF)DF	3,093,661	(635,356)	(500,000)					1,958,305
		GGR(DCSF)DSG	3,251,942							3,251,942
		CorpRsv	132,071							132,071
		CP(DCSF)BN	381,026							381,026
		OC	113,735							113,735
	Sub Total		6,972,435	(635,356)	(500,000)	-	-	-	-	5,837,079
10	Sufficiency of Secondary School Places	CorpRsv	60,144	601,676						661,820
		CP(DCSF)BN	4,091,273	(14,148)						4,077,125
		CP(DCSF)CM	611,055							611,055
		GGR(DCSF)DSG	132,500							132,500
		OC	35,000							35,000
	Sub Total		4,929,972	587,528	-	-	-	-	-	5,517,500
11	Future Secondary School Places	CP(DCSF)BN	(38,352)	93,962						55,610
		CP(DCSF)CM	-							-
		UBIR	102,842	26,158						129,000
		CorpRsv	-	6,690						6,690
	Sub Total		64,490	126,810	-	-	-	-	-	191,300

CHILDREN, FAMILIES & EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
12	Sufficiency of School Places 2018-19	CP(DCSF)BN	5,851,956	313,175							6,165,131
		CP(DCSF)CM	34,100	170,678							204,778
		CIL	4,668,598								4,668,598
		OC	-	305,000							305,000
	Sub Total		10,554,654	788,853	-	-	-	-	-	-	11,343,507
13	Sufficiency of Special School Places - Redwood Park Academy	CorpRsv	95,608								95,608
		CIL	1,831,402								1,831,402
		UBIR	872,221								872,221
		CP(DCSF)BN	108,684								108,684
	Sub Total		2,907,915	-	-	-	-	-	-	-	2,907,915
	Sufficiency of Special School Places - The Willows Centre	CP(DCSF)CM	495,065	43,560							538,625
		CorpRsv	21,408								21,408
	Sub Total		516,473	43,560	-	-	-	-	-	-	560,033
15	Forest School at Foxes Forest - Community Accessible Education Centre	CorpRsv	-	10,000	20,000						30,000
16	Additional School Places in Mainstream Schools - Design	CorpRsv	72,288	176,092							248,380
17	Additional School Places - 2020/21	CP(DCSF)BN	228,157	835,458	1,000,000						2,063,615
18	Sufficiency at Wymering Site Improvement	CorpRsv	70,000	46,645							116,645
		CP(DCSF)BN	150,010	(10)							150,000
		CP(ESFA)SEND	71,174	(7,498)							63,676
	Sub Total		291,184	39,137	-	-	-	-	-	-	330,321

CHILDREN, FAMILIES & EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate						Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26	Estimate for 2026 / 27	Estimate for 2027 / 28	Estimate for 2028 / 29		
19	School Places - SEND Phase 1 & Phase 2	S106(EC)	22,400								22,400
		CP(DCSF)BN	1,265,210	73,037							1,338,247
		CP(ESFA)SEND	1,631,731	197,968							1,829,699
		OC	-	3,635							3,635
		CP(DCSF)CM	-	11,712							11,712
	Sub Total		2,919,341	286,352	-	-	-	-	-	-	3,205,693
20	Northern Parade Family Hub	CorpRsv	19,627	5,373							25,000
21	Replacement Education Case Mmgt System	CorpRsv	292,850	957,150							1,250,000
22	Accommodation for Special Education Needs (additional School Places)	CorpRsv	116	522,737							522,853
		CIL	-	1,312,700	1,000,000						2,312,700
		GGR(DCSF)DSG	-		1,500,000						1,500,000
		CP(DCSF)CM	(66,100)	80,456							14,356
		CP(ESFA)SEND	669,094	2,324,746	1,000,000						3,993,840
		CP(DCSF)BN	1,408,235	55,899							1,464,134
	Sub Total		2,011,345	4,296,538	3,500,000	-	-	-	-	-	9,807,883
23	Acquisition of Mosaic Mobile Work Force Cloud Technology	CorpRsv	-		416,100						416,100
		CROC	-		128,900						128,900
	Sub Total		-	-	545,000	-	-	-	-	-	545,000
24	The Whitehouse Children's Home Driveway Replacement	CorpRsv	21,336	1,164							22,500
		S106(Hsg)	-								-
	Sub Total		21,336	1,164	-	-	-	-	-	-	22,500
25	Create Garden Workspace for Young People	CorpRsv	-	14,100							14,100

CHILDREN, FAMILIES & EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
26	Accom for Special Educational Needs - Arundel Court Inclusion Unit	CP(ESFA)SEND CorpRsv	112,302	987,698 125,000							1,100,000 125,000
	Sub Total		112,302	1,112,698	-	-	-	-	-	-	1,225,000
27	Beechside Outside Space	CIL	-	21,000							21,000
28	Education 2023 24 & 2024 25 Conditions	CP(DCSF)CM OC	- -	364,300 66,958	1,000,000 70,000						1,364,300 136,958
	Sub Total		-	431,258	1,070,000	-	-	-	-	-	1,501,258
29	White House Ventilation	CP(DCSF)CM	-	12,500							12,500
30	Hester Road Roof Repairs	RCCO	-	56,500							56,500
31	Prior Year Education Conditions	CP(DCSF)BN CP(DCSF)CM GGR(DCSF)DF OC CorpRsv	205,255 2,159,723 452,664 218,999 169,059								205,255 2,159,723 452,664 315,500 166,917
	Sub Total		3,205,700	94,359	-	-	-	-	-	-	3,300,059
32	Prior Year Schools Education Conditions	CorpRsv CP(DCSF)BN CP(DCSF)CM OC	1,021,691 257,845 1,145,127 114,214	743,397 - 35,700 69,328							1,765,088 257,845 1,180,827 183,542
	Sub Total		2,538,877	848,425	-	-	-	-	-	-	3,387,302
33	Maintenance and Upkeep of 5 Family Hubs	OG	-	96,800	67,700						164,500

CHILDREN, FAMILIES & EDUCATION PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate						Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29		
34	Conditions Work for the Lantern Building (centre for complex learners from Mary Rose School)	CorpRsv CP(DCSF)CM	-	-	149,900						149,900
			-	-	200,100						200,100
	Sub Total		-	-	350,000	-	-	-	-	-	350,000
35	Early Years' Demand	CP(DCSF)BN	-	-	190,000	190,000					380,000
36	Children's Homes - Ongoing Maintenance and Refurbishment	CROC	-	-	36,000						36,000
37	Secondary & Special School Places	CP(DCSF)BN	-	-	7,573,200						7,573,200
	Sub Total		-	-	7,573,200	-	-	-	-	-	7,573,200
	Grand Total		56,587,003	10,755,107	14,324,561	490,000	0	0	0	0	82,156,671

CLIMATE CHANGE & GREENING THE CITY PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised			Exp. in Subsequent Years				Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29		
1	Air Quality Equipment & Monitoring Station	CorpRsv	103,333	-	-	-	-	-	-	-	103,333
2	Air Quality Initiatives	CorpRsv	-	75,000	75,000						150,000
3	Greening the City	CorpRsv	98,454	1,546							100,000
Sub Total			98,454	1,546	-	-	-	-	-	-	100,000
4	High Street Improvements & Greening The City	CorpRsv	37,960	137,040							175,000
5	Greening the City Fund	CorpRsv	-		250,000						250,000
6	Sea Water Quality Alert System	CorpRsv	-		35,000						35,000
7	Low Carbon Energy Projects	UB	-	12,700,000	17,300,000						30,000,000
8	Greening the City - Doubling the Tree Canopy	CP(DCSF)CM	-		100,000						100,000
Grand Total			239,747	12,913,586	17,760,000	0	0	0	0	0	30,913,333

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
1	DDAY Landscaping Works	OG	576,777	23,223							600,000
2	In-house Parks' Mobilisation - Vehicles & Equipment	CorpRsv RCCO	494,000 171,631	230,194	95,683	54,198					494,000 551,706
	Sub Total		665,631	230,194	95,683	54,198	-	-	-	-	1,045,706
3	Edwardian Seafront Shelter	CorpRsv CILNRsv	452 -		69,548						70,000 -
	Sub Total		452	-	69,548	-	-	-	-	-	70,000
	Re-provision of Bandstand at West Battery Gardens	CorpRsv	23,870		1,130						25,000
	Sub Total		23,870	-	1,130	-	-	-	-	-	25,000
5	Water Safety Equipment	CorpRsv RCCO	60,229 -	20,000	19,771						100,000 -
	Sub Total		60,229	20,000	19,771	-	-	-	-	-	100,000
6	Farlington Pavilion Refurbishment	CorpRsv S106(OS) CP(DFI)IT OC	96,247 8,100 170,000 -								96,247 8,100 170,000 -
	Sub Total		274,347	-	-	-	-	-	-	-	274,347
7	Lumps Fort Sun Huts Maintenance / Replacement	CorpRsv	56,520	8,480							65,000
	Sub Total		56,520	8,480	-	-	-	-	-	-	65,000

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28		
8	Victoria Park Heritage Lottery Fund	CorpRsv	183,365	63,303	3,332					250,000
		LOT	260,451	1,590,331	83,702					1,934,484
		CILNRsv	30,800	-	-					30,800
		OC	7,500	56,050	2,950					66,500
		RCCO	104,932	106,601	5,611					217,144
	Sub Total		587,048	1,816,286	95,594	-	-	-	-	2,498,928
9	Disabled Beach Buggies and Access Mat	CROC	15,009	4,990						19,999
10	Pyramids Refurbishment	CorpRsv	1,893,482							1,893,482
		CP(DFT)IT	101,904							101,904
		OR	1,399,932	48,156						1,448,087
		MTRS	450,000							450,000
		OC	-	100,000						100,000
	Sub Total		3,845,317	148,156	-	-	-	-	-	3,993,473
11	World War 1 Memorial Plaques	CROC	-		45,000					45,000
12	Cont to Architectural Design to Enable Regeneration - Guildhall	CorpRsv	37,929	2,071						40,000
13	Palmerston Road Improvements	CorpRsv	345,198	154,802						500,000
14	Brougham Road (Arts Centre) - External Repairs	CorpRsv	160,735	10,866						171,601
		CP(DFT)IT	83,000							83,000
	Sub Total		243,735	10,866	-	-	-	-	-	254,601
15	Burfields Road Barns - Demolition	CorpRsv	-	-	70,000					70,000
		CP(DFT)IT	-	-	92,000					92,000
	Sub Total		-	-	162,000	-	-	-	-	162,000

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
16	Hotwalls' Paving Maintenance	CorpRsv	26,100	20,000	14,970						61,070
17	Portsmouth Watersports Centre	CP(DFI)IT CorpRsv OR	90,000 56,583 -	518,247 45,000							90,000 574,830 45,000
	Sub Total		146,583	563,247	-	-	-	-	-	-	709,830
18	Bransbury Park Pavilion	CP(DFI)IT	-		150,000						150,000
19	Kings Theatre Regeneration	UB OC	- -	- -		3,000,000 1,300,000					3,000,000 1,300,000
	Sub Total		-	-	-	4,300,000					4,300,000
20	Kings Theatre Landlords Backlog Maintenance Obligations	CP(DFI)IT CorpRsv	64,814	247,951 408,000							312,765 408,000
	Sub Total		64,814	655,951	-	-	-	-	-	-	720,765
21	Guildhall Regeneration	UB	-	550,000	250,000	250,000	650,000				1,700,000
22	Future High Streets Commercial Rd	OG UB	41,317 -	418,139							459,456 -
	Sub Total		41,317	418,139	-	-	-	-	-	-	459,456
23	Future High Streets Fratton Rd	OG	77,510	3,780,979							3,858,489
24	Southsea Castle - External Stone Repairs	CorpRsv	-		190,000						190,000

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26	Estimate for 2026 / 27	Estimate for 2027 / 28	Estimate for 2028 / 29	Exp. in Subsequent Years	Final Cost
25	Invest in Football Facilities Including Changing Facilities	CorpRsv	522,355	1,006,778							1,529,133
		OC	-	4,400,000							4,400,000
		S106(OS)	19,000	7,522							26,522
		CROC	8,845	-							8,845
		CP(DCSF)CM	203,055	505,445							708,500
		OC	65,058	451,942							517,000
		OR	57,320	142,680							200,000
		OG(LUHC)	286,598	713,402							1,000,000
	Sub Total		1,162,231	7,227,769	-	-	-	-	-	-	8,390,000
26	Seafront Litter Management	CorpRsv	31,188	3,812							35,000
	Re-provision of Leisure Centre, Pool & Community Centre	CorpRsv	19,310	67,349	12,586,841	794,000					13,467,500
		UB	-		606,913	2,239,984					2,846,897
		CP(DCSF)BN	487,692	537,208							1,024,900
		MTRS	-			3,000,000					3,000,000
		OR	-				1,221,300				1,221,300
		OC	-			14,625					14,625
	Sub Total		507,002	604,557	13,193,754	6,048,609	1,221,300	-	-	-	21,575,222
28	Palmerston Forts (Widley & Purbrook) - Backlog Maintenance	CorpRsv	-	75,000	175,000						250,000
29	Loan to Pompey in the Community - John Jenkins Centre (Copnor/Baffins)	UB	-	800,000	200,000						1,000,000
	Sub Total		-	800,000	200,000	-	-	-	-	-	1,000,000
30	Peter Ashley Centre Grant	RCCO	20,000								20,000

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
31	New Theatre Royal - Lease Maintenance Obligations (Landlord)	CorpRsv RCCO	25,036 -	24,964	100,000 250,000	100,000	100,000	100,000	100,000		450,000 250,000
	Sub Total		25,036	24,964	350,000	100,000	100,000	100,000	100,000	-	700,000
32	Paulsgrove Football Club Fencing	CorpRsv	1,855	3,145	25,000						30,000
33	Round Tower Internal & External Improvements	CorpRsv	-	20,000	191,000						211,000
34	Linear Park	OG(LUHC)	236,616	900,114	6,613,270						7,750,000
35	District Shopping Centre Improvement	CorpRsv CP(DCSF)CM	128,499 37,107	9,643 -	- -	- -	- -	- -	- -	- -	138,142 37,107
	Sub Total		165,606	9,643	-	-	-	-	-	-	175,249
36	Portsea Island - Flood Cell 4: North Portsea Island - Coastal Flood and Erosion Risk Management	OGENV CorpRsv	38,118,046 -	7,665,961	6,483,353	5,624,571 282,000					57,891,931 282,000
	Sub Total		38,118,046	7,665,961	6,483,353	5,906,571	-	-	-	-	58,173,931
37	Southsea Enhancement Design	S106(OS) CorpRsv	41,788 -	7,052	39,160						48,840 39,160
	Sub Total		41,788	7,052	39,160	-	-	-	-	-	88,000
38	Emergency Repairs to Southsea Sea Defences	OGENV	631,130		33,561						664,691

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised		Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25						
39	Southsea Coastal Flood Defence	OGENV	62,049,963	17,970,821	20,815,830	14,431,869	23,791,451	8,896,081			147,956,015
		PCCOC	-					10,489,713			10,489,713
		CIL	-					4,800,000			4,800,000
		CorpRsv	589,044					371,056			960,100
		CP(DCSF)CM	60,935					873,965			934,900
		LEP	5,000,000								5,000,000
	Sub Total		67,699,942	17,970,821	20,815,830	14,431,869	23,791,451	25,430,815	-	-	170,140,728
40	Old Portsmouth Seawalls' Maintenance	CorpRsv	74,747		45,253						120,000
41	Southsea Seafront Emergency Work to Sea Defences	OGENV	757,848		35,955						793,803
	Southsea Sea Defences - Public Realm Enhancements	CP(DFI)IT	4,000	166,260	29,740	-	-	-	-	-	200,000
		CorpRsv	-	50,000	150,014	-	-	-	-	-	200,014
		S106(OS)	-	-	129,986	-	-	-	-	-	129,986
	Sub Total		4,000	216,260	309,740	-	-	-	-	-	530,000
43	Castle Road Phase 2	CIL	-		100,000						100,000
		CorpRsv	-		300,000						300,000
	Sub Total		-	-	400,000	-	-	-	-	-	400,000
44	Canoe Lake De-Silting	CIL	-		25,000						25,000
45	Accessible Beach Huts	MTRS	-	25,000							25,000
46	Museum Store Phase 1	CIL	-	44,100							44,100

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate			Estimate				Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29			
47	Mountbatten Centre Roofing Project	CIL	-	900,000	900,000	-	-	-	-	-	1,800,000	
		OR	-	1,000,000	2,000,000	1,000,000	-	-	-	-	4,000,000	
		UB	-	500,000	500,000	-	-	-	-	-	1,000,000	
	Sub Total		-	2,400,000	3,400,000	1,000,000	-	-	-	-	6,800,000	
48	Farlington Playing Field	UB	-		500,000						500,000	
49	BMX Track (Baffins)	CRGG	-								-	
		CorpRsv	-		65,000	55,000					120,000	
		CILNRsv	-		60,000						60,000	
	Sub Total		-	-	125,000	55,000	-	-	-	-	180,000	
50	Renewal of Skate Ramps (Milton)	S106(OS)	-	25,000							25,000	
51	Binstead Play Area	CRGG	-								-	
		CorpRsv	-	15,000							15,000	
	Sub Total		-	15,000	-	-	-	-	-	-	15,000	
52	Hilsea Basketball Court - Refurbishment and Resurfacing	CorpRsv	-		60,000						60,000	
53	Sea Defence Enhancements	CP(DCSF)CM	-		25,000						25,000	
54	Enhancements to Sea Defences Grand Parade	CP(DFT)IT	66,260								66,260	
		CorpRsv	-	172,740							172,740	
	Sub Total		66,260	172,740	-	-	-	-	-	-	239,000	

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate						Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29		
55	Gatcombe Park Play Area	S106(OS) CILNRsv	-	7,500							7,500
			-	7,500							7,500
	Sub Total		-	15,000	-	-	-	-	-	-	15,000
56	Highbury Community Centre - Heat Pump Technology	S106(OS)	-	5,000							5,000
57	College Park Play Equipment	CP(DCSF)CM	-	10,000							10,000
58	Christmas Lights	CWCIL	-	122,000	-	-	-	-	-	-	122,000
59	Play Area Improvements	CorpRsv	-	-	180,000						180,000
60	Outside Court Improvements Across The City	CorpRsv	-	-	307,300						307,300
61	Replacement of the Big Screen - Guildhall Square	CorpRsv	-	-	139,200						139,200
62	Air Quality	CorpRsv	-	-	66,200						66,200
63	Refurbishment of Cumberland House Natural History Museum Welcome Area and Shop	CorpRsv	-	-	40,000						40,000
64	Refurbishment of 4 Public Toilet Areas and Stairwell Carpets at City Museum	CorpRsv	-	-	33,900						33,900
65	DLTC Urban Spaces - Inclusive Design	CorpRsv	-	-	30,000						30,000
66	City Buildings - (Former Playland Site)	OC	-	-	110,000						110,000
67	Portsmouth Enterprise Centre Fencing	CorpRsv	-	-	44,660						44,660
68	Southsea Skatepark Roof Project Design and Planning	CROC	-	-	36,000						36,000

CULTURE, LEISURE & ECONOMIC DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28			
69	Portsmouth Historic Environment Record Website	CROC	-		4,500					4,500	
		CP(DFI)IT	-		12,000					12,000	
Sub Total			-	-	16,500	-	-	-	-	16,500	
Grand Total			116,631,682	46,770,321	55,143,332	32,146,247	25,762,751	25,530,815	-	301,985,148	

COMMUNITY WELLBEING, HEALTH & CARE PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28		
1	Oakdene SJH Purchase & Remodelling	OC	196,818							196,818
		UB	670,000							670,000
		CorpRsv	263,182							263,182
		RCCO	334,725							334,725
		UBIR	1,041,758							1,041,758
		OR	10,826							10,826
Sub Total			2,517,309	-	-	-	-	-	-	2,517,309
2	Older Persons Supported Living (Extra Care Housing)	CorpRsv	561,817			3,944,473				4,506,290
		CP(DH)CG	93,710			-				93,710
		UB	-			5,836,000				5,836,000
		OR	162,051		200,000	637,949				1,000,000
		BCF(DFG)DCLG	-			1,294,000				1,294,000
		OC	-							-
Sub Total			817,578	-	200,000	11,712,422	-	-	-	12,730,000
3	Critical Reporting Solution	BCF(DFG)DCLG	-	-	371,400					371,400
		OC	-	129,300	20,700					150,000
Sub Total			-	129,300	392,100	-	-	-	-	521,400
4	WiFi In Care Homes	CorpRsv	-		60,000					60,000
5	Young Persons supported living accommodation	MTRS	-		1,212,000					1,212,000
Grand Total			3,334,887	129,300	1,864,100	11,712,422	-	-	-	17,040,709

ENVIRONMENTAL SERVICES

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
1	Wheeled Bins for Refuse	CorpRsv	1,103,079	16,921							1,120,000
2	Dog Kennels Vehicles	CorpRsv	18,014								18,014
3	Single Material Recycling Facility	UB	-	200,000	400,000	1,600,000	2,638,400				4,838,400
4	Food Waste Recycling - Pilot	CorpRsv CP(DFI)IT	382,037 29,200								382,037 29,200
	Sub Total		411,237	-	-	-	-	-	-	-	411,237
5	Anaerobic Digestion Plant	CorpRsv CP(DCSF)CM UB	197,252 - -	62,748 300,000 -	215,000		21,937,292	13,062,708			260,000 515,000 35,000,000
	Sub Total		197,252	362,748	215,000	21,937,292	13,062,708	-	-	-	35,775,000
6	Energy Recovery Facilities - Emissions Control Equipment Upgrade	CorpRsv	-		115,000						115,000
7	Additional 2 Food Waste Recycling Vehicles	CorpRsv	339,816								339,816
8	Depot Expansion to Meet Increased Fleet (Env Bill)	UB	-	300,000	1,450,000						1,750,000
9	Waste Collection Fleet Replacement 2023	UB	86,000	4,869,917	500,000	1,426,076	1,075,000				7,956,993
10	City Wide Food Waste Collection Service	CorpRsv	83,510	201,490	350,000						635,000
11	Mixed Plastic Recycling Bank & Glass Refurbishment	CorpRsv	33,551								33,551

ENVIRONMENTAL SERVICES

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised			Estimate	Estimate	Estimate	Estimate	Exp. in Subsequent Years	Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29			
12	Changing Places Toilets	OG CorpRsv	96,000 93,221	63,500 15,652								159,500 108,873
	Sub Total		189,221	79,152	-	-	-	-	-	-	-	268,373
13	Green Waste Club (GWC) Bins	CP(DCSF)CM	-	75,000	25,000							100,000
14	Twin Stream	UB	-			1,616,000						1,616,000
Grand Total			2,461,680	6,105,228	3,055,000	26,579,368	16,776,108	0	0	0	0	54,977,384

LEADER PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26	Estimate for 2026 / 27	Estimate for 2027 / 28	Estimate for 2028 / 29	Exp. in Subsequent Years	Final Cost
1	Sainsbury's Acquisition	CorpRsv CP(DCSF)BN	1,647,777 4,668,598	328,175							1,975,952 4,668,598
	Sub Total		6,316,375	328,175	-	-	-	-	-	-	6,644,550
2	City Centre North Regeneration	CIL CorpRsv UB OG CP(DFI)IT RCCO	3,810,691 2,010,838 9,927,983 - - -	242,609 478,228 (2,400,919) 2,662,919 -	1,132,684						4,053,300 3,621,750 7,527,064 2,662,919 1,911,400 26,800
	Sub Total		15,749,512	1,009,637	3,044,084	-	-	-	-	-	19,803,233
	Dunsbury Hill Farm - Access Road	UBIR OG(DCLG)CD OC LEP UB	280,440 568,954 4,540,136 241,078 4,805,437			349,091					280,440 568,954 4,540,136 241,078 5,154,528
	Sub Total		10,436,045	-	349,091	-	-	-	-	-	10,785,136
4	Dunsbury Hill - Utilities & Enabling	UB LEP	11,457,929 924,904	68,703							11,526,632 924,904
	Sub Total		12,382,833	68,703	-	-	-	-	-	-	12,451,536
5	Dunsbury Hill - Plot 3	UBIR UB OC	19,047 6,852,217 89,922								19,047 6,852,217 89,922
	Sub Total		6,961,186	-	-	-	-	-	-	-	6,961,186

LEADER PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26	Estimate for 2026 / 27	Estimate for 2027 / 28	Estimate for 2028 / 29	Exp. in Subsequent Years	Final Cost
6	Dunsbury Hill Farm- Master Plan	UB	6,272,204	1,850,522	15,000,000	3,495,474					26,618,200
		CorpRsv	1,577,554			5,284,246					6,861,800
		OG(LUHC)	3,100,000								3,100,000
	Sub Total		10,949,758	1,850,522	15,000,000	8,779,720	-	-	-	-	36,580,000
7	Dunsbury Hill Farm- Plot 4a	UB	33,918								33,918
		LEP	2,827,982								2,827,982
		LEP(MHCLG)	2,004,844								2,004,844
		CorpRsv	7,576,020	372,472	100,000						8,048,492
	Sub Total		12,442,764	372,472	100,000	-	-	-	-	-	12,915,236

LEADER PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26	Estimate for 2026 / 27	Estimate for 2027 / 28		
8	Tipner Regeneration	OG(DCLG)CD	4,072,035							4,072,035
		CorpRsv	-	1,227,787						1,227,787
		CIL	-	972,213						972,213
		OC	121,089							121,089
		ORCD	-	1,636,380						1,636,380
		UB	22,004			3,106,263				3,128,267
		CP(DCSF)CM	3,722,451							3,722,451
		CP(DCSF)BN	-	1,732,106	2,746,206					4,478,312
		CP(DH)CG	654,533							654,533
		CP(DFI)IT	2,085,880	1,365,402						3,451,282
		CP(DFI)HM	2,014,294							2,014,294
		CP(DCLG)DFG	666,047							666,047
		CRGG	769,589							769,589
		CorpRsv	1,700,000							1,700,000
		MTRS	775,705							775,705
		ORCD	4,862,781	5,404,957	396,277					10,664,015
		OR	-		6,857,517	7,101,583				13,959,100
		CP(EFA)2YR	331,666							331,666
		S106(ST)	161,376							161,376
		S106(OS)	105,515							105,515
	Sub Total		22,064,965	12,338,845	10,000,000	10,207,846	-	-	-	54,611,656

LEADER PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate				Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26	Estimate for 2026 / 27			
9	Local Enterprise Partnership	OC	25,643,217							25,643,217
		LEP	102,297,838	3,577,650	6,637,701					112,513,189
		LEPCapRec	70,914	35,000	5,556,086	12,650,916				18,312,916
		LEP(DCLG)	1,890,155	25,000	70,000	77,029				2,062,184
		LEP(OG)	6,672,217	417,783						7,090,000
		LEP(MHCLG)	12,602,655	797,501						13,400,156
		LEP(ERDF)	36,908							36,908
		UB	41,196,998							41,196,998
		CorpRsv	2,999,361							2,999,361
		CRGG	456,600							456,600
	Sub Total		193,866,862	4,852,934	12,263,787	12,727,945	-	-	-	223,711,528
	Scrutton Street	UB	16,267,444		9,904,963					26,172,407
11	Lakeside North Harbour	UB	122,706,735		3,836,286					126,543,021
		LEP	21,456,979							21,456,979
	Sub Total		144,163,714	-	3,836,286	-	-	-	-	148,000,000
12	Cosham Land Assembly (Phase 1 Development)	CorpRsv	250,118							250,118
		RCCO	40,000							40,000
	Sub Total		290,118	-	-	-	-	-	-	290,118
13	Limberline 1 & 2 Roof Replacement	CorpRsv	24,794	1,062,206						1,087,000
14	Upgrade of Accessways & Rd Ways (non Highway)	CorpRsv	2,556	80,000	67,444					150,000
15	Minimum Energy Efficiency Standards	CorpRsv	-	70,000	28,000					98,000

APPENDIX E

LEADER PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
16	Solent Freeport	OG(LUHC) UB	- -	2,500,000 3,100,000	19,400,000						21,900,000 3,100,000
	Sub Total		-	5,600,000	19,400,000	-	-	-	-	-	25,000,000
17	Minimum Energy Efficiency Standards	CorpRsv	-								-
18	Eastney Point Opportunity Area	CorpRsv	-	40,000							40,000
19	Eastney Pool Site	CorpRsv CP(DFI)IT	- -	50,000	50,000						50,000 50,000
	Sub Total		-	50,000	50,000	-	-	-	-	-	100,000
20	Ravelin Share Capital	CorpRsv CP(DFI)IT	- -	100,000	150,000						100,000 150,000
	Sub Total		-	100,000	150,000	-	-	-	-	-	250,000
21	Minimum Energy Efficiency Standards - Commercial Property Estate	CP(DFI)IT	-		98,000						98,000
22	City Centre North Land Assembly	CP(DFI)IT	-		100,000						100,000
	Grand Total		451,918,926	27,823,494	74,391,655	31,715,511	-	-	-	-	585,849,586

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
1	Port Regeneration	OG(DCLG)CD	43,362								43,362
		LEP	1,627,881								1,627,881
		UB	9,527,009								9,527,009
	Sub Total		11,198,252	-	-	-	-	-	-	-	11,198,252
2	Development of Cruise & Ferry Port	UB	3,864,887	5,414,908	7,241,962						16,521,757
		LEP	1,935,383								1,935,383
		LEP(MHCLG)	636,957								636,957
		CorpRsv	684,977								684,977
		CRGG	926								926
		OG(LUHC)	8,125,016	3,124,984							11,250,000
	Sub Total		15,248,146	8,539,892	7,241,962	-	-	-	-	-	31,030,000
3	Passenger Boarding Bridge	UB	141,193	50,000	4,000,000	2,808,807					7,000,000
		RCCO	-								-
	Sub Total		141,193	50,000	4,000,000	2,808,807	-	-	-	-	7,000,000
4	Anodes	CorpRsv	276,270								276,270
		UB	33,767								33,767
	Sub Total		310,037	-	-	-	-	-	-	-	310,037
5	Port - Floating Dock Jetty Dredge	MTRS	1,000,000								1,000,000
		UB	1,862,705								1,862,705
	Sub Total		2,862,705	-	-	-	-	-	-	-	2,862,705
6	Shore to Ship Electric "Plug in" Facility (Feasibility / Design)	CorpRsv	-								-

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
7	Brexit Infrastructure	CorpRsv	5,774,334	645,210							6,419,544
		OG	17,146,731								17,146,731
		UB	-								-
		RCCO	8,420								8,420
		LEP(MHCLG)	550,000								550,000
		LEP	-								-
	Sub Total		23,479,485	645,210	-	-	-	-	-	-	24,124,695
8	Replacement of Freight Gate Roof	PR	-		200,000						200,000
	Replacement of Turnout Shed Roof	PR	-		750,000						750,000
10	Acquisitions including Port Master Plan Land & Building Requirements Phase 1	UB	-		8,000,000	19,500,000					27,500,000
11	Demolish Sydenhams Building & Hinterland Work	UB	-		250,000						250,000
		OC	-	20,000	80,000						100,000
	Sub Total		-	20,000	330,000	-	-	-	-	-	350,000
12	Rudmore Square Right Hand Turn	CorpRsv	-		50,000						50,000
		OC	-	20,000	180,000						200,000
	Sub Total		-	20,000	230,000	-	-	-	-	-	250,000
13	Brexit Control Post - New Building	UB	-		2,000,000	2,000,000					4,000,000
14	Shore Power	UB	290,601	389,399	3,945,800						4,625,800
		CorpRsv	-	3,075,000							3,075,000
		OC	-	2,720,000	15,754,200						18,474,200
	Sub Total		290,601	6,184,399	19,700,000	-	-	-	-	-	26,175,000

COMMERCIAL PORT

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised Estimate				Estimate	Exp. in Subsequent Years	Final Cost
			to 31 Mar 2023	for 2023 / 24	for 2024 / 25	for 2025/26	for 2026/27	for 2027/28	for 2028/29	
15	Purchase of Linkspan Berth 4	RCCO	(95,224)							(95,224)
		EUG	95,224							95,224
Sub Total			-	-	-	-	-	-	-	-
16	Shore Power Berth 5	UB	-		2,500,000	2,500,000				5,000,000
Grand Total			53,530,419	15,459,501	44,951,962	26,808,807	-	-	-	140,750,689

PLANNING, POLICY & CITY DEVELOPMENT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised							Exp. in Subsequent Years	Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29			
1	Hampshire Community Bank	UB	4,422,025	612,389								5,034,414
		CorpRsv	63,415									63,415
		MTRS	85,300									85,300
		OC	27,770									27,770
	Sub Total		4,598,510	612,389	-	-	-	-	-	-	-	5,210,899
2	Public Realm - Improvements to Station Square & Isambard Brunel Road	CWCIL	257,951	50,000								307,951
		CP(DFI)IT	200,000									200,000
	Sub Total		457,951	50,000	-	-	-	-	-	-	-	507,951
	City Centre Public Realm 2018-19	CWCIL	251,502									251,502
	Public Realm 2021/22	CWCIL	398,503	81,758								480,261
		CP(DCSF)CM	-	262,893								262,893
		CorpRsv	-	44,153								44,153
		PARK	-	30,000	50,000							80,000
	Sub Total		398,503	418,804	50,000	-	-	-	-	-	-	867,307
5	Planning IT System	CorpRsv	-	62,700	62,700							125,400
6	Queen Alexandra Hospital Grant	CIL	-	864,354								864,354
	Grand Total		5,706,465	2,008,247	112,700	-	-	-	-	-	-	7,827,412

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate						Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29		
1	Port Leased Plant & Equipment - Portico Crane	UB LEP	720,400 2,326,450								720,400 2,326,450
	Sub Total		3,046,850	-	-	-	-	-	-	-	3,046,850
2	IS Road Map	CorpRsv OG(DCLG)CD CP(DCLG)DFG CRGG CP(DFI)IT ITR	412,590 321,482 151,400 2,320 196,000 233,176								412,590 321,482 151,400 2,320 196,000 233,176
	Sub Total		1,316,968	-	-	-	-	-	-	-	1,316,968
	Local Full Fibre Network Project	OG CorpRsv LEP	2,455,605 1,765,494 192,217	- 450,301 -				-	-	-	2,455,605 2,215,795 192,217
	Sub Total		4,413,316	450,301	-	-	-	-	-	-	4,863,617
4	Review of Revenues & Benefits Software Applications	CorpRsv OR	589,657 99,352								589,657 99,352
	Sub Total		689,009	-	-	-	-	-	-	-	689,009
5	The People's Network - Windows 10 Upgrade	CorpRsv	139,147								139,147
6	Modern Ways of Working	MTRS OR CorpRsv RCCO	1,000,000 1,062,100 1,945,355 -	56,027							1,000,000 1,118,127 1,945,355 -
	Sub Total		4,007,455	56,027	-	-	-	-	-	-	4,063,482

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
7	HCM Fusion ORC	CorpRsv	103,429								103,429
		OR	56,700								56,700
		CRGG	227,750								227,750
	Sub Total		387,879	-	-	-	-	-	-	-	387,879
8	Archive Tool	OR	140,768	50,000							190,768
9	Portico Capital Invest. Loan	UB	7,912,329								7,912,329
		LEP	2,500,000								2,500,000
	Sub Total		10,412,329	-	-	-	-	-	-	-	10,412,329
10	Applications Upgrade linked to Software Modernisation	MTRS	35,544								35,544
11	LAN Access Switches	CorpRsv	506,189	81,811							588,000
12	M365 Phase 2 incl Telephony Sharepoint & Security	CorpRsv	409,993	205,000	80,000						694,993
		CROC	330,473								330,473
		CRGG	101,087								101,087
	Sub Total		841,553	205,000	80,000	-	-	-	-	-	1,126,553
13	Data Centre Refresh	CROC	9,500	461,500	27,000						498,000
		CorpRsv	-	27,000	27,000						54,000
	Sub Total		9,500	488,500	54,000	-	-	-	-	-	552,000
14	Migration to Azure (Cloud Servers)	MTRS	1,609,365	184,000	165,000	128,000					2,086,365
		CROC	-	40,000							40,000
	Sub Total		1,609,365	224,000	165,000	128,000	-	-	-	-	2,126,365

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised					Exp.	Final Cost	
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29		in Subsequent Years
15	Implementation of Northgate Citizen Access Suite	MTRS	85,350	5,000							90,350
		OC	893								893
		OR	-								-
	Sub Total		86,243	5,000	-	-	-	-	-	-	91,243
16	CISCO Data Centre Switches	CorpRsv	-								-
17	Checkpoint Internall Firewall	CRGG	85,729								85,729
	Sub Total		85,729	-	-	-	-	-	-	-	85,729
18	Replacement Legal Case Management System	CROC	24,900								24,900
		CRGG	23,100								23,100
		CorpRsv	14,060								14,060
	Sub Total		62,060	-	-	-	-	-	-	-	62,060
19	TPN - Wifi Infrastructure Phase 1	CorpRsv	-								-
20	Cisco Perimeter Firewall	CorpRsv	94,805	70,000	42,195						207,000
21	Live Streaming	CorpRsv	-	15,000							15,000
22	Omni-Channel Contact Centre Platform	CorpRsv	22,471	65,429							87,900
23	Cisco Meraki WiFi Infrastructure Refresh - PCC and other Key Sites	CROC	-	300,000	159,700						459,700
		CRGG	-								-
		CorpRsv	-	64,500	198,800						263,300
	Sub Total		-	364,500	358,500	-	-	-	-	-	723,000

RESOURCES PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
24	NEC Hosting of Housing, Revs & Bens	OR	-		234,450	234,450					468,900
25	Civic Offices Relocation Scheme	CorpRsv	-		354,600	118,200					472,800
Grand Total			27,907,179	2,075,568	1,288,745	480,650	-	-	-	-	31,752,142

SAFETY IN THE COMMUNITY PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised					Exp. in Subsequent Years	Final Cost	
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29		
1	CCTV Upgrades	GGNR(HO)SSC	69,500								69,500
		RCCO	217,306	5,194							222,500
		CorpRsv	238,615								238,615
		S106(OS)	22,297	17,703							40,000
	Sub Total		547,718	22,897	-	-	-	-	-	-	570,615
2	Refresh of CCTV Control Room Infrastructure	CorpRsv	-	25,000							25,000
3	3 Additional Redeployable CCTV Cameras	CorpRsv	25,000								25,000
4	CCTV IT Infra, Security & Upgrade	CorpRsv	-	75,000							75,000
	Redeployable CCTV Cameras for Env Issues	CorpRsv	38,005	6,995							45,000
6	Unauthorised Encampment	CIL	-	70,000							70,000
	1 Mobile CCTV Camera Horsea Lane	CP(DCSF)CM	-	5,000							5,000
		CILNRsv	-	5,000							5,000
	Sub Total		-	10,000	-	-	-	-	-	-	10,000
8	Anchorage Park Protection (Dragons Teeth)	CP(DCSF)CM	-	12,200							12,200
		CorpRsv	-	2,800							2,800
		CRGG	-	-							-
	Sub Total		-	15,000	-	-	-	-	-	-	15,000
9	Redeployable CCTV Cameras for Environmental and Anti Social Behaviour Issues	CP(DFT)IT	-		35,000						35,000
10	Increased CCTV in the Kennels	CP(DFT)IT	-		12,000						12,000
	Grand Total		610,723	224,892	47,000	0	0	0	0	0	882,615

TRANSPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised			Estimate			Exp.	Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	in Subsequent Years	
1	Contribution to PFI	HwayPFI	21,289,342	3,831,804	4,149,404	5,935,404	5,935,404	2,171,564		43,312,922	
		OG(DCLG)CD	2,772,625							2,772,625	
		EUG	(10,427)							(10,427)	
		OG	145,167							145,167	
		UB	2,306,379							2,306,379	
		UBIR	7,572,663							7,572,663	
		CP(DFT)HM	16,855,482	2,103,600	1,786,000					20,745,082	
	Sub Total		50,931,231	5,935,404	5,935,404	5,935,404	5,935,404	2,171,564	-	76,844,411	
2	Local Transport Plan & Road Safety 3	UB	-							0	
		CorpRsv	-	68,253						68,253	
		S278	-							0	
		CP(DFT)IT	1,280,352		406,550					1,686,902	
		CIL	-	699,500						699,500	
		S106(ST)	-	3,490						3,490	
		OG(DFT)LSTFSec31	-							0	
		OG(DFT)TFSSHSec31	-							0	
		CP(DCSF)BN	-							0	
		OG	136,410							136,410	
		OC	-	97,728						97,728	
		CILNRsv	-							0	
	Sub Total		1,416,762	868,971	406,550	-	-	-	-	2,692,283	
3	Replace Residential Street Lighting With LED	UB	1,250,232							1,250,232	
		UBS	3,688,700							3,688,700	
	Sub Total		4,938,932	-	-	-	-	-	-	4,938,932	
4	Traffic Management Centre - System Review	PARK	254,085	27,133						281,218	
		CorpRsv	-							0	
	Sub Total		254,085	27,133	-	-	-	-	-	281,218	

TRANSPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised		Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25						
5	Isambard Brunel Car Park	PARK CP(DFT)IT	346,227 -								346,227 0
	Sub Total		346,227	-	-	-	-	-	-	-	346,227
6	Eastern Corridor Road Link Improvements	CP(DFT)NPIF OG(DFT)Sec31 CP(DFT)IT CorpRsv	500,000 222,566 328,885 -	146,554 2,885	88,230						500,000 369,120 331,770 88,230
	Sub Total		1,051,451	149,439	88,230	-	-	-	-	-	1,289,120
7	Improvements to Neighbourhood Living and Street Environment (Including Verge Hardening)	CP(DFT)IT CorpRsv	172,408 109,819								172,408 109,819
	Sub Total		282,227	-	-	-	-	-	-	-	282,227
8	Upgrade Car Park Counting Equipment (link to TMC)	PARK	-		100,000						100,000
9	Co-operative Intelligent Transport Systems	OC OG CP(DFT)IT	115,300 179,270 6,733	(1,817) (7,753) 11,267							113,483 171,517 18,000
	Sub Total		301,303	1,697	-	-	-	-	-	-	303,000
10	Cycle Signs and Infrastructure	PARK OC CILNRsv	57,221 3,500 -	42,779							100,000 3,500 0
	Sub Total		60,721	42,779	-	-	-	-	-	-	103,500
11	Specific Planning Obligations	S106(NEW)	258,796	50,000	578,119						886,915

TRANSPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised		Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25						
12	Statutory Infrastructure Spend	CILNRsv OC	20,768 17,827	13,528 1,693	23,601						57,897 19,520
	Sub Total		38,595	15,221	23,601	-	-	-	-	-	77,417
13	Road Safety Scheme	OG(DFT)Sec31 PARK OG	7,422 - 152,878	- 34,000							7,422 34,000 152,878
	Sub Total		160,300	34,000	-	-	-	-	-	-	194,300
14	Smart Cities - Intelligent Transport System - Phase 1	CorpRsv CP(DFT)IT	405,439 21,555	40,000	54,561						500,000 21,555
	Sub Total		426,994	40,000	54,561	-	-	-	-	-	521,555
15	Pedestrian Crossing - Henderson Rd	CP(DFT)IT	15,724	64,276							80,000
16	On-Street Residential EV Chargepoint Scheme (ORCS)	PARK OG	104,744 60,698	(4,744)							100,000 60,698
	Sub Total		165,442	(4,744)	-	-	-	-	-	-	160,698
17	Air Quality Infrastructure Improvements	OG CP(DFT)IT CorpRsv	262,505 71,091 105,069		44,000 12,236						262,505 115,091 117,305
	Sub Total		438,665	-	56,236	-	-	-	-	-	494,901
18	Smart Cities: Intelligent Transport System Phase 2	CP(DFT)IT	-		178,445						178,445
19	The Hard Interchange Auxiliary Works	CP(DFT)IT	138,349								138,349

TRANSPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp.	Revised		Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
			to 31 Mar 2023	Estimate for 2023 / 24	Estimate for 2024 / 25						
20	Transforming Cities Fund	OG(DFT)TCF	4,308,299	(44,833)							4,263,466
		CP(DFT)IT	66,108	77,433							143,541
		PARK	1,047,875								1,047,875
	Sub Total		5,422,282	32,600	-	-	-	-	-	-	5,454,882
21	South East Hampshire Rapid Transit Programme - Tranche 2	OG(DFT)TCF	26,166,343	28,744,216	723,500						55,634,059
	Sub Total		26,166,343	28,744,216	723,500	-	-	-	-	-	55,634,059
22	Safer Road Improvement A27	OG	113,425	15,275							128,700
		OG(DFT)Sec31	-								0
	Sub Total		113,425	15,275	-	-	-	-	-	-	128,700
23	Air Quality Improvement	OG	4,722,077	1,392,396	1,392,396						7,506,868
		CP(DFT)IT	130,552	89,448							220,000
	Sub Total		4,852,628	1,481,844	1,392,396	-	-	-	-	-	7,726,867
24	Cycle Parking Across the City	CP(DFT)IT	7,087	17,913							25,000
25	One-Way Streets and Low Traffic Neighbourhoods	CP(DFT)IT	14,188	105,812							120,000
26	Electric Vehicle Charging Infrastructure	CP(DFT)IT	88,737	(7,559)							81,178
		OG	222,228								222,228
	Sub Total		310,965	(7,559)	-	-	-	-	-	-	303,406

TRANSPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
27	Local Cycling & Walking Investment Plan	CP(DFT)IT	-	50,000							50,000
28	Full Business Case For Extension to Tipner Park & Ride Multi Story Car Park	CIL	491,052	8,948							500,000
29	Non PFI Asset Management Register / Plan	CP(DFT)IT	102,250	(2,250)							100,000
30	D-Day Car Park Wall	PARK	125,000								125,000
31	Non PFI asset Management	CP(DFT)IT	-	25,000							25,000
		CIL	-	50,000							50,000
	Sub Total		-	75,000	-	-	-	-	-	-	75,000
32	The Hard Structural Repairs	CP(DFT)IT	262,420	137,580							400,000
		OC	-		4,500,000						4,500,000
	Sub Total		262,420	137,580	4,500,000	-	-	-	-	-	4,900,000
33	City Centre Road	CIL	672,606	851,244	473,750						1,997,600
		CorpRsv	-		7,400						7,400
		OC	-		1,000,000						1,000,000
	Sub Total		672,606	851,244	1,481,150	-	-	-	-	-	3,005,000
34	LTP 4	CorpRsv	-	46,000	30,000						76,000
		CIL	158,278	565,461	770,461						1,494,200
		CP(DCSF)CM	-		15,000						15,000
		CP(DFT)IT	-		1,870,146	1,165,000					3,035,146
		PARK	-	893,354	645,455						1,538,809
	Sub Total		158,278	1,504,815	3,331,062	1,165,000	-	-	-	-	6,159,155
35	Full Repair of Retaining Wall (London Rd, North of QA Hosp)	CorpRsv	19,250		280,750						300,000

TRANSPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
36	Transport Hub	CorpRsv	181,627		18,373						200,000
37	Zero Emission Bus Regional Area Scheme (ZEBRA)	OG(DFT)Sec31	-	12,767,856							12,767,856
38	Bus Service Improvement Plan (BSIP)	OG(DFT)Sec31	-	17,474,074	17,846,128						35,320,202
39	Improved Access (neighbourhood fund)	CorpRsv	-	10,000							10,000
40	Cycle Improvements in the City	CIL	-		105,000						105,000
		CP(DCSF)CM	-		15,000						15,000
		CorpRsv	-		20,000						20,000
	Sub Total		-	-	140,000	-	-	-	-	-	140,000
41	Transport Hub at Tipner (Phase 1)	CIL	-		100,000						100,000
42	Verge Hardening Paulsgrove	CorpRsv	-		80,246						80,246
		CP(DFT)IT	-			40,000					40,000
	Sub Total		-	-	80,246	40,000	-	-	-	-	120,246
43	Vehicle Activated Sign- Anchorage Park	CP(DCSF)CM	-								-
44	Langstone Harbour Board Linkspan Loan	RCCO	115,000		-	-					115,000
45	Active Travel 4 Grant	OG(DFT)Sec31	-		624,169						624,169
46	Safer Road Fund	OG(DFT)Sec31	-		1,300,000						1,300,000
		PARK	-		390,000						390,000
	Sub Total		-	-	1,690,000	-	-	-	-	-	1,690,000
47	Cosham Mobility	PARK	-		100,000						100,000

TRANSPORT PORTFOLIO

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
48	The Hard Hostile Vehicle Mitigation	PARK	-		245,000						245,000
49	Eastern Road Active Travel Corridor - Harbourside Park Phase	CP(DFI)IT PARK	-		700,000						700,000
			-		500,000						500,000
	Sub Total			-	1,200,000	-	-	-	-	-	1,200,000
50	Junction Improvements	PARK	-		50,000						50,000
51	One Way Roads	PARK	-		60,000						60,000
53	Additional lighting	PARK	-		40,000						40,000
53	Non-PFI asset management - works	CP(DFI)IT	-		250,000						250,000
54	TriSails	CP(DFI)IT	-		90,000						90,000
55	HPFI Tertiary Roads - Annual Rolling Fund Contribution	CP(DFI)IT	-		200,000						200,000
56	Wheel Chair Accessible Taxis - Lease Rental Scheme	UB	-		600,000						600,000
	Grand Total		100,240,204	70,491,543	42,463,919	7,140,404	5,935,404	2,171,564	0	0	228,443,039

HOUSING AND TACKLING HOMELESSNESS PORTFOLIO (GF)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost	
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28			Estimate for 2028/29
1	Support For Vulnerable People	OC	2,848,221	271,000	271,000	271,000	271,000	271,000	271,000	4,474,221	
		LR(HIP)	311,038	770,000	100,000	100,000	100,000	100,000	100,000	1,581,038	
		BCF(DFG)DCLG	4,079,680	2,880,000	2,059,000	2,059,000	2,059,000	2,059,000	2,059,000	17,254,680	
	Sub Total		7,238,940	3,921,000	2,430,000	2,430,000	2,430,000	2,430,000	2,430,000	-	23,309,940
2	Removal of Hazards & Risks Within The Home	LR(HIP)	68,820	-	252,000	126,000	126,000	126,000	126,000	824,820	
3	Grants to Registered Social Landlords	S106(Hsg)	237,170	-						237,170	
		CorpRsv	1,994							1,994	
		LR(HIP)	-							0	
		NewS106(Hsg)	161,632	396,189	214,753					772,574	
	Sub Total		400,796	396,189	214,753	-	-	-	-	-	1,011,738
4	Guildhall Capital Works	CorpRsv	1,891,382	368,360	456,000					2,715,742	
		OG(DCLG)CD	894,858							894,858	
		RCCO	499,340							499,340	
	Sub Total		3,285,580	368,360	456,000	-	-	-	-	-	4,109,940
5	Guildhall Internal Works	CorpRsv	7,917	10,000	62,083					80,000	
6	Utilities and Energy Management	UB	1,033,657							1,033,657	
		UBS	250,000							250,000	
		CROC	778,311							778,311	
		CMR	26,000							26,000	
	Sub Total		2,087,968	-	-	-	-	-	-	-	2,087,968

HOUSING AND TACKLING HOMELESSNESS PORTFOLIO (GF)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
7	Investment in Solar Photovoltaic Cells	UB	7,225,451	101,992							7,327,443
		CROC	-	204,689							204,689
		MTRS	-	-							-
	Sub Total		7,225,451	306,681	-	-	-	-	-	-	7,532,132
8	Utilities & Energy Mgmt 2019/20	MTRS	-	300,000	750,000						1,050,000
9	Landlord's Maintenance (across the whole PCC Estate)	CorpRsv	3,559,968	631,559	2,115,000						6,306,527
		CP(DCSF)CM	-	252,400							252,400
		CP(DCSF)BN	282,205		2,050,395						2,332,600
		CP(DFT)IT	722,200		326,000						1,048,200
		MTRS	34,738								34,738
	Sub Total		4,599,111	883,959	4,491,395	-	-	-	-	-	9,974,465
10	Landlord's Maintenance - Capital Contingency	CorpRsv	51,987	830	140,353						193,170
		CRGG	-								-
		CROC	-		47,000						47,000
	Sub Total		51,987	830	187,353	-	-	-	-	-	240,170
11	Transitional Accom for Homeless - Adaptations to GF Properties	CorpRsv	359,409								359,409
12	Green Homes - Local Authority Delivery	OG	23,965,322	9,543,905							33,509,227
13	Public Sector Decarbonisation	UBS	-								-
		OG	1,820,318	42,065							1,862,383
	Sub Total		1,820,318	42,065	-	-	-	-	-	-	1,862,383
14	Home Upgrade Grant Projects	OG	2,237,962	3,157,297							5,395,259

HOUSING AND TACKLING HOMELESSNESS PORTFOLIO (GF)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost	
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28			Estimate for 2028/29
15	Relocation of the Rough Sleeping Hub	CP(DFT)IT	-		101,500	101,500				203,000	
16	Creation of a Prevention Hub (incl Improved Reception Facilities for HNAS)	CP(DFT)IT	-		176,000	176,000				352,000	
17	Asset Management Surveys	CP(DFT)IT	-		250,000					250,000	
Sub Total			-	-	250,000	-	-	-	-	250,000	
Grand Total			53,349,581	18,930,286	9,371,084	2,833,500	2,556,000	2,556,000	2,556,000	0	92,152,451

HOUSING & TACKLING HOMELESSNESS PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost	
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025 / 26	Estimate for 2026 / 27	Estimate for 2027 / 28			Estimate for 2028 / 29
1	HRA Assets (Non Dwelling)	B(HRA)	3,714,358							3,714,358	
		CorpRsv	139,100							139,100	
		CRec(HRA)	-							-	
		RCCO(HRA)	12,208,407	360,000	360,000	374,000	386,000	393,000	401,000	14,482,407	
		OC	88,918							88,918	
		OCRec(HRA)	2,737							2,737	
		UB(HRA)	246,614							246,614	
		OG(DFT)LSTFSec31	30,000							30,000	
	Sub Total		16,430,134	360,000	360,000	374,000	386,000	393,000	401,000	-	18,704,134
	Total Major Repairs Dwellings	OC	4,596,056	762,213	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000		10,358,269
		RCCO(HRA)	70,471,818	28,844,200	28,541,000	30,308,000	32,175,000	33,691,000	35,252,000		259,283,018
		OG	554,722								554,722
		UB(HRA)	3,542,871								3,542,871
		CRec(HRA)	476,738								476,738
	Sub Total		79,642,205	29,606,413	29,541,000	31,308,000	33,175,000	34,691,000	36,252,000	-	274,215,618
3	Southsea Community Centre	UB(HRA)	2,368,247								2,368,247
		CRec(HRA)	1,204,343								1,204,343
		RCCO(HRA)	2,116								2,116
		OCRec(HRA)	303,527								303,527
	Sub Total		3,878,233	-	-	-	-	-	-	-	3,878,233
4	Kingsclere Avenue	UB(HRA)	3,770,849								3,770,849
		OCRec(HRA)	1,959,374								1,959,374
		CRec(HRA)	2,487,095								2,487,095
		OG	97,500								97,500
	Sub Total		8,314,818	-	-	-	-	-	-	-	8,314,818

HOUSING & TACKLING HOMELESSNESS PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate					Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28		
5	Longdean	UB(HRA)	3,254,491	188,000						3,442,491
		CRec(HRA)	-	0						0
		OCRec(HRA)	704,647							704,647
		OG	1,583,250							1,583,250
	Sub Total		5,542,388	188,000	-	-	-	-	-	5,730,388
6	Highgrove House	UB(HRA)	209,860	200,000	1,000,000	3,749,300				5,159,160
		CRec(HRA)	0							0
		OCRec(HRA)	295,922							295,922
	Sub Total		505,782	200,000	1,000,000	3,749,300	-	-	-	5,455,082
	Doyle Avenue New Build Properties	OCRec(HRA)	834,329							834,329
		UB(HRA)	2,398,074	67,100						2,465,174
		CRec(HRA)	(25,563)							- 25,563
		OG	912,000							912,000
		NewS106(Hsg)	160,000							160,000
	Sub Total		4,278,840	67,100	-	-	-	-	-	4,345,940
8	Replacement Homes	CRec(HRA)	13,727,377							13,727,377
		OCRec(HRA)	2,555,485	1,275,000	250,000	250,000	250,000	250,000	250,000	5,080,485
		UB(HRA)	52,224,254	12,458,084	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	80,932,338
		S106(Hsg)	259,800							259,800
	Sub Total		68,766,916	13,733,084	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	- 100,000,000
9	Horatia and Leamington Deconstruction	RCCO(HRA)	4,205,536	1,092,822						5,298,358
10	Cabbagefield Row	OCRec(HRA)	4,731							4,731
		OG	204,688	150,000						354,688
	Sub Total		209,419	150,000	-	-	-	-	-	359,419

HOUSING & TACKLING HOMELESSNESS PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate				Estimate for 2027/28	Estimate for 2028/29	Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27				
11	Strouden Court	CRec(HRA)	-							-	
		UB(HRA)	337,425	1,000,000	1,000,000	7,282,350	8,934,902			18,554,677	
		OCRec(HRA)	145,323							145,323	
	Sub Total		482,748	1,000,000	1,000,000	7,282,350	8,934,902	-	-	18,700,000	
12	Wecock Farm (Infill)	CRec(HRA)	-							-	
		UB(HRA)	267,545	850,000	3,390,000	3,588,604				8,096,149	
		OCRec(HRA)	3,851							3,851	
	Sub Total		271,396	850,000	3,390,000	3,588,604	-	-	-	8,100,000	
	Somerstown Redevelopment	RCCO(HRA)	2,913,176							2,913,176	
		UB(HRA)	3,448,250	2,547,552	1,171,837	43,663,110	43,663,110	501,904		94,995,763	
		OCRec(HRA)	191,061							191,061	
	Sub Total		6,552,487	2,547,552	1,171,837	43,663,110	43,663,110	501,904	-	98,100,000	
14	Acquisition of Viking Court and Shootpool	UB(HRA)	893,502	1,618,500						2,512,002	
		CRec(HRA)	183,006	331,500						514,506	
	Sub Total		1,076,508	1,950,000	-	-	-	-	-	3,026,508	
15	Twyford Avenue	UB(HRA)	-		670,500	223,500				894,000	
		CRec(HRA)	-		447,000	149,000				596,000	
	Sub Total		-	-	1,117,500	372,500	-	-	-	1,490,000	

HOUSING & TACKLING HOMELESSNESS PORTFOLIO (HRA)

CAPITAL PROGRAMME

Item No.	Description of Scheme	Identified Source of Finance	Exp. to 31 Mar 2023	Revised Estimate			Estimate				Exp. in Subsequent Years	Final Cost
				Estimate for 2023 / 24	Estimate for 2024 / 25	Estimate for 2025/26	Estimate for 2026/27	Estimate for 2027/28	Estimate for 2028/29			
16	Residential Stock Portfolio Acquisition	UB(HRA)	-	76,074,000	2,700,000	1,040,400	1,061,200	1,082,400				81,958,000
16	Adventure Playground Equipment Replacement and	Corprsv	-		30,000							30,000
		OR	-		90,000							90,000
Sub Total			-	-	120,000	-	-	-	-	-	-	120,000
Grand Total			200,157,410	127,818,971	43,900,337	94,878,264	90,720,212	40,168,304	40,153,000	0	637,796,498	

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PRUDENTIAL INDICATORS

Details of the Capital Programme are contained in Appendix E

Ratio of Financing Costs to Net Revenue Stream							
	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Non - HRA	12.4%	5.4%	7.1%	9.5%	10.9%	11.2%	11.4%
HRA	6.0%	6.6%	8.8%	8.8%	10.5%	11.2%	10.9%

Capital Financing Requirement							
	2022/23 Actual £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s	2026/27 Estimate £'000s	2027/28 Estimate £'000s	2028/29 Estimate £'000s
Non - HRA	628,218	654,399	721,303	779,273	782,301	764,026	744,549
HRA	253,818	342,621	355,803	418,600	475,509	480,344	483,594
Total	882,036	997,020	1,077,106	1,197,873	1,257,810	1,244,370	1,228,143

Authorised Limit for External Debt							
	2022/23 Actual £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s	2026/27 Estimate £'000s	2027/28 Estimate £'000s	2028/29 Estimate £'000s
Borrowing	701,229	986,921	1,071,783	1,196,938	1,263,056	1,256,754	1,248,630
Other Long Term Liabilities (ie Cre	46,032	42,494	38,366	34,639	29,132	22,682	15,281
Total	747,261	1,029,415	1,110,149	1,231,577	1,292,188	1,279,436	1,263,911

Operational Boundary for External Debt							
	2022/23 Actual £'000s	2023/24 Estimate £'000s	2024/25 Estimate £'000s	2025/26 Estimate £'000s	2026/27 Estimate £'000s	2027/28 Estimate £'000s	2028/29 Estimate £'000s
Borrowing	701,229	954,526	1,038,740	1,163,234	1,228,678	1,221,688	1,212,863
Other Long Term Liabilities (ie Cre	46,032	42,494	38,366	34,639	29,132	22,682	15,281
Total	747,261	997,020	1,077,106	1,197,873	1,257,810	1,244,370	1,228,144

Ratio of Net Income from Commercial and Service Investments to Net General Fund Revenue Stream							
	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
Commercial Investments	4.7%	4.3%	4.0%	4.0%	4.0%	3.9%	3.8%
Service Investments	4.5%	4.2%	3.7%	3.7%	3.6%	3.5%	3.4%
Total	9.2%	8.5%	7.7%	7.7%	7.6%	7.4%	7.2%

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BUDGET CONSULTATION 2023

September 2023
Research and Engagement Team
Portsmouth City Council

Portsmouth City Council Budget Consultation Report 2023

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1.0 Purpose

The purpose of this report is to provide a comprehensive summary of the 2023 Budget Consultation. The consultation gave residents in Portsmouth the opportunity to provide their views on how the council should prioritise spending, as well as where they think money should be saved. The budget consultation formed part of wave 5 of the broader Portsmouth residents survey.

2.0 Background

The council budget comprises of various income streams and purposes. Revenue budget must be used to fund all ongoing services, and capital budget can only be invested in new projects. Additionally, some funding is ring-fenced for specific services, such as the cost of providing housing benefits and the cost to run schools.

To give residents a voice in decisions about the council's budget and how it is spent, the annual budget consultation included questions aimed at encouraging respondents to prioritise services they think are most important, before asking about future investment priorities.

3.0 Methodology

The budget consultation questions were included within a broader online survey - The Big Portsmouth Survey Wave 5. The survey was available from 24 July to 3 September 2023.

To ensure as many residents as possible had a chance to complete the survey, it was promoted through the following communication channels:

- Press release announcing start of consultation
- Social media promotion including boosted posts and adverts
- PCC website
- PCC email marketing distribution lists
- Inclusion in news bulletins
- Inclusion in staff bulletins and all-staff emails

The focus of the consultation survey was designed around the research objectives listed below. Postcode and demographic information were also collected which allowed for the representativeness of the sample to be measured during data analysis - see Sections 4.0 and 7.0.

3.1 Research objectives

1. To understand where respondents think the council's revenue budget and capital budget should be directed
2. To understand which priorities residents think are most important to help shape the future of the city
3. To understand how residents feel about investing in projects to protect and enhance our environment, tackle the causes of climate change locally, and create a greener city

Portsmouth City Council Budget Consultation Report 2023

4.0 Response rates

Using the various channels of marketing and communications listed in Section 3.0, the consultation attracted 2,652 responses. Assuming a 'total population' of 170,818 people (the latest 2021 census data from the Office for National Statistics for people aged 16+ in Portsmouth), this volume of responses ensures a 95% confidence level with a margin of error of 2%.

Table 1 below shows the total number of responses to the budget consultation by year.

Table 1: Number of responses by year of budget consultation

Year	Number of responses
2017	1,689
2018	3,085
2019	3,288
2020	1,579
2021	2,331
2022	1,519
2023	2,652

Responses were distributed throughout the city and provide a varied set of geographic responses, as Table 2 below shows. The largest proportion of responses are from residents in PO4 (29%).

Table 2: Proportion of responses by postcode

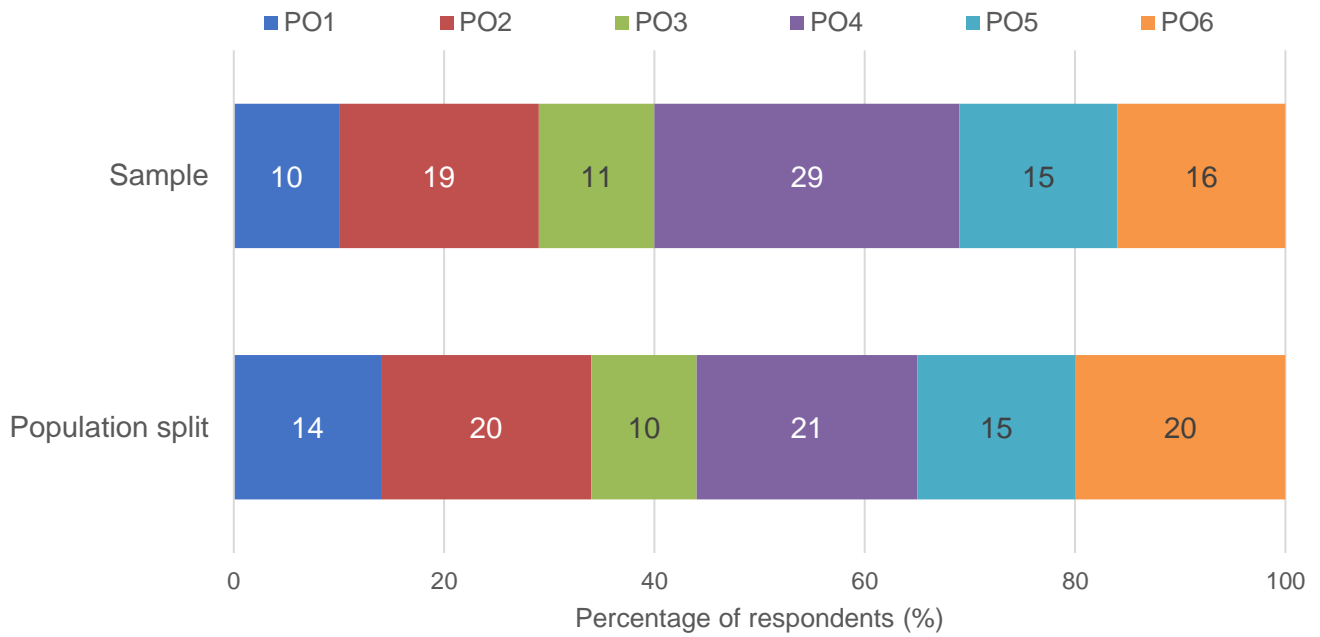
Postcode district	Percentage of responses (%)
PO1	10
PO2	19
PO3	11
PO4	29
PO5	15
PO6	16

Base: Respondents living in PO1-PO6 (2,577)

Figure 1 on the following page compares the postcode district of respondents against the known population split of Portsmouth residents. The sample is broadly representative of the population of Portsmouth. However, residents of PO4 are overrepresented by 8 percentage points and residents of PO1 and PO6 are both underrepresented by 4 percentage points.

Portsmouth City Council Budget Consultation Report 2023

Figure 1: Sample postcode district compared to known population split of Portsmouth



Base: Respondents living in PO1-PO6 (3,531)

5.0 Summary of findings

The following section outlines the key findings from the budget consultation.

- The core responsibilities residents feel are most important are 'keep the city clean, tidy and safe', 'collect the bins and offer recycling opportunities', 'maintain our transport infrastructure, parks, open spaces and sports provision' and 'ensure older people and vulnerable adults are looked after and supported to live independently'.
- The top broader priority respondents feel the council should focus on is 'ensure people have access to the health and care services they need' (68%). Further analysis shows there is no geographical variation in priorities between respondents from different postcode districts.
- When asked to divide a hypothetical £100 between the council's nine portfolios, respondents allocate the highest proportion of funding, on average, to 'community wellbeing, health and care' (18%) and 'children, families and education' (18%) - both represent a decrease on the current budget allocation (-12 and -9 percentage points respectively).
- Respondents would like to see the budget allocation for 'safety in the community' increased by ten percentage points, and 'housing and tackling homelessness' increased by nine percentage points.
- Three quarters of respondents agree that the council should be spending more money on environmental, climate change and greening projects
- Respondents who left further comments on the consultation survey feel that the council should spend more on 'healthcare' (15%), 'police, crime, anti-social behaviour and safety' (15%), the environment (12%) and housing (12%).
- Respondents feel that 'building new homes in the city, including flats offering special care for elderly residents' (49%) is the most important project for the council to spend its capital budget on. This is followed, in order of popularity, by 'invest in greening projects across the city' (37%), 'create better facilities for sustainable transport such as cycling and walking' (37%), and 'build more classrooms and specialist provisions for children with additional needs' (37%).
- A larger proportion of females compared to males took part in the consultation survey (58%). In line with usual trends in council consultations a large proportion of respondents are aged 55 and over (58%).
- The vast majority of respondents are White (97%), and 29% of respondents in the consultation sample have a disability or long-term illness,

Full breakdowns are available in the following section of this report.

6.0 Analysis of results

The following section provides a summary of the analysis undertaken on the budget consultation results. It is split into the following six sections:

- Core responsibilities
- Broader priority areas
- Budget allocation
- Agreement with spend on environmental, climate change and greening projects
- Further comments
- Prioritising future capital projects

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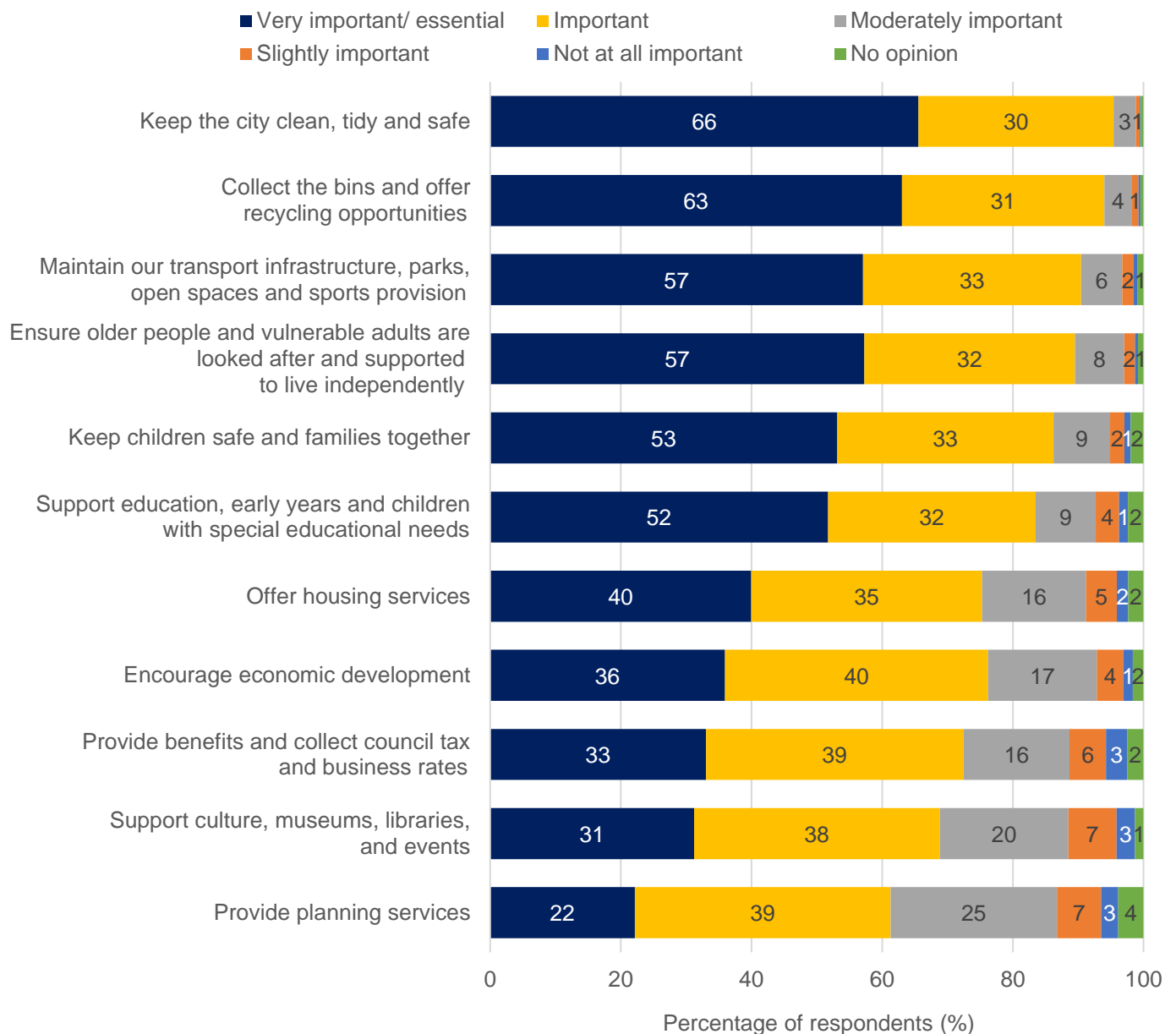
6.1 Core responsibilities

Respondents were asked to rate how important they think eleven core council responsibilities are, on a scale ranging from 'not at all important' to 'very important/essential'.

Figure 2, below, shows that most respondents feel all council core businesses are important. The top two scores of 'very important/ essential' or 'important' were selected by most respondents for all ten core responsibilities.

Six areas were selected by at least half of respondents as being 'very important/essential'. These are, 'keep the city clean tidy and safe' (66%), 'collect the bins and offer recycling opportunities' (63%), 'maintain our transport infrastructure, parks, open spaces and sports provision' (57%), 'ensure older people and vulnerable adults are looked after and supported to live independently' (57%), 'keep children safe and families together' (53%), and 'support education, early years and children with special needs' (52%).

Figure 2: Respondent rating on importance of core responsibilities



Base: Total sample (2,652)

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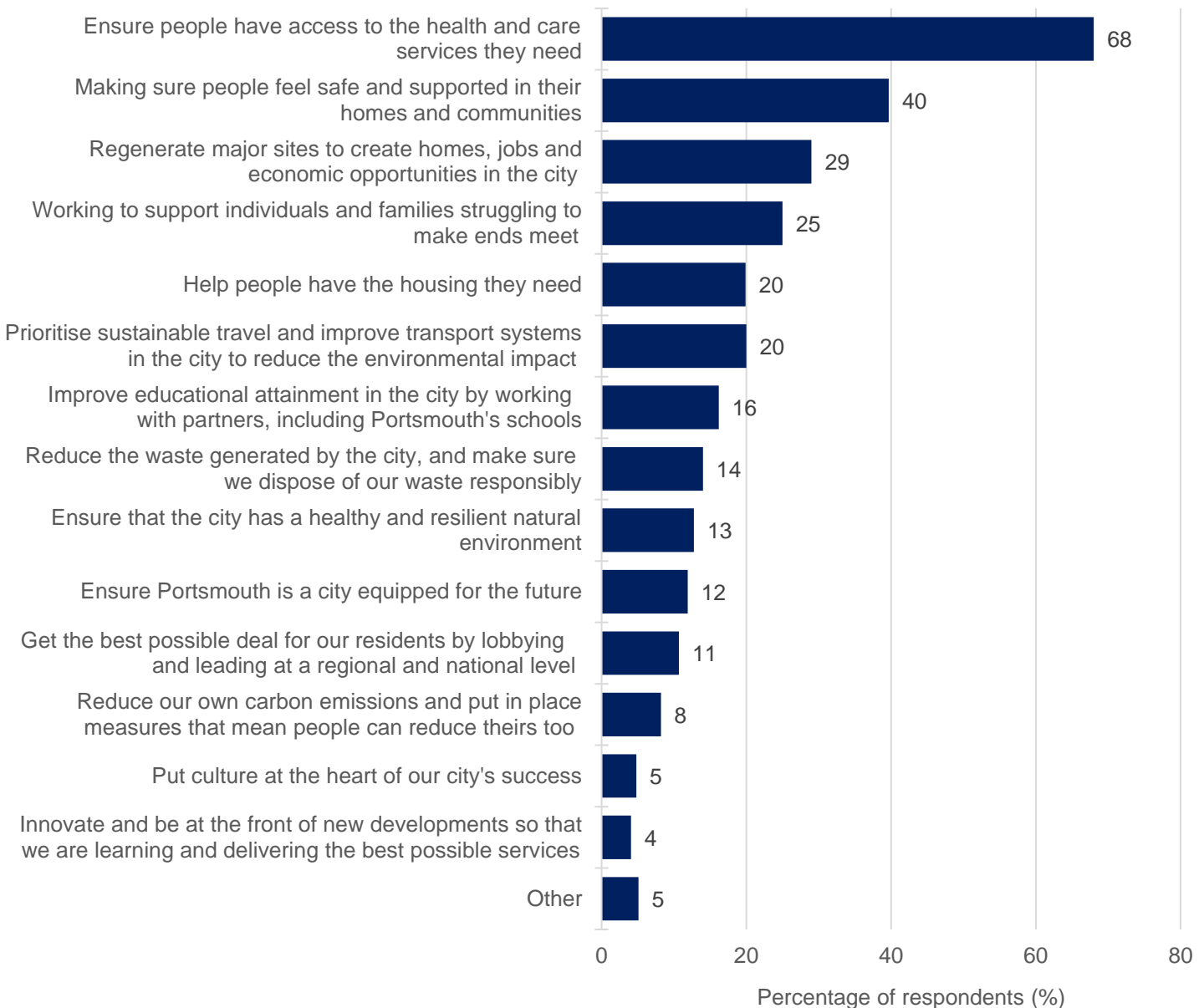
6.2 Broader priority areas

The budget consultation also sought to understand which broader priorities residents think are most important to ensure a successful future for the city. Respondents were asked to select a maximum of three out of 14 priorities and were given the option to specify an alternative area if they thought a priority was not included in the list.

Figure 3 shows the priorities respondents feel are most important. 'Ensuring people have access to the health and care services they need' is by far the top priority identified by respondents, 68% would like the council to focus on this area. After this, the most popular priorities selected by respondents are 'making sure people feel safe and supported in their homes and communities (40%)', 'regenerate major sites to create homes, jobs and economic opportunities in the city' (29%), and 'working to support individuals and families struggling to make ends meet' (25%).

There were no differences in the top 3 priorities across each of the 6 postcode areas.

Figure 3: Top three priorities respondents would like to see the council focus on



Base: Total sample (2,603)

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Respondents were also given the option to select 'other' and specify any priorities they feel are important for the council to focus on that fall outside the priorities listed in the question. 5% of respondents provided 'other' suggestions. The following priorities were the most frequent themes which emerged from qualitative analysis of open-ended comments, in order of popularity:

Table 3: Other priorities mentioned in open-ended comments

Other (main themes)
Improving infrastructure including parking, shopping areas, leisure centres, dentists / doctors and public transport
Reducing crime and anti-social behaviour
Everything is important
Creating affordable housing for local residents and families, not HMOs or student housing
Protecting the environment e.g. keeping the city clean, creating more open spaces, wider recycling schemes, continue with EV lamp post charging scheme
Council should operate efficiently and not waste money
Improving health and healthcare
Strengthen the economy and create more jobs
Improved safety e.g. fixing pavements and getting rid of e-scooters
Equal opportunity of access for the disabled or those with special needs
City is full, no more housing
Improving education
Other e.g. put a rent cap in place, get rid of the clean air zone, stop victimising motorists, make going to the tip easier, have an extensive volunteer programme

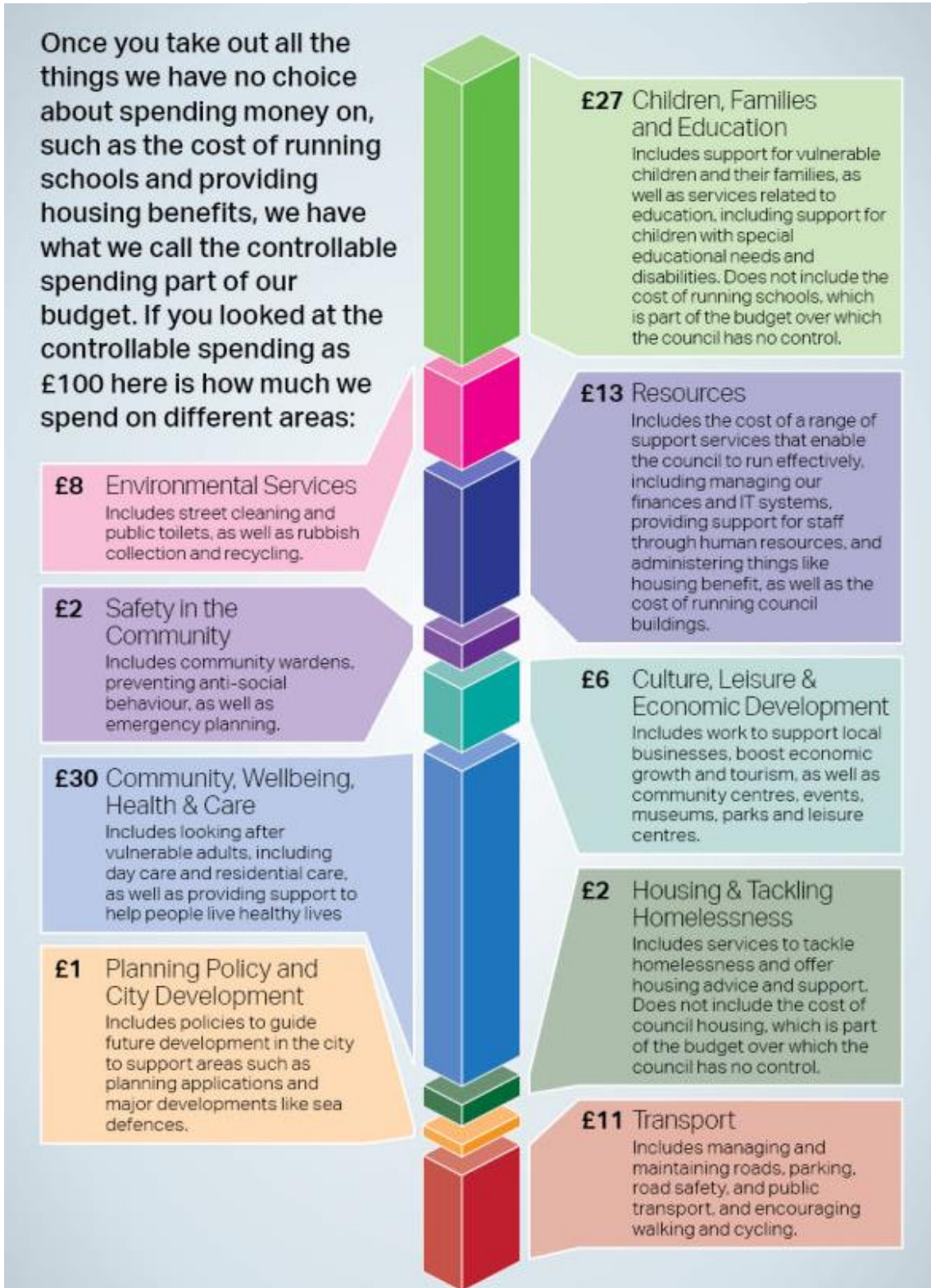
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6.3 Budget allocation

To understand how the public would like funding to be divided a budget allocation question was included in the consultation. Respondents were shown how the current controllable budget is divided amongst the nine cabinet portfolios - this is illustrated in Figure 4 below.

Respondents were asked how they would choose to divide the £100. The current budget breakdown and the results from this exercise are shown in Table 4 on the following page.

Figure 4: Illustration of current budget breakdown



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Table 4: Results of the budget allocation exercise

	Current budget breakdown (%)	Respondent average (%)	Difference (percentage points)
Community, Wellbeing, Health and Care	30	18	-12
Children, Families and Education	27	18	-9
Resources	13	7	-6
Transport	11	10	-1
Environmental Services	8	9	+1
Culture, Leisure and Economic Development	6	8	+2
Safety in the Community	2	12	+10
Housing and Tackling Homelessness	2	11	+9
Planning Policy and City Development	1	6	+5

Base: Total sample (1,745)

The overall results show that residents think that portfolio budgets should be allocated differently - highlighted in red are the four portfolios which respondents think should receive less funding and in green the five that residents think should have their budgets increased (see Table 4 above).

The largest positive difference in allocation is in the 'safety in the community' portfolio which respondents think should be allocated more of the controllable budget by a ten percentage point increase.

The largest negative difference is in the 'community, wellbeing, health and care' portfolio with a difference of -12 percentage points, taking the spending in this area from almost one third (30%) of the total controllable spend down to less than a fifth (18%). The decrease in the budget allocation for the 'community, wellbeing, health and care' portfolio contradicts the top priority respondents would like the council to focus on (see Figure 3 in Section 6.2 of this report) which is 'Ensuring people have access to the health and care services they need' - likely due to a lack of understanding about the portfolio and the services it covers.

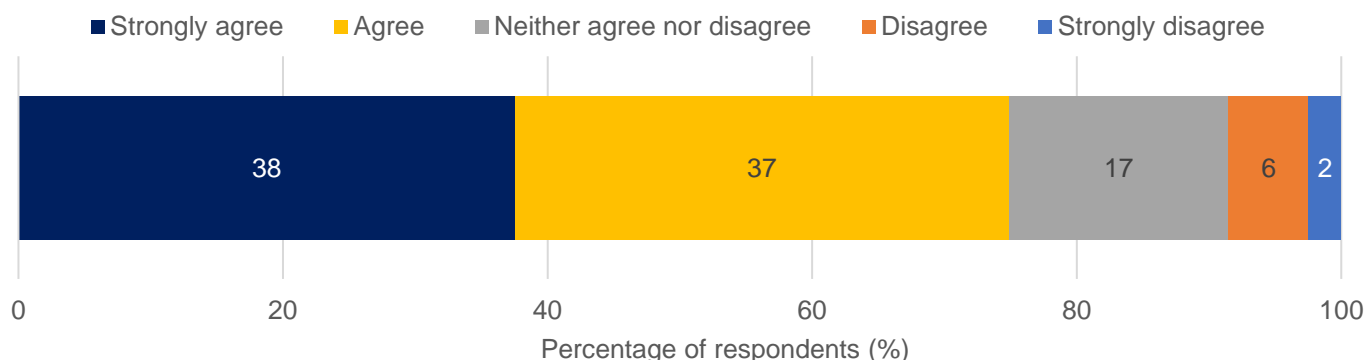
Respondents roughly agree with the current spending allocation for 'transport', 'environmental services' and 'culture, leisure and economic development'.

6.4 Agreement with spend on environmental, climate change and greening projects

Respondents were asked how much they agreed with spending more money on the council's priority area of protecting and enhancing the environment, tackling the causes of climate change locally and creating a greener city.

Figure 5 below shows that three-quarters of respondents are in agreement that the council should be spending more on environmental, climate change and greening projects. Just 8% disagreed and 17% remained neutral.

Figure 5: To what extent should the council be spending more money on this sort of work?



Base: Total sample (2,396)

6.5 Further comments

Respondents were asked what one thing they would choose for the council to spend more money on. The comments have been thematically coded through qualitative analysis. The most common themes emerging from the further comments are displayed in Table 5 and explained in further detail on the following page.

Table 5: Main themes: What one thing would respondents choose the council to spend more money on

Main themes	%
Healthcare	15
Police, crime, anti-social behaviour and safety	15
Environment	12
Housing	12
Regeneration and investment	9
Education, childcare and provision for young people	8
Transport	7
Supporting the vulnerable and those in need	3
Roads / traffic	2
Art and culture	1
Parking	1
Community centres and groups	1
Leisure facilities	1
Other	2
na / don't know / no comment	23

Base: Total sample (2,396)

Healthcare

15% of respondents would like the council to spend more money on healthcare. This includes better access to GPs and NHS dentists, adult social care provision, mental health support, disabled and special needs provision, addiction rehabilitation and care for the elderly. Access to health services generally was also mentioned as well as provision of wellbeing services or other facilities to prevent poor health in the first place.

Police, crime, anti-social behaviour and safety

The same proportion of respondents (15%) would like more money to be spent on policing, reducing crime and anti-social behaviour, and making Portsmouth communities safer places to live and spend time in. Key mentions include a more visible police presence (ideally on foot rather than just in vehicles), more enforcement of parking and speeding infringements, penalties for littering, fly tipping, dog mess, graffiti, and vandalism. Also frequently mentioned was anti-social behaviour around drugs and alcohol use in parks and other public spaces, 'feral' children around the city committing petty crime and intimidating local people. Some respondents would like better lighting and CCTV to improve safety. There were also safety concerns around e-scooter use on pavements.

Environment / green policies

There were comments about spending more on the environment, both built and natural in Portsmouth from 12% of respondents. Comments tended to fall into two schools of thought: one group wanted the environment to be improved from an aesthetic point of view and commented on street cleaning and keeping parks and green areas clean and tidy; the other group wanted more money spent on green initiatives such as EV charging infrastructure, more trees and planting, sustainable buildings e.g. renewable energy and better insulation, and reducing carbon emissions. One key area was a desire for better recycling facilities in terms of the variety of items that can be recycled and the need for doorstep recycling services to enable those without transport to be able to recycle effectively. Money to clear up bathing water and the beach was also mentioned.

Housing

A similar proportion of respondents (12%) would like more to be spent on housing, particularly social housing and council houses for Portsmouth families. Many comments talk about converting derelict, empty or disused buildings of different types into housing rather than building on green belt or brown belt land. Many make comments on needing to solve the homelessness crisis. There is some negativity towards flats and HMOs (houses of multiple occupancy) and the students and immigrants perceived to live in them. Some respondents do not want any more housing of any type built saying the city is full and has insufficient infrastructure (parking, healthcare) to accommodate an increased population.

Regeneration and investment

Economic investment and regeneration of run down areas in Portsmouth is mentioned by 9% of respondents as something they would like more money spent on. The main areas commented on are the City Centre and Commercial Road areas. Respondents would like these areas to be physically tidied up and reinvigorated with better shops, places to eat and drink, and entertainment venues. Such regeneration would create jobs and make people take pride in their surroundings once more. The seafront and Southsea are also mentioned as showcase areas for tourists (and locals) which they would like to be improved and invested in. Many comment that economic prosperity and regeneration is key to resolving many of the city's other issues around crime, poverty and poor life outcomes.

Education, childcare and provision for young people

8% of respondents would like more money spent on education, childcare and provision for young people. Comments in this category ranged from more spending on school buildings, school funding to counter the effects of the pandemic, early years provision such as Sure Start and cheaper childcare, increased resources for SEND children, and youth clubs and activities for young people outside of school.

Transport

7% of respondents would like more money spent on transport. The main themes mentioned within this category are improvements and investment in public transport, particularly the buses, and improvements to cycling and walking infrastructure. For buses, respondents would like them to be cheaper/subsidised, more reliable and electric. The main improvement requested for active travel is joined up cycle routes. More pedestrianised areas are also desirable for some.

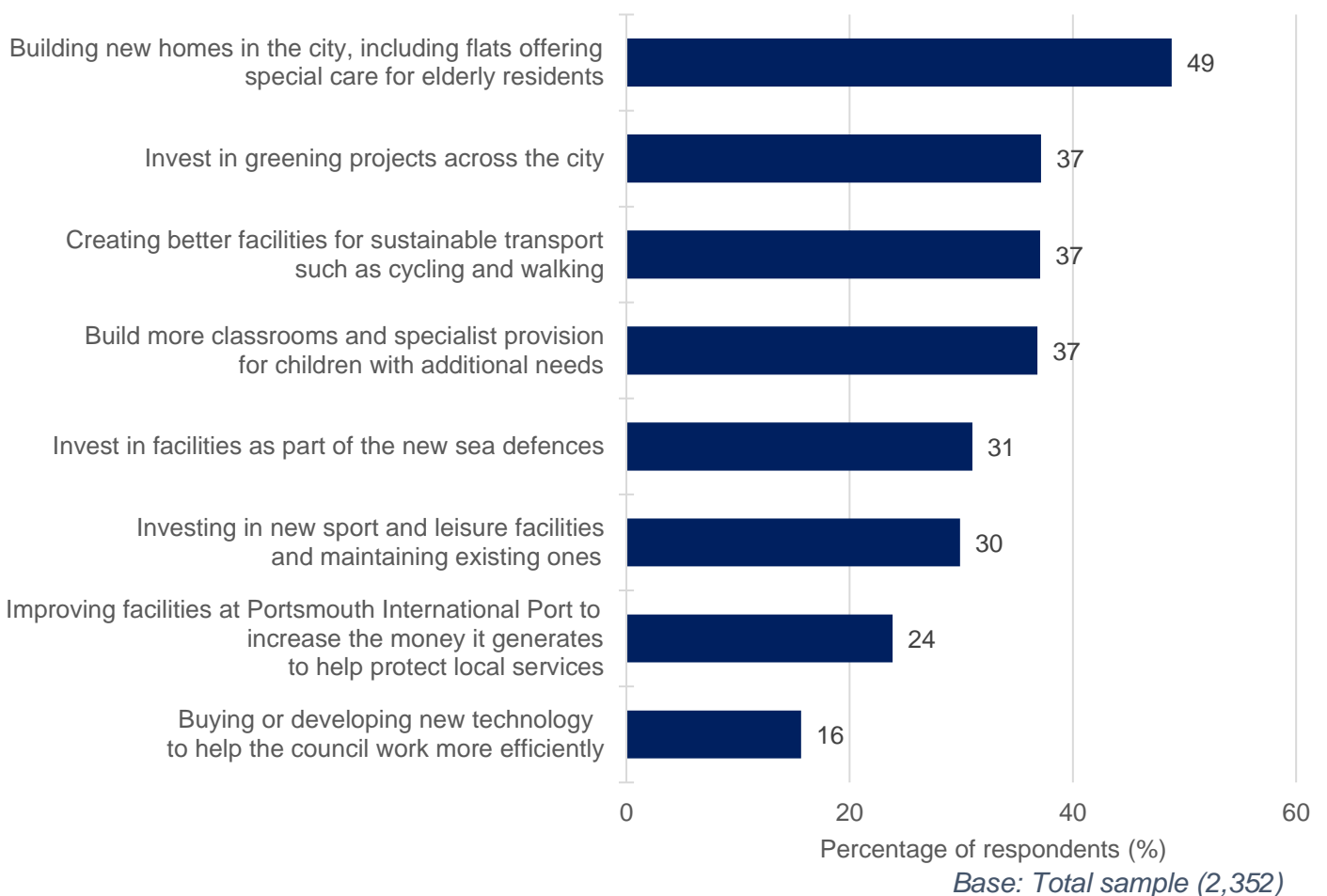
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6.6 Prioritising investment for future capital projects

The consultation also sought to ascertain where respondents think the council should invest its capital budget. Respondents were asked to select a maximum of three out of eight projects for the council to spend its capital budget on. Figure 6 shows which projects respondents feel are most important for the council to invest in alongside its day-to-day spending on service areas.

As shown in Figure 6 below, none of the projects were selected by a majority of respondents. 'Building new homes in the city, including flats offering special care for elderly residents', however, is the most popular project (49%). This is followed by 'investing in greening projects across the city', 'creating better facilities for sustainable transport such as cycling and walking', and 'building more classrooms and specialist provisions for children with additional needs', all with 37% of respondents supporting.

Figure 6: Top three project areas in which respondents would support investment



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6.6.1 Prioritising investment for future projects by postcode

Table 6 below shows there is little variation in the top four project priorities respondents would like the council to spend its capital budget on by postcode district.

Consistent with the total sample level results, all postcode areas prioritise 'building new homes in the city, including flats offering special care for elderly residents' highest. The second most common projects, selected by three postcode districts each are 'building more classrooms and specialist provision for children with additional needs' (PO1, PO2 and PO6) and 'Invest in greening projects across the city' (PO3, PO4 and PO5).

'Creating better facilities for sustainable transport such as cycling and walking' features in the top three priority projects for four postcode districts, consistent with the total sample data.

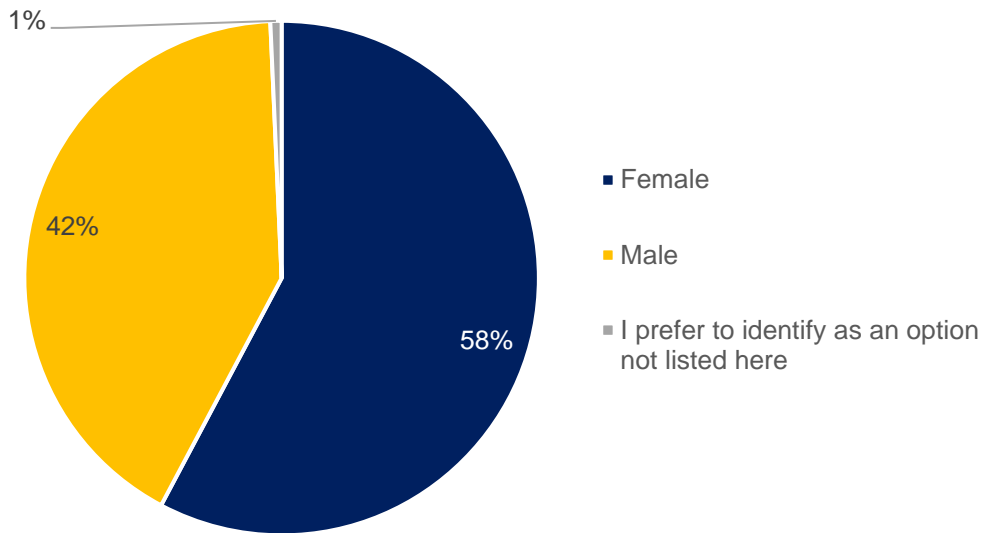
Table 6: Future council project priorities by postcode

Postcode district	Project priority 1	Project priority 2	Project priority 3
PO1	Building new homes in the city, including flats offering special care for elderly residents	Build more classrooms and specialist provision for children with additional needs	Creating better facilities for sustainable transport such as cycling and walking
PO2	Building new homes in the city, including flats offering special care for elderly residents	Build more classrooms and specialist provision for children with additional needs	Creating better facilities for sustainable transport such as cycling and walking
PO3	Building new homes in the city, including flats offering special care for elderly residents	Invest in greening projects across the city	Build more classrooms and specialist provision for children with additional needs
PO4	Building new homes in the city, including flats offering special care for elderly residents	Invest in greening projects across the city	Creating better facilities for sustainable transport such as cycling and walking
PO5	Building new homes in the city, including flats offering special care for elderly residents	Investing in greening projects across the city	Creating better facilities for sustainable transport such as cycling and walking
PO6	Building new homes in the city, including flats offering special care for elderly residents	Build more classrooms and specialist provision for children with additional needs	Investing in greening projects across the city

7.0 Respondent demographics

This section provides a demographic profile of the respondents that interacted with the consultation - it summarises the information collected in the demographic section of the survey that included sex, age group, ethnicity, and disability. All questions in the demographics section of the survey included a 'prefer not to say' option, therefore, the base sizes vary from question to question.

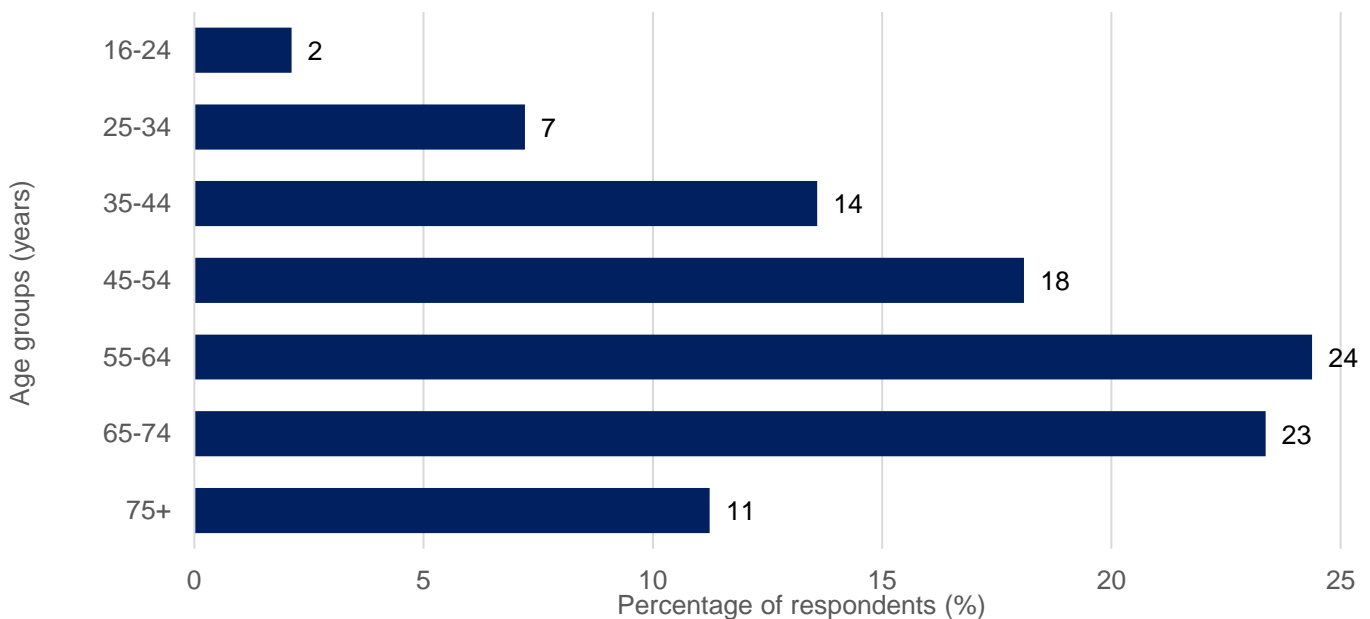
Figure 7: Respondents by sex



Base: Total sample (2,273)

Figure 7 shows the distribution of respondents taking part in the budget consultation by sex - 42% male, 58% female and 1% prefer to self-describe. The split, with a larger proportion of respondents being female, follows usual trends in council consultations.

Figure 8: Respondents by age group

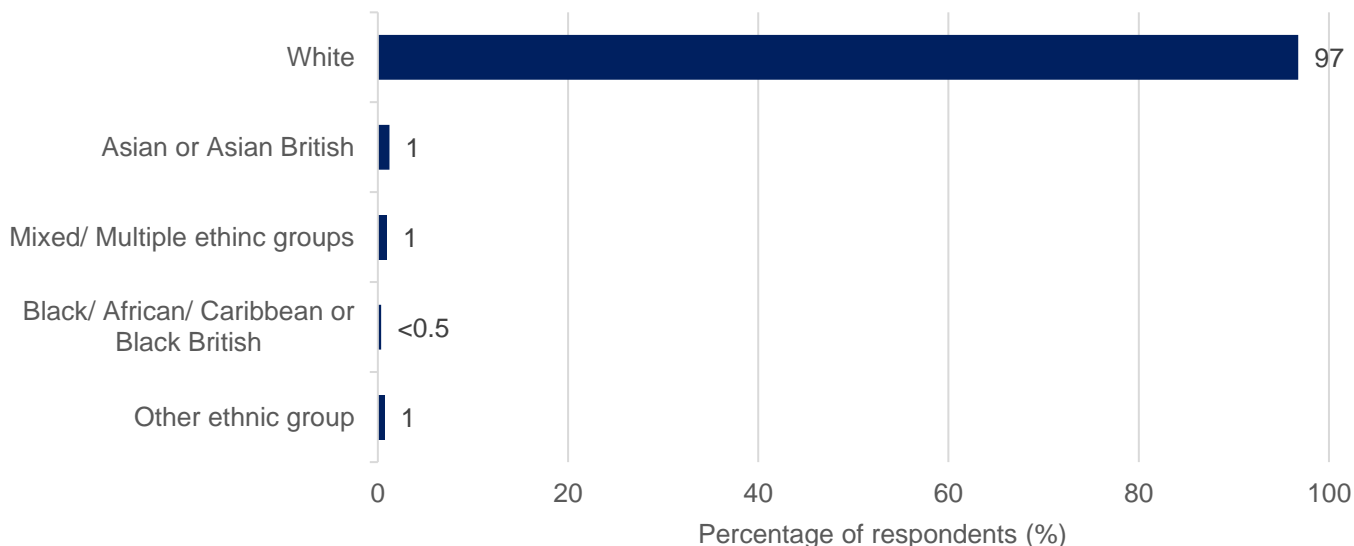


Base: Total sample (2,260)

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Figure 8 above shows the distribution of respondents by age group. The majority of respondents in the consultation sample were aged 55+ (58% of respondents). This age distribution is again in line with expectations that a larger proportion of responses to public consultations will come from older people.

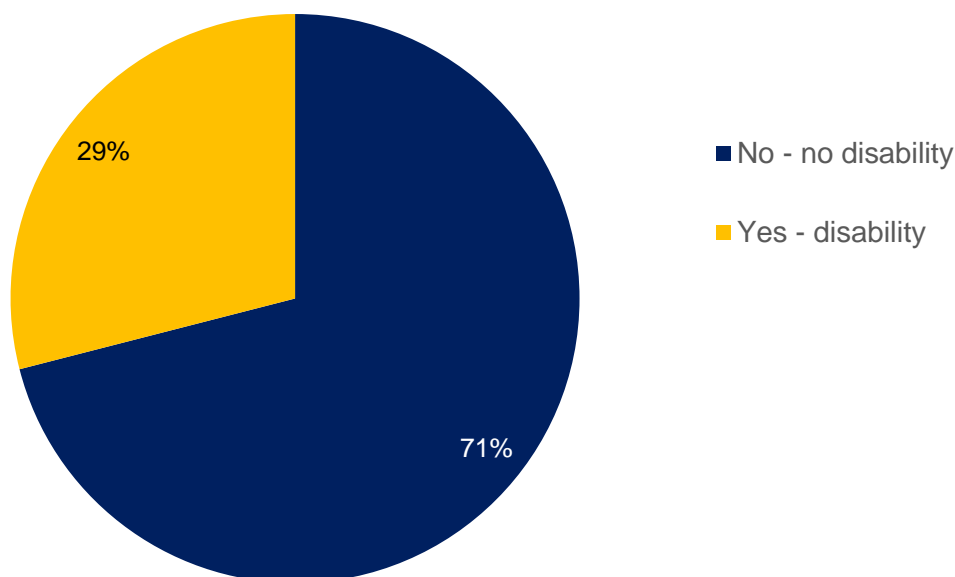
Figure 9: Respondents by ethnic group



Base: Total sample (2,226)

Figure 9 above shows the breakdown of respondents by ethnicity. The vast majority of respondents in the consultation sample are White (97%). The remainder of the sample is made up from the following ethnic groups: Asian or Asian British (1%), Mixed / Multiple ethnic groups (1%), Black/ African/ Caribbean or Black British (<0.5%), and 'Other ethnic groups' (1%).

Figure 10: Respondents by disability, long-term illness or physical or mental health condition that reduces their ability to carry out day-to-day activities



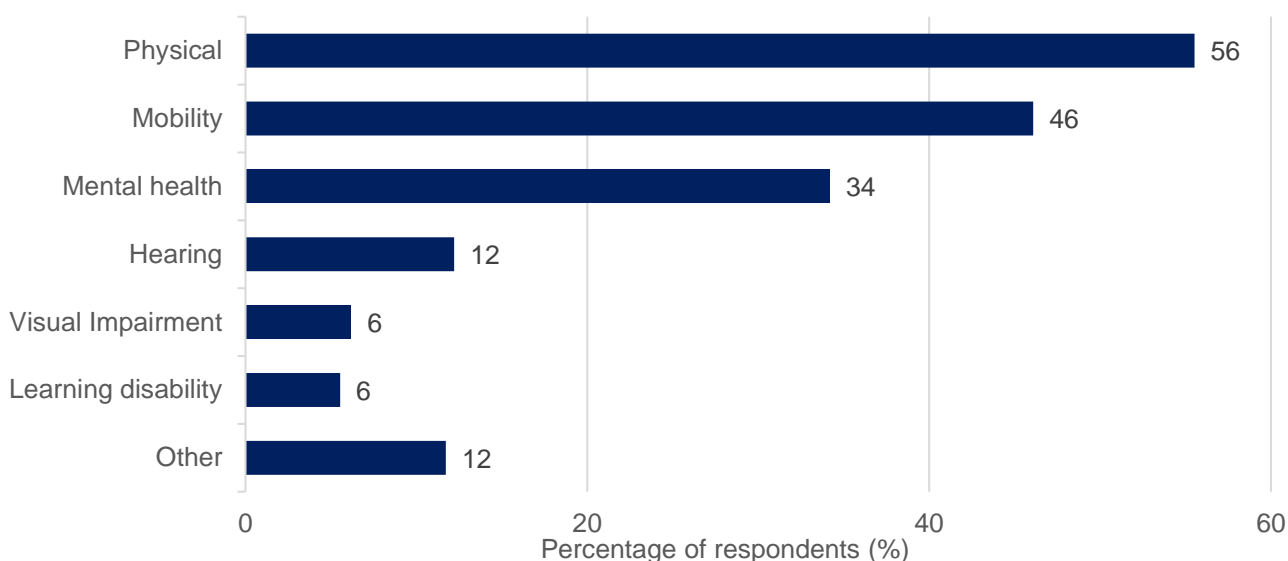
Base: Total sample (2,222)

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Figure 10 on the previous page shows the proportion of respondents that interacted with the consultation who have a disability, long-term illness or physical or mental health condition that reduces their ability to carry out day-to-day activities. The majority of respondents (71%) indicated that they do not fall into this category, whereas 29% indicated that they do consider themselves to have a disability, a long-term illness, or a physical or mental health condition that reduces their ability to carry out day-to-day activities.

The most common disability types among respondents considering themselves to have a disability were 'physical' (56%) 'mobility' (46%), and 'mental health' (34%) - see Figure 11 below.

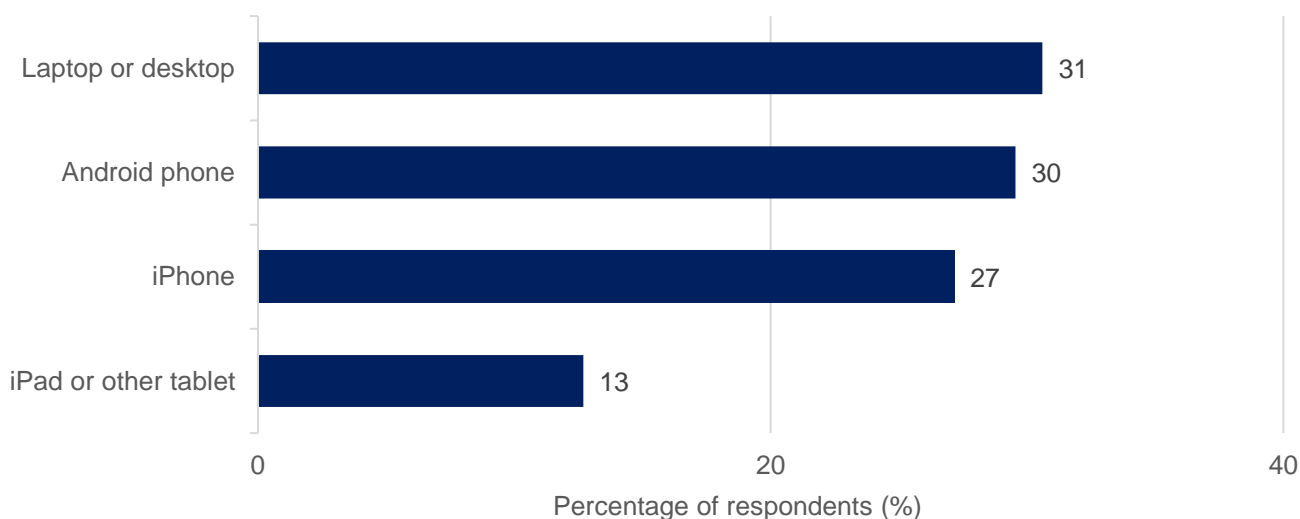
Figure 11: Respondents by disability type



Base: Respondents with a disability (614)

Figure 12 below shows that over half of respondents completed the survey using a laptop or desktop computer (53%). This is followed by an iPhone (19%) and on an Android phone (18%). 10% of respondents completed the survey on a tablet

Figure 12: Respondents by type of device used to complete survey



Base: Total sample (2,301)