



NOTICE OF MEETING

CABINET

MONDAY, 3 MARCH 2014 AT 12.00 PM

EXECUTIVE MEETING ROOM - THE GUILDHALL

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

Membership

Councillor Gerald Vernon-Jackson (Chair)

Councillor Hugh Mason (Vice-Chair)

Councillor Jason Fazackarley

Councillor Lee Hunt

Councillor Leo Madden

Councillor Rob Wood

Councillor Darren Sanders

Councillor Terry Hall

Councillor Sandra Stockdale

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

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

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Interests**
- 3 **Record of Previous Decision Meetings - 21 January and 3 & 11 February 2014 (Pages 1 - 16)**

The record of decisions of Cabinet of 21 January, 3 & 11 February are attached.

RECOMMENDED that the records of decision meetings held on 21 January (special meeting) 3 & 11 February 2014 are agreed as a correct record and

signed by the Chair.

4 Team Portsmouth - City of Service (Pages 17 - 20)

The report by the Director of Public Health seeks the support of Cabinet to further develop and implement Portsmouth's service plan following the successful application to be one of the UK Cities of Service.

RECOMMENDED that the Cabinet note Portsmouth's successful application to be a 'City of Service' and agree that this will be a valuable opportunity to demonstrate the impact volunteers can have in meeting some of the city's most pressing challenges.

5 Local Transport Plan 3 - Implementation Plan 2014/15 (Pages 21 - 26)

The purpose of the attached report by the Head of Transport and Environment is to seek approval from the Cabinet to present the draft Local Transport Plan 3 (LTP3) Implementation Plan 2014/15 to Full Council for approval.

RECOMMENDED that the Cabinet:

1) Approve the attached Implementation Plan for onward consideration by Full Council.

2) Delegates authority to the Head of Transport and Environment in consultation with the Cabinet Member for Traffic and Transportation, the Strategic Director for Regeneration and the Section 151 Officer to agree any minor amendments to the Implementation Plan that may be required to take account of future funding changes and policy announcements.

6 Treasury Management Policy for 2014/15 (Pages 27 - 86)

The purpose of this report is to obtain the Council's approval for 2014/15 to the following (attached):

- Treasury Management Policy Statement
- Annual Minimum Revenue Provision for Debt Repayment Statement
- Annual Investment Strategy

The recommendations, as set out in the report, are for submission to Council on 18 March for decision.

7 Budget & Performance Monitoring 2013/14 (3rd Quarter) to end December 2013 (Pages 87 - 124)

The purpose of the report by the Head of Financial Services and Section 151 Officer is to update members on the current Revenue Budget position of the Council as at the end of the third quarter for 2013/14. Also, to also take the opportunity to report on the key performance measures of the Council and highlight any relationships between financial performance and service performance that may indicate any potential or emerging matters of concern in relation to either.

RECOMMENDED to Council that:

(1) The contents of this report be noted, in particular (after further forecast transfers to Portfolio Specific Reserves of £449,600) the overall forecast overspend of £316,600 representing a variance of 0.16% against the City Council Revised Budget of £192,781,200. Before further forecast transfers to Portfolio Specific Reserves, there is a forecast underspend of £133,000 representing a variance of 0.07%.

(2) Members note that any actual overspend at year end will in the first instance be deducted from any Portfolio Reserve balance and once depleted then be deducted from the 2014/15 Cash Limit.

(3) A report in respect of the Children and Education Portfolio be prepared for the Cabinet in April 2014 setting out the options for significantly reducing or eliminating in future financial years the adverse budget position presently being forecast by the Portfolio, including the associated impact of doing so.

(4) Heads of Service, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2014/15 Portfolio cash limit will be managed to avoid further overspending during 2014/15.

8 Business Rates Discretionary Relief Policy (Pages 125 - 150)

The report by the Head of Revenues & Benefits requests the Cabinet approve, for implementation on 1st April 2014, Portsmouth City Council's local policy for Business Rates Discretionary Relief, updated to take account of Retail Relief, Unoccupied New Builds Relief & Re-occupation Relief.

RECOMMENDED that Cabinet :

(1) Approve the amended policy document (attached to the report): "Policy for the granting of Discretionary Non-Domestic Rate Relief"

(2) Grant delegated authority to the Head of Revenues & Benefits to update Section 9 of the policy titled "Discretionary Relief - Re-occupation Relief" as soon as central Government issues guidance on this relief

9 Flooding Update (Information Report) (Pages 151 - 156)

The information report by the Head of Transport and Environment seeks to inform Cabinet of storm damage and actions undertaken by officers in dealing with the exceptional weather conditions. Also to advise on funding arrangements for emergency works and capital schemes and costs incurred to date on repairs.

10 Home to School Transport - supporting children and young people to attend school/college through the provision of transport assistance (Pages 157 - 192)

Report by the Director of Children's & Adults' Services attached. In the context diminishing funding from Central Government, the report makes recommendations to enable the City Council to reduce expenditure on home-

to-school transport and home-to-college transport assistance whilst ensuring that vulnerable families in the City are protected and a fair and consistent process is applied to all families requesting transport assistance.

The recommendations take into account the Special Educational Needs and Disabilities (SEND) reforms, which will mean that from September 2014:

- Statements of special educational needs will be replaced with Education, Health and Care Plans (EHCPs) for children and young people aged 0 to 25.
- Families with an EHCP will have the right to request a Personal Budget, giving young people and their parents/carers greater control over their finances and choice in decisions.
- The new system will require improved cooperation between services that support children and their families, particularly requiring local authorities and health authorities to work together.

RECOMMENDED that members:

- (1) Note the consultation process that has been undertaken (set out in Sections 6 to 9);**
- (2) Acknowledge the consultation feedback (summarised in Sections 10/11);**
- (3) Approve the recommendations 2.1 (a) - (f), as detailed in Sections 12/13 of the report.**

(A copy of the full EIA summarised in Appendix E is available to members in the group rooms and will be published on the website.)

11 Date of a Cabinet Meeting in April

A date and time needs to be set for a meeting of the Cabinet in April. A report on the Children & Education Portfolio budget position (referred to in recommendation 3 of report item 7 above) is due to be taken to this meeting.

12 Appointment to Outside Bodies (Pages 193 - 194)

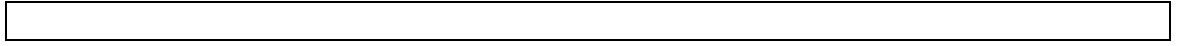
Following the recent changes to the Cabinet membership the Liberal Democrat Group is seeking to change their representatives on some of the outside bodies to reflect these changes. (see schedule)

13 TRO 1/2014: Traffic Regulation Order 1/2014: The Portsmouth City Council (MC Zone and MB Zone Permit Amendments) (Residents' Parking Places and Waiting Restrictions) (No.1) Order 2014 (Pages 195 - 236)

A report by the Head of Transport and Environment is attached.

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Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 21 January 2014 at 12.00 pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson (in the Chair)

Councillors Hugh Mason
Jason Fazackarley
Mike Hancock
Lee Hunt
Rob Wood
Darren Sanders

13. Apologies for Absence (AI 1)

These had been received from Councillors Eleanor Scott and Leo Madden.

14. Declarations of Interests (AI 2)

There were no declarations of members' interests.

15. Palmerston Road (AI 3)

Kathy Wadsworth, Strategic Director for Regeneration, introduced the report and set out the history of the plans for the Southsea Retail Centre and consultation exercises. Following the decision to invest in Palmerston Road South before Osborne Road, work had started in 2012. Members had requested further consultation which had taken place with businesses in November 2012. 59% had indicated they would prefer the road to stay as it had been developed or to be further pedestrianized (17 out of 29 businesses, only 12 wanted it opened up). A further consultation with residents took place with hand delivery of letters in December 2013; by 10 January there had been 40 responses with 26 indicating to keep the road as implemented or be fully pedestrianized; 65% wanted full pedestrianisation. There would be further consideration given to the plants to be used for the planters, and discussion with business regarding loading and unloading solutions. The intention was to revive the retail centre.

The Leader announced that the time allocation would be for a couple of minutes each, which was extending the usual time allocation of 12 minutes for or against. Councillor Luke Stubbs, who had registered to speak, asked that his time allocation be given to those wishing to speak against the proposal to allow them more time. The following deputations were then heard, whose points are summarised:

- (i) Peter Young (of Hong Kong Charlie Bar spoke against the pedestrianisation as during the year of the road closure there had been

very few people using the area until the evenings, so the traders had suffered.

- (ii) Mr Mohammed (Akrams Southsea) whose points against included there was a lot of local support for his family business and people came in from afar due to its unique nature. They were suffering a 50% decline in business and had problems with unloading items and felt that the alcohol consumption was being abused in the area asking that a one way system be introduced.
- (iii) Nazrul Ahmed whose points against included he was also running a well-established local business and the restaurant had seen a dip in trade due to the problems of access and there was a knock-on effect to the surrounding roads. He felt that the consultation process had been flawed and the planters outside his own property prevented his business from joining in the café culture.
- (iv) Tony Meaden whose points against the proposal included as a local resident he had witnessed a decline in this part of Southsea and lessons had not been learned from the drinking culture in Guildhall Walk which had spread here. He was also concerned that not all traders had been consulted and the loss of visitors through the number 700 bus and there would be an additional cost of the road barrier.
- (v) Sophie Curtis spoke as the manager of Preloved Portsmouth whose concerns included the lack of free parking in the area and the lack of access for elderly customers who wished to be within easy walking distance. She spoke of 18 businesses disagreeing with PCC's plans some of which had gone out of business or suffering significantly reduced business and she felt there was more crime in the area.
- (vi) Tony Brown whose points against the proposals included it was an unpopular project; businesses were suffering; this was unsuitable as a pedestrianised area. There were a significant amount of premises selling alcohol with disturbances at night caused by those drinking. The proposal had compromised the 700 bus route.
- (vii) Kirsten Woodgate spoke against the proposal - her own solicitors' business had suffered with the closure to traffic with clients not being able to park nearby for limited periods. The planters were eyesores and full of rubbish, there were problems caused by the traffic flow and the u-turns by those going the wrong way up Auckland Road East; the pedestrianisation was unrealistic and so the road should be reopened.
- (viii) Helen Hughes spoke of her concerns regarding her family who lived at the corner of Palmerston Road and suffering at night regarding the anti-social behaviour caused by the "café culture", problems of cars trying to get out of Villiers Road and turning round. She requested that the road be reopened.

- (ix) Sandy Peters whose points against were that there was not a café culture being experienced and there had been a loss of business, with a more regular presence of police vans in the precinct.
- (x) Jon Spencer spoke on behalf of Portsmouth Cycle Forum to relay their concerns as Palmerston Road is an essential link from the seafront and if this was fully pedestrianised there would be problems with access. He hoped that cyclists would be able to enjoy harmonious use with pedestrians in this area which would promote a healthy lifestyle.
- (xi) Steve Hudson from the Drift Bar spoke in favour of the pedestrianisation and his points included that to encourage continental café culture there was a need to ensure that buses did not go through the road and he felt there should be the chance for local premises to have tables outside.

Councillor Peter Eddis spoke as a ward councillor whose points included that he had met with a lot of residents on the issue and views were split. The ward councillors had tried to implore Stagecoach to keep the No. 700 bus for Southsea but they had requested too large a subsidy for this to happen, but instead the No. 23 bus would run more frequently with the No.700 terminating at The Hard but connecting to the No. 23. It was hoped that the pedestrianisation would encourage shoppers. Not many parking spaces had been lost.

Councillor Donna Jones then spoke stating that there had been inadequate consultation and businesses should be allowed to thrive and there was a great strength of feeling as witnessed by the number of people attending the meeting. She also raised questions regarding the No.700 bus route and associated talk of compensation and the plans for Osborne Road and requested a list of the names of businesses that were in support of the pedestrianisation.

Councillor Stubbs had registered to speak but had given his allocation to the objectors so did not address the meeting.

Councillor Gerald Vernon-Jackson as Leader read out a communication from Stagecoach regarding the importance of the No.700 route and their plans (on the basis of a review of how their three commercial services operate within the City) to increase its frequency and linkage from North End to The Hard with connections through No.23 bus route into Southsea. They had asked for £285,000 as a subsidy to extend the route to South Parade Pier which the Cabinet could not support. The Leader of the Council also referred to the written representations, 13 of which had been circulated to members of the Cabinet for the meeting (from Peter Cairns, Alexander Lyle, Viv Young, Dean Kendall, Patrick Keyes, Jean Reno, Gill Norman, Victoria Leonard Kelly Brimmer, John Brookes, Diana Goss, Jocelyn Wace and Vincent Faithful for the Southsea Association).

The Assistant Head of Transport & Environment reported that the changes to the No.700 bus route would commence in May 2014.

The Cabinet Members felt that a decision had to be made either to open up Palmerston Road South to traffic or to commit to a full pedestrianisation (within the limits of the existing scheme) and there had been full consultation with 6,000 local households, most popular option had been for the full pedestrianisation. There would be an accompanying task force to crack down on anti-social behaviour and increased liaison with the police. Officers would look at the problems raised regarding loading bays needing access for the traders and the need to increase short term car parking in the area.

Councillor Fazackarley as the Cabinet Member for Traffic & Transportation offered to give Councillor Donna Jones a draft report being considered regarding Osborne Road.

It was noted that the town centre's occupancy rates were high and waiting lists for lets in the area. With regard to the comments made regarding the consultation process it was stressed that there had been face to face contact with the businesses requiring signed forms to be submitted and only two had not been able to sign these off as they were part of national chains. As the proposals by Stagecoach for subsidising the No.700 route were uneconomical for the council the solution of the linkage of the No.23 bus to link the shopping centres was welcomed. With regard to the night time activity there would be a new task force set up to look at the noise issues and address concerns linked to the night time environment. It was also felt that there was not a direct correlation between any anti-social late night activity and whether or not the road was pedestrianised.

DECISIONS:

1. **Members noted the extensive consultation that has been undertaken regarding the Southsea Retail area, and the analysis of the current operation of the Palmerston Road scheme;**
2. **Members noted the action required to facilitate full pedestrianisation of Palmerston Road with a physical barrier across the road at 11am each morning;**
3. **That a taskforce is created to address the concerns of anti-social behaviour in Palmerston Road to be led by Councillor Vernon Jackson, and include representation from the following areas: Police, Legal, Licensing, Ward Councillors, PubWatch, the City Centre Manager, Environmental Health, Chair of Southsea Traders, Street Pastors, and a representative from each of the following residential blocks: Villiers Court, Palm Court, Queens Keep and Hamilton House; and the Chair of the Southsea restauranters;**
4. **Members noted the advice from the City Centre Manager that pedestrianisation will enable the full benefits to be realised, improving the economy within Southsea. It is also noted that the pedestrianised area will enable the increased frequency of**

daytime, family-orientated outdoor markets (for a range of purposes).

5. **Members instructed officers responsible for environmental health, licensing and community safety to be more proactive in dealing with issues of noise and antisocial behaviour;**
 6. **Following representations from both the public and retailers, planters in Palmerston Road are retained as per the majority of the responses received, and there will be further dialogue regarding improvement before any installation of planters in Osborne Road;**
 7. **Relevant officers ensure that re-planting is carried out as a priority with suitable foliage;**
 8. **The Cabinet recognised that the licensing laws relating to the sale of alcohol, regulated entertainment and late night refreshment are deemed to be a non-executive function and therefore no decision making powers are available to it. However, the Cabinet strongly recommends to the Licensing Committee that in those cases where a premises licence allowing late night drinking is subject to review under the provisions of the Licensing Act 2003, serious consideration should be given to the modification of the licence so as to include a requirement that those individual premises should install a suitable system for monitoring persons entering the premises (e.g., ScanNet).**
 9. **The Cabinet acknowledged that in making this recommendation the Licensing Authority will continue to consider such applications on individual merit and will only exercise such powers where appropriate to do so.**
 10. **The Cabinet also recognised and is pleased to note that the majority of late night premises who primarily sell alcohol and provide regulated entertainment in Palmerston Road support the use of such systems as ScanNet and in particular it notes that following discussions with the Police the Slug and Lettuce, Lord Palmerston and Drift Bar are already using these systems and are commended for doing so;**
 11. **That consultation is undertaken to improve and increase short-term parking provision in the vicinity of the southern end of Palmerston Road to support local traders.**
16. **MB Zone (residents parking - Orchard Road) (AI 4)**

Councillor Stubbs made a deputation and was surprised to see this item before Cabinet as it had not been on the original agenda. He felt this went against the decision made in November 2013 regarding consultation on the MB zone; that this would cause problems to be displaced elsewhere whilst

leaving empty spaces in the MB/MC zone; the correct thing would be to remove the MB zone.

Councillor Eddis then spoke whose concern was that the MB zone was not working and he would welcome a 2 hours exclusion within the day to tackle the problems with commuters parking in the locality. He therefore advocated a change to the scheme not its abolition.

The advice of the City Solicitor had been sought regarding the need for a different decision for the establishment of the MC zone as an experiment of a 2 hour exclusion zone. The City Solicitor requested that the revised plan regarding the MC zone be made available with decision papers.

The Cabinet Members welcomed the concept of restricted hours for parking zones therefore and supported the proposal.

The Assistant Head of Transport & Environment confirmed that there had not been a request from residents in the MB zone for the removal of residents' parking there.

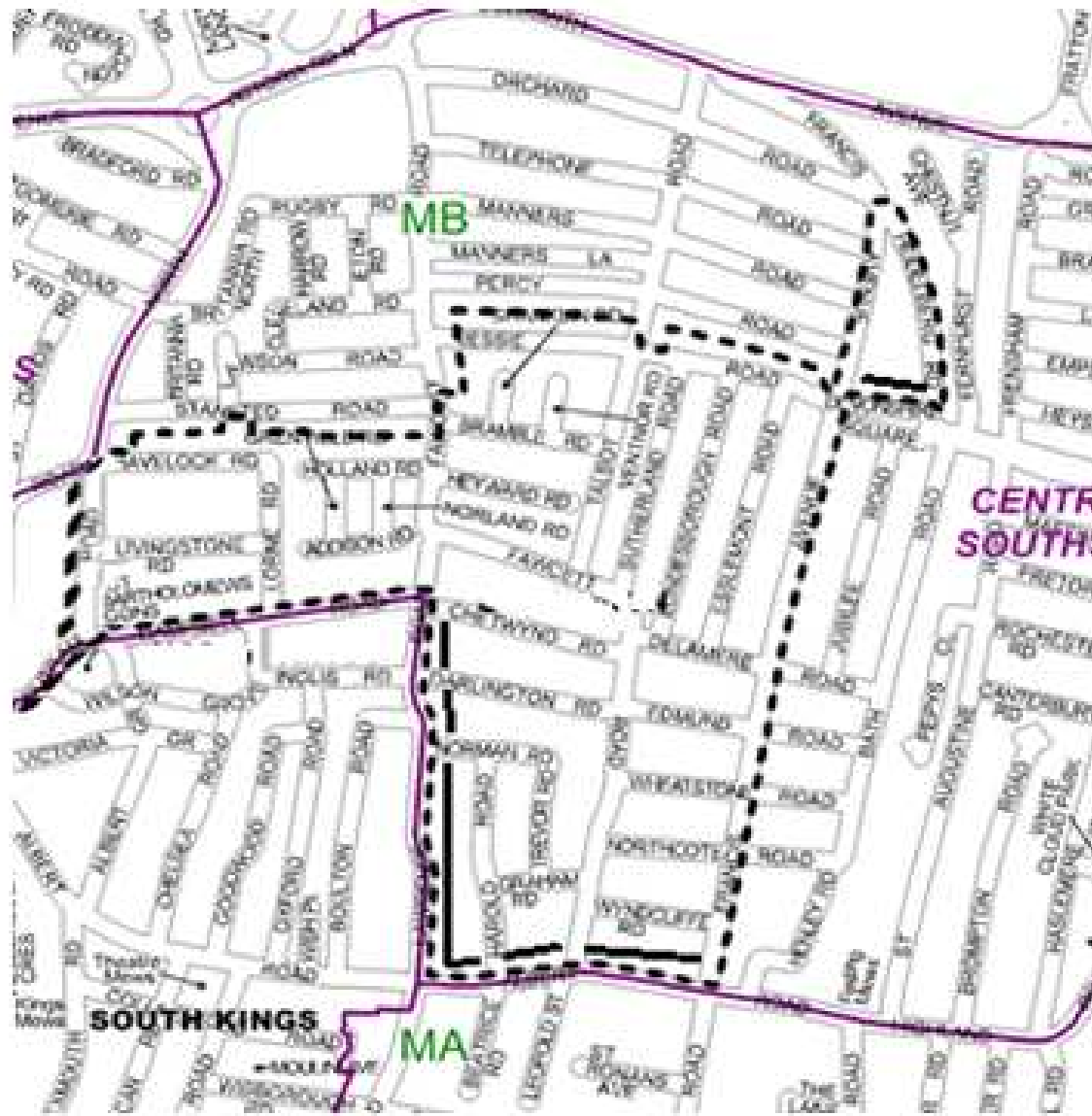
DECISION:

Following the 4th November 2013 cabinet minute 82(1) which decided to extend the MB parking zone, this extension will now be a new zone (MC) operating as "permit holders only" for a 2 hour period each day.




The meeting concluded at 1.50 pm.

Councillor Gerald Vernon-Jackson
Leader of the Council

Proposed MC zone shown within the dotted line:



Key to map:

-  Zone boundary
-  Properties of addresses outside Zone entitled to apply for permits
-  Ward boundaries

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CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Monday, 3 February 2014 at 12.00 pm at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson (in the Chair)

Councillors Hugh Mason
Jason Fazackarley
Leo Madden
Rob Wood
Darren Sanders

17. Apologies for Absence (AI 1)

Apologies for absence had been received from Councillor Mike Hancock.

18. Declarations of Interests (AI 2)

There were no declarations of interests.

19. Record of Previous Decision Meeting - 6 January 2014 (AI 3)

DECISION:

That the record of decisions of the Cabinet meeting of 6 January 2014 be agreed and signed by the chair as a correct record.

20. Forward Plan Omission - Anson Road (AI 4)

DECISION:

That the omission of this key decision report containing exempt information in the February forward plan be noted.

21. Exclusion of Press and Public (AI 5)

DECISION:

That in view of the contents of the following item on the agenda the Cabinet adopted the following motion:

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

22 Freehold Disposal and Removal of Restrictive Covenant in respect of land at Anson Road, Fratton, Portsmouth (Appendices 1 and 3 only) 3

22. Freehold Disposal and Removal of Restrictive Covenant in respect of land at Anson Road, Fratton, Portsmouth (AI 6)

(TAKE IN REPORT BY HEAD OF CORPORATE ASSETS, BUSINESS & STANDARDS (WITH EXEMPT APPENDICES 1 AND 3))

DECISIONS:

- (1) The Head of Corporate Assets, Business and Standards be authorised to dispose of the freehold interest in Area 1 of the Jayhards Site to Point Estates LLP, for the consideration as detailed in the exempt appendix of the report.**
- (2) Landlord's consent be granted for an assignment of the leasehold interest in Area 2 Jayhards Site from Point Estates LLP to Portsmouth Community Football Club Ltd and a change of use (subject to Planning consent) to car parking.**
- (3) That the City Council release the restrictive covenant in its favour affecting the former BT Site for the consideration detailed in the exempt appendix of the report.**
- (4) The City Solicitor be authorised to conclude all legal documentation relating to this matter.**

23. Date of Special Cabinet - Council Tax Setting and Budget Forecast Meeting (AI 7)

It was reported that the government announcement was awaited regarding the threshold for referendums on council tax which may affect the discussions of council tax setting on 11 February at the council meeting. It was however decided that a special Cabinet meeting should be set earlier that morning at 10am on the 11th for consideration of this item.

The meeting concluded at 12.03 pm.

Councillor Gerald Vernon-Jackson
Leader of the Council

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Tuesday, 11 February 2014 at 10.00 am at the Guildhall, Portsmouth

Present

Councillor Gerald Vernon-Jackson (in the Chair)

Councillors Leo Madden
Rob Wood
Darren Sanders
Terry Hall

24. Apologies for Absence (AI 1)

Whilst there were no formal apologies for absence, Councillors Mason and Stockdale were in transit.

25. Declarations of Interests (AI 2)

There were no declarations of interest.

26. Portsmouth City Council - Council Tax Setting 2014/15 & Medium Term Budget Forecast 2014/15 to 2017/18 (AI 3)

In consideration of the report by The Head of Financial Services and Section 151 Officer it was

RECOMMENDED to Council that the following be approved:

- (1) (a) **The revised Revenue Estimates for the financial year 2013/14 and the Revenue Estimates for the financial year 2014/15 as set out in the General Fund Summary (Appendix A)**
- (b) **The Portfolio Cash Limits for the Revised Budget for 2013/14 and Budget for 2014/15 as set out in Sections 7 and 9, respectively**
- (c) **That any overspending arising at year end 2013/14 on the Traffic & Transportation Portfolio be met from the Off Street Parking Reserve**
- (d) **That a sum of £3.3m be set aside in an Earmarked Reserve to provide the necessary funds to make an early payment to Government in 2014/15 amounting to £4.6m in respect of anticipated Business Rates appeals (which would otherwise have been paid, in full, over the period 2015/16 to 2017/18). It is expected, if legislative provisions allow, that this would trigger an estimated "safety net payment" from Government**

of £1.3m that would not otherwise be received without this early payment. (See paragraph 6.13 and recommendation (i))

- (e) That a sum of £3.0m be transferred to the MTRS Reserve arising from the overall net improvement in the City Council's financial position for the year¹ in order to support the achievement of future savings and therefore alleviate budget deficits in future years
- (f) Any further underspendings for 2013/14 arising at the year-end outside of those made by Portfolios be transferred to the MTRS Reserve
- (g) That £500,000 from the TriSail Maintenance Reserve be transferred into a new Reserve entitled the Park and Ride Reserve to fund the anticipated early years costs associated with the new Tipner Park and Ride scheme commencing in April 2014
- (h) Once the Park and Ride scheme becomes self-financing, any remaining balance contained within the Park and Ride Reserve be transferred into the MTRS Reserve to support the achievement of savings to alleviate budget deficits in future years
- (i) That the Head of Finance & S151 Officer be given delegated authority to make full provision for the anticipated Business Rates appeals in a single year (2013/14) amounting to an additional £4.6m rather than spreading the cost of such appeals over the 3 year period 2015/16 to 2017/18. If this is allowed by regulation, it will lever in "safety net" funding from Government estimated at £1.3m
- (j) Accordingly, that the Head of Finance & S151 Officer be given delegated authority to complete and authorise the statutory Government Returns for Business Rates² in accordance with the information contained within this report and on the basis of providing for Business Rates appeals in a single year
- (k) The Head of Finance & Section 151 Officer be given delegated authority to make any necessary adjustments to Cash Limits within the overall approved Budget and Budget Forecasts

¹ This does not include Portfolio underspendings which will, by right, transfer into Earmarked Reserves for use by the relevant Portfolio

² Those returns being the NNDR1 and the NNDR3

- (l) **Managers be authorised to incur routine expenditure against the Cash Limits for 2014/15 as set out in Section 9**
- (m) **The Revenue Forecast and the associated provisional Portfolio Cash Limits for 2015/16 onwards as set out in Section 10 and Appendices B and C respectively, be noted**
- (n) **That the savings requirement for 2015/16 be set at a minimum of £12.5m**
- (o) **The estimated Savings Requirement of £37m for the three year period 2015/16 to 2017/18 be noted and for financial and service planning purposes be phased as follows:**

Financial Year	In Year Target	Cumulative Saving
	£m	£m
2015/16	12.5	12.5
2016/17	12.5	25.0
2017/18	12.0	37.0

- (p) **Heads of Service be instructed to start planning how the City Council will achieve the savings requirements shown in Section 11 and that this be considered and incorporated into Service Business Plans**
 - (q) **Members note that the MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies holds a relatively modest uncommitted balance of £3.0m³ and will only be replenished from an approval to the transfer of any underspends at year end**
 - (r) **The minimum level of Revenue Balances as at 31 March 2015 be retained at £6.0m (£6.0m in 2013/14) to reflect the perceived budget and financial risks to the Council**
 - (s) **Members have regard for the Statement of the Head of Finance & Section 151 Officer in accordance with the Local Government Act 2003 as set out in Section 17**
 - (t) **The Non Domestic Rates poundage for 2014/15 of 48.2p, and 47.1p for small businesses, be noted**
- (2) **The Council note the advice from the Head of Finance & S151 Officer set out in the approved Budget report to the Council in November 2013 which stated that:**

the minimum savings requirement for 2014/15 is £10m and anything below that would not be prudent. Also that the Council's

³ Including the recommended transfer of £3.0m proposed in this report

financial forecasts and therefore its £10m savings requirement for 2014/15 is predicated on a Council Tax increase of 1.95%. Should the Council take any other option that yields a lesser sum, then the shortfall must be added to the £10m savings requirement.

- (3) That it be noted that at its meeting on 6 January 2014 the Cabinet calculated the amount of 51,532.1 as its Council Tax Base for the financial year 2014/15 [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 2014/15 in accordance with Section 31 and Sections 34 to 36 of the Local Government Finance Act 1992:

(a)	£533,876,088	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
(b)	£472,326,663	Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
(c)	£61,549,425	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)	£1,194.39	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 £
796.26	928.97	1,061.68	1,194.39	1,459.81	1,725.23	1,990.65	2,388.78

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 2014/15 the Hampshire Police & Crime Commissioner is consulting upon the following amounts (but subject to the determination of the Council Tax referendum thresholds) 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 £
103.86	121.17	138.48	155.79	190.41	225.03	259.65	311.58

- (6) That it be noted that for the financial year 2014/15 Hampshire Fire and Rescue Authority are recommending the following amounts in the precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of the dwellings shown below:

Valuation Bands (Hampshire Fire & Rescue Authority)

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

- (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 2014/15 for each of the categories of dwellings shown below:

Valuation Bands (Total Council Tax)

A £	B £	C £	D £	E £	F £	G £	H £
941.04	1,097.88	1,254.72	1,411.56	1,725.24	2,038.92	2,352.60	2,823.12

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

The meeting concluded at 10.01 am.

Councillor Gerald Vernon-Jackson
Leader of the Council

Agenda Item 4



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Cabinet
Date of meeting: 3rd March 2014
Subject: Team Portsmouth - City of Service
Report by: Janet Maxwell, Director of Public Health
Wards affected: All
Key decision: No
Full Council decision: No

1. Purpose of report

- 1.1 To seek the support of Cabinet to further develop and implement Portsmouth's service plan following the successful application to be one of the UK Cities of Service.

2. Recommendations

- 2.1 **Cabinet are recommended to note Portsmouth's successful application to be a 'City of Service' and agree that this will be a valuable opportunity to demonstrate the impact volunteers can have in meeting some of the city's most pressing challenges.**

3. Background

- 3.1 In September 2013 Portsmouth was one of 26 cities invited to get involved in a Nesta-run pilot inspired by the US Cities of Service movement. Nesta is an independent charity that provides grants, investments, research and networking opportunities to develop new ideas in service delivery. They are working with the Cabinet Office to manage a £14m innovation fund as part of the Social Action Fund launched in April 2013.
- 3.2 The City of Service concept was developed by Mayor Bloomberg as Mayor of New York City. It now involves 170 mayors from cities across America who work together to engage citizens to address city needs through 'high impact volunteerism'. The focus is on ensuring that people are only asked to volunteer through this programme for things that will have a clear and measurable impact to their local area. A series of 'blueprints' are now available of things that have been proven to work in the US and which Nesta are keen to test in England. One aspect of the work that was found to have played a crucial part was having dedicated leadership provided by a 'chief service officer' and supported by senior politicians and other partners.

- 3.3 The Bloomberg Foundation is now working with the Cabinet Office and Nesta to develop a similar model in England. Following a competitive bidding process, four 'partner cities' (Portsmouth, Plymouth, Bristol and Kirklees) have been chosen. Each will receive up to £150k over 2 years to support a chief officer post, and up to £30k of seed funding, as well as peer support, technical support and mentoring from a serving chief officer from one of the US cities.
- 3.4 Portsmouth submitted a bid in November 2013, with approval from Cllr Mason who agreed to be the 'ambassador' for the bid, and David Williams. In order to meet the bid's criteria, two local challenges were identified which could be addressed (in part) through mobilising volunteers. A total of four service initiatives were included, adapting the 'blueprints' from the US Cities of Service programme to reflect existing priorities in the city. These are shown in the table below.

<p>Challenge A - Creating positive learning experiences: how communities can expand their expectations of themselves and those around them through impactful volunteering.</p>	<p>Challenge B - Building resilient communities: how volunteering can keep your neighbours and neighbourhood safe, healthy and independent.</p>
<p>Service Initiative 1 'Coaching and Mentoring':</p> <p>We will identify those pupils in years 10 and 11 who are most at risk of not achieving the results at GCSE that they need in order to achieve their goals and provide them with mentoring support from local volunteers. Our aim is to trial this in one secondary school in the city that serves some of our most challenged communities</p>	<p>Service Initiative 3 'Love Your Street':</p> <p>Team Portsmouth will mobilise volunteers to address a whole range of social issues that impact on local people's wellbeing. E.g. mobilising local neighbourhoods to improve the physical environment around them, or helping people in older terraced housing to address the thermal comfort and energy efficiency of their home, supporting neighbours with loft clearance etc.</p>
<p>Service Initiative 2 'Numeracy Challenge':</p> <p>To raise levels of numeracy in the city, residents will be encouraged to assess their current level of numeracy using an online evaluation tool. At the end of the assessment, the individual will receive information on their level of numeracy and advice and guidance on how to improve it. We will recruit and train volunteer mentors to support people with online assessment and learning.</p>	<p>Service Initiative 4 'Volunteer Neighbour Navigators':</p> <p>Through the mobilisation of local volunteers we would create a band of Neighbourhood Navigators who would help vulnerable residents to safely access and explore their community. We would like initially to run a small project in a neighbourhood / geographic area where we know that a number of vulnerable adult residents would benefit from using assistive technology but are unable to be supported by relatives in response to call outs.</p>

- 3.5 The challenges are at various stages of completeness, but were explicitly developed with the aim of providing additional momentum and support behind programmes which already had local support. The schemes will begin in neighbourhoods in different parts of the city but will aim to be rolled out more widely if successful. We are also keen to explore ways in which the City of Service funding can similarly be used to add momentum to other service initiatives, while recognising that the funding must be used within the conditions on which it is granted.
- 3.6 A multi-agency steering group led by the DPH has been established. Sub-groups have been set up to further develop the plans for each service initiative. This will include identifying additional resources to support delivery by refocusing existing planned spend and leveraging in new resource from partners. Plans are in place to engage a wider range of stakeholders over the coming months. The City of Service Plan (and the national programme) will be launched in June 2014.
- 3.7 A Chief Service Officer (CSO) will be recruited, using the money specifically granted to the council by Nesta for this purpose. The CSO will lead the development and implementation of the City of Service Plan and will leverage in additional resources e.g. corporate sponsorship to enable piloting the initiatives to demonstrate their impact.

4. Reasons for recommendations

- 4.1 Portsmouth's successful bid will provide an opportunity explore how mobilising volunteers can deliver against some of the city's key challenges. The chance to be part of this national and international programme will give added weight and profile to the city's efforts.

5. Equality impact assessment (EIA)

- 5.1 A preliminary EIA has been completed and indicates that a full EIA will be required on the City of Service Plan as it is developed, but is not required at this stage.

6. Legal comments

- 6.1 No legal issues at this stage. Any proposals to devolve services will require legal guidance in relation to delivery models, contracting, and transfer arrangements

7. Head of finance's comments

- 7.1 A grant of £180k has been secured to deliver the project. It is currently anticipated that this amount is sufficient to enable this to be achieved. However, payment of the grant (which is paid in instalments) is subject to various conditions and milestones being achieved. These include preparing and publishing a plan, securing match funding and delivering and evaluating performance against the plan. Any failure to achieve these could result in some of the grant funding being withheld. This financial risk / potential shortfall in funding would then be borne by the council. (If this were to arise, a decision on which portfolio's budget would then be impacted, would have to be made).

.....
Signed by:

Janet Maxwell, Director of Public Health

Appendices:

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

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

Title of document	Location
Team Portsmouth City of Service Application	W:_SHARED\City of Service

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

.....
Signed by:

Agenda Item 5



Portsmouth
CITY COUNCIL

Agenda item:

Decision maker: Cabinet - 3 March 2014
Council - 18 March 2014

Subject: Local Transport Plan 3 Implementation Plan 2014/15

Report by: Head of Transport and Environment

Wards affected: All

Key decision (over £250k): No

1. Purpose of report

The purpose of this report is to seek approval from the Cabinet to present the draft Local Transport Plan 3 (LTP 3) Implementation Plan 2014/15 to Full Council for approval.

2. Recommendations

It is recommended that the Cabinet;

- 1) **Approve the attached Implementation Plan for onward consideration by Full Council.**
- 2) **Delegates authority to the Head of Transport and Environment in consultation with the Cabinet Member for Traffic and Transportation, the Strategic Director for Regeneration and the Section 151 Officer to agree any minor amendments to the Implementation Plan that may be required to take account of future funding changes and policy announcements.**

3. Background

The Local Transport Plan 3 (LTP 3) Joint South Hampshire Strategy 2011-2031 was approved by Full Council on 25 January 2011 along with the Implementation plan 2011-12, which came into effect on the 1 April 2011.

The adoption of a Local Transport Plan (LTP) is a statutory requirement under the Transport Act 2000, as amended by the Local Transport Act 2008. The amendments to the 2000 Act awarded Local Authorities greater flexibility in the development of their Local Transport Plans, including the opportunity for neighbouring authorities to jointly develop their LTP 3, but stipulated that the LTP must contain two key elements. A Strategy (containing a set of policies)

and an Implementation Plan (containing the proposals for delivery of the policies outlined within the strategy).

Implementation Plan

Along with a long term strategy, the LTP 3 is required to include an Implementation Plan which sets out the proposals for the delivery of the policies outlined within the Strategy.

A one year Implementation Plan Delivery Programme has been developed for 2014/15, demonstrating how PCC will deliver against the outcomes of the LTP 3 Strategy.

Given the level of financial uncertainty and the fact that the LTP Capital Settlement is no longer ring-fenced, it is not considered to be possible to provide a confirmed 3 year Implementation Plan.

A scheme selection prioritisation process has been developed through which schemes are assessed against their contribution to locally agreed priorities (LTP 3, PCC Corporate Plan and the Local Strategic Partnership Vision for Portsmouth), before being assessed for their deliverability. Professional judgement is used to ensure an appropriate package of schemes is established, ensuring contribution to each of the policy areas, and a balanced geographical spread.

Next Steps

With approval from Cabinet, the delivery programme approved by Full Council in March 2014 will form the basis of the Portsmouth LTP 3 Implementation Plan.

Officers will then compile and complete the Portsmouth City Council Local Transport Plan 3 Implementation Plan in accordance with statutory obligations by 1st April 2014, consulting with residents on each scheme as appropriate to ensure that full stakeholder engagement is achieved for the programme.

4. Reasons for recommendations

The adoption of the LTP 3 Implementation Plan by April 2014 is a statutory requirement.

5. Equality impact assessment (EIA)

A preliminary EIA has been undertaken.

6. Head of legal services' comments

Each local transport authority must: (1) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within its area; and (2) carry out its functions so as to implement those policies. 'Transport' mentioned above means: (a) the transport required to meet the needs of persons living or working in the authority's area, or visiting or travelling through that area; and (b) the transport required for the transportation of freight, and includes facilities and services for pedestrians.

In carrying out these functions in accordance the Council must take into account any governmental policies, and to have regard to any guidance issued by the Secretary of State, with respect to mitigation of, or adaptation to, climate change or otherwise with respect to the protection or improvement of the environment.

7. Head of Finance's comments

The Capital Programme 2013/14 to 2018/19 set out the corporate resources to be allocated to the Local Transport Plan for 2014/15 (LTP3). For the forthcoming financial year a sum of £450,000 has been allocated. This compares with £778,000 awarded in the previous financial year and highlights the increased pressure on the capital resources of PCC especially given the requirement for the Council to deliver the Tipner Motorway Junction and subsequently enabled Park and Ride scheme.

Appendix A sets out the forecast costs of the schemes. These forecasts will be revised as full project initiation documents (PIDs) are created for each scheme. This may mean that costs are increased or reduced. Potentially some schemes may have to be deleted or amended and likewise there is the possibility for new schemes to be added if costs are reduced. The recommendation as set out in 2.2 will allow decisions to amend, delete or add schemes to be made without recourse to Full Council whilst ensuring that the Head of Transport and Environment, the Cabinet Member for Traffic and Transportation, the Strategic Director for Regeneration and the S151 Officer are satisfied that any changes made meet the requirements of the Local Transport Plan aspirations and remain within the total budget .

All scheme costs estimates are total costs based on a whole life costing basis to ensure that sufficient monies are set aside to meet all internal and external costs in the first instance. The costs also allow for the ongoing maintenance costs of the new schemes.

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Head of Transport and Environment

Appendices:

Appendix A – LTP3 2014/15 Indicative Programme

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
Transport Act 2000	http://www.legislation.gov.uk/ukpga/2000/38/contents

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

.....
Signed by:

Key to costings;

<£50k	£
<£100k	££
<£200k	£££

LTP Scheme	Cost £000's (LTP)	New, previously deferred, ongoing	Outline Description	Wards Affected	Implications of not undertaking scheme	LTP 3 Outcomes						
						Reduced dependence on the private car	Improved awareness of different travel options	Improved journey time reliability for all modes	Improved road safety	Improved accessibility	Improved air quality	Higher quality of life
Raised Kerbs	£££	Ongoing & Statutory function	Continuation of the current programme to raise the kerbs at all bus stops throughout the city in order to improve passengers' access onto and off buses to ensure virtually level access with a minimum gap between bus and footway, especially the disabled and people with buggies and young children. Portsmouth have been installing raised kerbs since 2007 and are in the top (3) local authorities in England that have completed the majority of raised kerbs and are on target for completion by 2015. It is a statutory requirement under The Disability Discrimination Act 1995 for all bus stop locations to have raised kerbs installed by 2015.	All	Failure to meet the statutory requirement to have all bus stops with raised kerbs by 2015, and inability to continue to provide inclusive mobility to the most vulnerable members of the community.	Y	Y			Y		Y
Arundel Street - Fratton Road signal junction	£££	New	Upgrade of old traffic signals to reduce congestion and delay and improve current pedestrian crossing provision. Kerb lines also to be amended to assist with current bus delays. As a road safety scheme, this project aims to meet the requirements of the Local Transport Plan by seeking to reduce casualties, which help PCC towards achieving the National targets. The scheme also seeks to improve the habitability of the area for residents. This scheme contributes to the following Corporate Priorities: Protect and support our most vulnerable residents.	Charles Dickens	Would be unable to further promote active travel as increased waiting times acts as a barrier to walking and cycling in the city.	Y	Y	Y	Y	Y	Y	Y
Speed Reduction Measures	£££	New	To introduce traffic calming at a variety of locations across the city, to promote road safety, reduce vehicle speeds and encourage the use of active travel modes.	City-wide	Would be unable to react to public pressure and rising casualty/collision trends across the city in a timely manner.	Y	Y	Y	Y	Y	Y	Y
London Road Northern Parade	££	New	To construct physical traffic islands and implement possible traffic signal control within the junction to ensure compliance of the junction. To also ban the current U-turning traffic travelling south along London Road and performing the movement at the junction of Northern Road. This will reduce the number of collisions currently experienced within the area. As a road safety scheme, this project aims to meet the requirements of the Local Transport Plan by seeking to reduce casualties, which help PCC towards achieving the National targets. The scheme also seeks to improve the habitability of the area for residents. This scheme contributes to the following Corporate Priorities: Protect and support our most vulnerable residents.	Hilsea	High risk of vehicle collisions.		Y	Y	Y	Y	Y	Y
Traveline	£	Ongoing & Statutory function	To provide annual funding (jointly with all Local Transport authorities) to maintain and enhance comprehensive public transport information facilities through traveline south-west available nationally by telephone, internet and text messaging.	All	It is a legal requirement to contribute towards the overall costs of the operation of Traveline.	Y	Y			Y	Y	Y
Rights of Way signing	£	Ongoing & Statutory function	We have a statutory requirement to sign the Rights Of Way in the city and to investigate and resolve all Public Rights Of Way (PROW) claims put forward	All	We will fail in our statutory duty	Y	Y	Y	Y	Y	Y	Y
Access for People with Disabilities	£	Ongoing	To provide low cost measures throughout the city where improvements to the kerb lines, signing and street furniture will aid mobility for the disabled and parents with young children in prams and pushchairs.	All	It is a requirement under the Disability Discrimination Act 1995, to maintain and enhance highway facilities to enable disabled people to cross the road more easily.					Y		Y
Western Road Speed Reduction	£	New	To reduce the existing 70mph speed limit on Western Road to 50mph from its junction with London Road/Hilsea Roundabout to the existing 40mph speed limit imposed at the Western Road/Southampton Road junction. As a road safety scheme, this project aims to meet the requirements of the Local Transport Plan by seeking to reduce casualties, which help PCC towards achieving the National targets. The scheme also seeks to improve the habitability of the area for residents. This scheme contributes to the following Corporate Priorities: Protect and support our most vulnerable residents.	Cosham	Speed related road casualties will continue and police will be unable to efficiently enforce.			Y	Y	Y	Y	Y
Portsbridge Roundabout Spiral Markings	£	New	To introduce spiral road markings within Portsbridge Roundabout to assist with traffic movements onto and off of the gyratory. Spiral markings removes the need for drivers to change lanes as the vehicle enters the roundabout within the identified lane that leads them to the correct exit. This will reduce the number of collisions due to side swipe incidents and rear end shunts. As a road safety scheme, this project aims to meet the requirements of the Local Transport Plan by seeking to reduce casualties, which help PCC towards achieving the National targets. The scheme also seeks to improve the habitability of the area for residents. This scheme contributes to the following Corporate Priorities: Protect and support our most vulnerable residents.	Cosham/Hilsea	Will not be able to reduce the number of collisions due to side swipe incidents and rear end shunts.			Y	Y	Y	Y	Y
Western Road Cycle Improvements	£	New	Cycle Improvements - Portsmouth is a flat and compact city and these areas are within 2-3 miles of each other. Therefore, it is ideally suited to encouraging walking and cycling for short journeys. The improvement and promotion of cycling and walking connections will improve accessibility, reduce the pressure on the road network and reduce carbon outputs by enabling and facilitating the use of more sustainable modes of transport to both access the centre and move between all areas of the City. Extend the existing 20mph zone from west of its junction with Upper Arundel Street to west of its junction with Holbrook Road Roundabout. To re-construct the existing pedestrian crossing, located east of Cottage View, as a raised crossing to reduce traffic speeds and enforce the 20mph limit. To also construct a raised table west of Landport Street as a traffic calming method within Arundel Street. To implement a cycle lane within the existing carriageway along Arundel Street, thus reducing the existing width of the carriageway and encouraging vehicles to reduce traffic speeds. As a road safety scheme, this project aims to meet the requirements of the Local Transport Plan by seeking to reduce casualties, which help PCC towards achieving the National targets. The scheme also seeks to improve the habitability of the area for residents. This scheme contributes to the following Corporate Priorities: Protect and support our most vulnerable residents.	Cosham	Cyclists will still face barriers to a continuous safe route in the area.			Y	Y	Y	Y	Y
Arundel Street	£	New	Extend the existing 20mph zone from west of its junction with Upper Arundel Street to west of its junction with Holbrook Road Roundabout. To re-construct the existing pedestrian crossing, located east of Cottage View, as a raised crossing to reduce traffic speeds and enforce the 20mph limit. To also construct a raised table west of Landport Street as a traffic calming method within Arundel Street. To implement a cycle lane within the existing carriageway along Arundel Street, thus reducing the existing width of the carriageway and encouraging vehicles to reduce traffic speeds. As a road safety scheme, this project aims to meet the requirements of the Local Transport Plan by seeking to reduce casualties, which help PCC towards achieving the National targets. The scheme also seeks to improve the habitability of the area for residents. This scheme contributes to the following Corporate Priorities: Protect and support our most vulnerable residents.	Charles Dickens	Would be unable to reduce speed to increase safety of vulnerable road users particularly children accessing schools on Arundel Court. Would be unable to reduce speed to increase safety of vulnerable road users particularly children accessing schools. Traffic would not have the visual effect of road narrowing and not adhere to the reduced speed limit proposed on Arundel Street. Cyclists (particularly school age children) would not have a designated safe route in which to cycle which is required to reduce speed and encourage active travel in a safe manner. .	Y	Y	Y	Y	Y	Y	Y
Arundel Street, Fratton Road, Stamford Street and Clifton Street Cycle Improvements	£	New	Increased awareness of cyclists on road at key junctions due to disproportionate high number of cyclist accidents at junctions in this area. As a road safety scheme, this project aims to meet the requirements of the Local Transport Plan by seeking to reduce casualties, which help PCC towards achieving the National targets. The scheme also seeks to improve the habitability of the area for residents. This scheme contributes to the following Corporate Priorities: Protect and support our most vulnerable residents.	Charles Dickens	Road cyclist casualties would continue to rise.	Y	Y	Y	Y	Y	Y	Y

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Agenda Item 6

Agenda item:

Decision maker: Cabinet
City Council

Subject: Treasury Management Policy for 2014/15

Date of decision: 3 March 2014 (Cabinet)
13 March 2014 (Governance and Audit and
Standards Committee – information only)
18 March 2013 (City Council)

Report by: Chris Ward, Head of Financial Services and
Section 151 Officer

Wards affected: All

Key decision: Yes

Budget & policy framework decision: Yes

1. Summary

This report includes the Treasury Management Policy, the Annual Revenue Provision for Debt Repayment Statement and the Annual Investment Strategy.

2. Purpose of report

The purpose of this report is to obtain the Council's approval for 2014/15 to the following (attached):

- Treasury Management Policy Statement
- Annual Minimum Revenue Provision for Debt Repayment Statement
- Annual Investment Strategy

3. Background

The City Council has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services Code of Practice. The Code of Practice requires the City Council to approve a Treasury Management Strategy before the start of the financial year.

In addition the Government has issued statutory guidance that requires the Council to approve an Annual Minimum Revenue Provision for Debt Repayment Statement and an Annual Investment Strategy before the start of the financial year.

The Treasury Management Strategy, the Annual Minimum Revenue Provision for Debt Repayment Statement and the Annual Investment Strategy are all contained within the attached Treasury Management Policy Statement.

4. Recommendations

4.1a the Head of Financial Services and Section 151 Officer and officers nominated by him is given authority to lend surplus funds as necessary in accordance with the Treasury Management Policy;

4.1b the Head of Financial Services and Section 151 Officer is given delegated authority to either replace maturing debt or repay it depending on the outlook for long term interest rates that exists at the time

4.1c the upper limits for fixed interest exposures are set as follows:

2013/14 £362m

2014/15 £332m

2015/16 £343m

2016/17 £391m

4.1d the upper limits for variable interest exposure are set as follows:

2013/14 (£189m) – Investments up to £189m
2014/15 (£196m) – Investments up to £196m
2015/16 (£202m) – Investments up to £202m
2016/17 (£223m) – Investments up to £223m

4.1e the following limits be placed on principal sums invested for periods longer than 364 days:

31/3/2014 £179m
31/3/2015 £170m
31/3/2016 £158m
31/3/2017 £124m

4.1f the City Council set upper and lower limits for the maturity structure of its borrowings as follows:

Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate.

	Upper Limit	Lower Limit
Under 12 Months	20%	0%
12 months & within 24 months	20%	0%
24 months & within 5 years	30%	0%
5 years & within 10 years	30%	0%
10 years & within 20 years	40%	0%
20 years & within 30 years	40%	0%
30 years & within 40 years	60%	0%
40 years & within 50 years	70%	0%

4.1g authority to reschedule debt during the year is delegated to the Head of Financial Services and Section 151 Officer subject to conditions being beneficial to the City Council;

- 4.1h** no restriction be placed on the amount that can be borrowed in sterling from an individual lender provided it is from a reputable source and within the authorised limit for external debt approved by the City Council;
- 4.1i** the principals upon which the apportionment of borrowing costs to the Housing Revenue Account (HRA) should be based are as follows:
- The apportionment is broadly equitable between the HRA and the General Fund, and is detrimental to neither;
 - The loans portfolio is managed in the best interests of the whole authority;
 - The costs and benefits of over and under borrowing above or below the capital financing requirement (CFR) are equitably shared between the General Fund and the HRA;
- 4.1j** the regulatory method of calculating Minimum Revenue Provision (MRP) be applied to pre 1 April 2008 debt and new government supported debt other than finance leases and service concessions (including Private Finance Initiative schemes);
- 4.1k** the asset life (equal instalment) method of calculating MRP is applied to post 1 April 2008 self financed borrowing other than finance leases, service concessions (including Private Finance Initiative schemes) and borrowing to fund long term debtors (including finance leases);
- 4.1l** MRP on finance leases and service concessions including Private Finance Initiative (PFI) arrangements equals the charge that goes to write down the balance sheet liability;
- 4.1m** the principal element of the income receivable from long term debtors be set aside to repay debt if the asset was financed through self-financed borrowing in order that the repayment of the debt is financed from the capital receipt;
- 4.1n** the principal element of the rent receivable from finance leases be set aside to repay debt if the asset was financed through self-financed borrowing in order that the repayment of the debt is financed from the capital receipt;
- 4.1o** the Housing Revenue Account (HRA) provide for the repayment of the Self Financing Payment over 30 years;

- 4.1p that specified investments should only be placed with institutions that have a long term credit rating of at least A- from at least two credit rating agencies except registered social landlords for which a single credit rating will be required;
- 4.1q investments should only be placed with institutions based in either the United Kingdom or states with a AA+ credit rating;
- 4.1r the bodies meeting the criteria of categories 1 to 9 in paragraph 16.11 be approved as repositories of specified investments of the City Council's surplus funds;
- 4.1s credit ratings be reviewed monthly and that any institution whose credit rating falls below the minimum level stated in paragraph 16.11 of the Treasury Management Policy be removed from the list of specified investments;
- 4.1t institutions that are placed on negative watch or negative outlook by the credit rating agencies be reassigned to a lower category;
- 4.1u non-specified investments are limited to the following:

	£
Building societies with a BBB credit rating and unrated building societies	81m
Investments in MMD (Shipping Services) Ltd including funds lodged to guarantee the company's banking limits. MMD is a wholly owned subsidiary of the City Council.	2m
Long term investments	170m
Investments denominated in foreign currencies to hedge against contracts priced or indexed against foreign currencies	5m
Community investment companies without a credit rating	£5m
Total	263m

4.1v the total amount that can be directly invested with any organisation at any time should be limited as follows (see paragraph 16.11):

	Maximum Investment in Single Organisation
Category 1	Unlimited for up to 5 years
Category 2	£26m for up to 5 years
Category 3	£26m for up to 5 years or 10 years if secured
Category 4	£26m for up to 5 years
Category 5	£20m for up to 5 years or 10 years if secured
Category 6	£19m for up to 5 years for banks & building societies. £19m for up to 4 years for corporate bonds
Category 7	£13m for up to 5 years for banks & building societies. £13m for up to 4 years for corporate bonds
Category 8	£10m for up to 5 years for banks & building societies. £10m for up to 4 years for corporate bonds
Category 9	£6m for up to 4 years
Category 10	£10m for up to 364 days
Category 11	£6m for up to 364 days
Category 12	£5m for an unlimited period
MMD (Shipping Services) Ltd including sums lodged to guarantee the company's banking limits	£2m for up to 364 days

4.1w the Head of Financial Services and Section 151 Officer in consultation with the Leader of the Council be given delegated authority to revise the total amount that can be directly invested with any organisation at any time

4.1x that the following investment limits be applied to sectors:

Money market funds	£80m
Building societies	£107m
Registered social landlords	£80m

4.1y that the following investment limits be applied to regions outside the United Kingdom:

Asia & Australia	£40m
Americas	£40m
Continental Europe	£40m

4.2 the Head of Financial Services and Section 151 Officer submits the following:

- (i) an annual report on the Treasury Management outturn to the Cabinet by 30 September of the succeeding financial year;**
- (ii) A Mid Year Review Report to the Cabinet;**
- (iii) the Annual Strategy Report to the Cabinet in March 2015;**
- (iv) quarterly Treasury Management monitoring reports to the Governance and Audit and Standards Committee.**

5. Reasons for recommendations

The recommendations within the attached Treasury Management Policy Statement reflect the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management Code of Practice and statutory guidance issued by the Government. are designed to:

- Enable the Council to borrow funds as part of managing its cash flow or to fund capital expenditure in a way that minimises risk and costs
- Provides for the repayment of supported borrowing in a way matches Government support for such borrowing
- Provides for the repayment of unsupported borrowing over the life of the assets financed
- Ensure that the Council's investments are secure
- Ensure that the Council maintains sufficient liquidity
- Maximise the yield on investments in a way that is commensurate with maintaining the security and liquidity of the investment portfolio

6. Options considered and rejected

The Local Government Act 2003 requires the Council to have regard to both CIPFA's Code of Practice and the statutory guidance. Alternative recommendations that do not have regard to the CIPFA Code of Practice and the statutory guidance could be deemed not to comply with the Local Government Act 2003.

7. Implications

The net cost of Treasury Management activities and the risks associated with those activities have a significant effect on the City Council's overall finances. Effective Treasury Management will provide support to the organisation in the achievement of its business and service objectives.

8. Equality impact assessment (EIA)

The contents of this report do not have any relevant equalities impact and therefore an equalities assessment is not required.

9. City Solicitor's Comments

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2011 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

10. Head of Finance's comments

All financial considerations are contained within the body of the report and the attached appendices

.....
Signed by Head of Financial Services & Section 151 Officer

Appendix: Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy 2013/14

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

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

Title of document	Location
1 Treasury Management Files	Financial Services
2	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet on 3 March 2014.

.....
Signed by: the Leader

The recommendation(s) set out above were approved/ approved as amended/
deferred/ rejected by the City Council on 18 March 2014.

.....
Signed

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**TREASURY
MANAGEMENT POLICY
STATEMENT, ANNUAL
MINIMUM REVENUE
PROVISION FOR DEBT
REPAYMENT
STATEMENT AND
ANNUAL INVESTMENT
STRATEGY 2014/15**

Portsmouth City Council
Head of Financial Services and Section 151 Officer
(Written by Michael Lloyd, Financial Services)

TREASURY MANAGEMENT POLICY STATEMENT 2014/15

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1 BACKGROUND

- 1.1 This Council defines its Treasury Management activities as “the management of the organisation’s investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”
- 1.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 1.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.
- 1.4 The City Council’s treasury management activities are governed by various codes of practice and guidance that the Council must have regard to under Local Government Act 2003. The main codes and guidance that the Council must have regard to are:
 - Treasury Management in the Public Services Code of Practice published by the Chartered Institute of Public Finance and Accountancy (CIPFA) which sets out the key principles and practices to be followed.
 - The Prudential Code for Capital Finance in Local Authorities published by CIPFA which governs borrowing by local authorities.
 - The Guidance on Local Government Investments published by the Department for Communities and Local Government which governs local authorities investment activities and stipulates that investment priorities should be security (protecting the capital sum from loss) and liquidity (keeping money readily available for expenditure when needed), rather than yield.

2 BORROWING LIMITS AND THE PRUDENTIAL CODE

2.1 The Prudential Code requires the City Council to approve an authorised limit and an operational boundary for external debt together with other prudential indicators designed to ensure that the capital investment plans are affordable, prudent and sustainable. These were approved by the City Council on 12th November 2013.

i) Authorised Limit

The authorised limit for external debt is the maximum amount of debt which the authority may legally have outstanding at any time. The Authorised Limit includes headroom to enable the Council to take advantage of unexpected movements in interest rates and to accommodate any short-term debt or unusual cash movements that could arise during the year

	£m
Borrowing	425
Other Long Term Credit Liabilities	<u>86</u>
	<u>511</u>

ii) Operational Boundary

The Operational Boundary is based on the probable external debt during the course of the year. It is not a limit, but acts as a warning mechanism to prevent the authorised limit (above) being breached.

	£m
Borrowing	359
Other Long Term Credit Liabilities	<u>86</u>
	<u>445</u>

iii) Other Prudential Indicators Contained in the Prudential Code

The following indicators are also included in the Prudential Code:

- Capital expenditure
- Ratio of financing costs to net revenue stream
- Capital financing requirement
- Housing Revenue Account (HRA) limit on indebtedness
- Incremental effect of capital investment decisions on council tax at band D
- Incremental effect of capital investment decisions on housing rents

These are contained in Appendix A.

The ratio of financing costs to net revenue stream approved by the Council in 12th November 2013 was calculated on the basis of the estimated net revenue stream contained in the 2013/14 original revenue budget. This has now been revised to reflect the 2013/14 revised budget and the 2014/15 original budget.

The Prudential Code also requires local authorities to adopt the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. These are guides to good practice that the City Council has adopted and followed for several years.

3 TREASURY MANAGEMENT POLICY STATEMENT

3.1 The prime objective of the Treasury Management function is the effective management and control of risk associated with the activities described in paragraph 1.1. The Code identifies the main Treasury Management risks, some of which may not apply to the City Council, as:

- Credit risk – ie. that the local authority is not repaid, with due interest in full, on the day repayment is due.
- Liquidity risk – ie. that cash will not be available when it is needed, or that the ineffective management of liquidity creates additional, unbudgeted costs.
- Interest rate risk – ie. that the authority fails to get good value for its cash dealings (both when borrowing and investing) and the risk that interest costs incurred are in excess of those for which the authority has budgeted.
- Exchange rate risk – This is the risk that the authority enters into a contract priced in a foreign currency and the exchange rate fluctuates adversely between entering the contract and settling the contract.
- Maturity (or refinancing risk) – This relates to the authority's borrowing or capital financing activities, and is the risk that the authority is unable to repay or replace its maturing funding arrangements on appropriate terms.
- Legal risk – ie. that one or other party to an agreement will be unable to honour its legal obligations.
- Procedures (or systems) risk – ie. that a treasury process, human or otherwise, will fail and planned actions are not carried out through fraud, error or corruption.
- Market risk – This is the risk of adverse market fluctuations in the value of the principal sums of tradable investments such as Government gilts.

3.2 The approved activities of the Treasury Management operation are as follows: -

- (a) Cash flow (daily balance and longer term forecasting);
- (b) Investing surplus funds in approved investments;
- (c) Borrowing to finance cash deficits;
- (d) Funding of capital payments through borrowing, capital receipts, grants or leasing;
- (e) Management of debt (including rescheduling and ensuring an even maturity profile);
- (f) Interest rate exposure management;
- (g) Dealing procedures;
- (h) Use of external managers for temporary investment of funds.

3.3 It is proposed that the Head of Financial Services and Section 151 Officer and officers nominated by him be given authority to lend surplus funds as necessary in accordance with the Treasury Management Policy **(Recommendation 4.1(a))**.

4 TREASURY MANAGEMENT STRATEGY FOR 2014/15

4.1 Objectives

It is estimated that the net interest and debt repayment costs for 2014/15 will amount to approximately £32.4m. The Treasury Management policy will therefore form a cornerstone of the Medium Term Resource Strategy. Specific objectives to be achieved in 2014/15 are:

(a) Borrowing

- To minimise the revenue costs of debt
- To manage the City Council's debt maturity profile to ensure that no single financial year exposes the authority to a substantial borrowing requirement when interest rates may be relatively high
- To match the City Council's debt maturity profile to the provision of funds to repay debt if this can be achieved without significant cost (see paragraph 4.11)
- To effect funding in any one year at the cheapest long term cost commensurate with future risk
- To forecast average future interest rates and borrow accordingly (i.e. short term and/or variable when rates are 'high', long term and fixed when rates are 'low').
- To monitor and review the level of variable interest rate loans in order to take greater advantage of interest rate movements
- To reschedule debt in order to take advantage of potential savings as interest rates change or to even the maturity profile.

(b) Lending

- To ensure the security of lending (the maximisation of returns remains a secondary consideration) by investing in:
 - the United Kingdom Government and institutions or projects guaranteed by the United Kingdom Government;
 - Other local authorities in England, Scotland and Wales
 - Aaa rated money market funds;
 - British institutions including commercial companies that meet the City Council's investment criteria
 - Foreign institutions including commercial companies that meet the City Council's investment criteria within the jurisdiction of a AA+ government
- To maintain £10m in instant access accounts
- To make funds available to Council's subsidiaries
- To make funds available for the regeneration of Hampshire
- To optimise the return on surplus funds
- To manage the Council's investment maturity profile to ensure that no single month exposes the authority to a substantial re-investment requirement when interest rates may be relatively low to the extent that this can be managed without compromising the security of lending

4.2 Risk Appetite Statement

The Council attaches a high priority to a stable and predictable revenue cost from treasury management activities in the long term. This reflects the fact that debt servicing represents a significant cost to the Council's net revenue budget. The Council's objectives in relation to debt and investment can accordingly be stated as follows:

To assist the achievement of the council's service objectives by obtaining funding and managing the debt and treasury investments at a net cost which is as low as possible, consistent with a high degree of long term interest cost stability. Sums are invested with a diversified range of counter parties using the maximum range of instruments consistent with avoiding the risk of the capital sum being diminished through movements in prices.

This means that the Council is not totally risk averse. Treasury management staff have the capability to actively manage treasury risks within the scope of the Council's treasury management policy and strategy.

In particular when investing surplus cash, the Council will not necessarily limit itself to making deposits with the UK Government and local authorities, but may invest in other bodies including unrated building societies and corporate bonds. The Council may invest surplus funds through tradable instruments such as treasury bills, gilts, certificates of deposit and corporate bonds. The duration of such investments will be limited so that they do not have to be sold (although they may be) prior to maturity thus avoiding the risk of the capital sum being diminished through movements in prices. Ordinarily, the Council will not invest in share capital or property as it puts the capital sum at risk through movements in prices.

4.3 Gross Debt and the Capital Financing Requirement

In order to ensure that over the medium term, debt will only be for a capital purpose, CIPFA's Prudential Code which the City Council is legally obliged to have regard to requires the City Council to ensure that debt does not, except in the short term, exceed the total of capital financing requirement. If in any year there is a reduction in the capital financing requirement, this reduction is ignored in estimating the cumulative increase in the capital financing requirement which is used for the comparison with gross external debt. The Council's forecast gross debt is shown in the table below.

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Supported Borrowing	193,636	189,616	185,757	182,052	181,550
Housing Revenue Account (HRA) Self Financing (Unsupported)	82,712	79,759	76,806	73,853	70,899
Other Unsupported Borrowing	78,474	82,096	85,557	88,864	88,968
Sub Total - Borrowing	354,822	351,471	348,120	344,769	341,417
Finance leases (Unsupported)	3,775	3,027	2,279	1,658	1,007
Private Finance Initiative (PFI) Schemes (Supported)	73,221	73,596	73,371	71,694	69,367
Waste Disposal Service Concession Arrangement (Unsupported)	10,152	9,472	8,738	7,945	7,089
Sub Total Service Concession Arrangements (including PFIs)	83,373	83,068	82,109	79,639	76,456
Total Gross debt	<u>441,970</u>	<u>437,566</u>	<u>432,508</u>	<u>426,066</u>	<u>418,880</u>
Capital Financing Requirement (CFR):					
Opening CFR in 2013/14	420,208	-	-	-	-
Change in CFR in 2013/14	(3,098)	-	-	-	-
Closing CFR in 2013/14	417,110	417,110	417,110	417,110	417,110
Cumulative increase in CFR in future years	-	-	4,924	4,924	4,924
Closing CFR	<u>417,110</u>	<u>417,110</u>	<u>422,034</u>	<u>422,034</u>	<u>422,034</u>

Prior to 1 April 2004 local authorities were only permitted to borrow to the extent that the Government had granted credit approvals. When the Government granted credit approvals it also increased the Council's revenue grant to cover most of the cost of the resulting borrowing. This is known as supported borrowing and accounts for £190m (or 54%) of total borrowing.

From 1 April 2004 the Council was permitted to borrow without government support, known as unsupported borrowing. On 28 March 2012 the Council made a capital payment of £88.6m to the Government under the HRA Self Financing arrangements in order to avoid future and greater payments to the Government. This was funded by unsupported borrowing.

Revenue grants from the Government also cover most of the £74m financing element of the Milton Cross School, highways and learning disabilities facilities private finance initiative (PFI) schemes.

In essence the Government funds most of the financing costs associated with 60% of the Council's debt.

In 2011/12 the Council was required to pay the Government £88.6m under the Housing Revenue Account self financing scheme. With the expected direction of gilt yields being upwards, £84m was borrowed from the PWLB in the spring and summer of 2011 for between 20 and 50 years at rates between 4.19% and 5.01%. On 29 September the Government announced that they would allow local authorities to borrow this sum from the Public Works Loans Board at National Loans Fund (NLF) rates. NLF rates are typically 1.13% below the rates the PWLB normally offers to local authorities. The Council therefore took advantage of this and borrowed the £88.6m required from the PWLB at NLF rates. This has resulted in the Council's gross debt exceeding its estimated capital financing requirement by £24.9m at the end of 2013/14. The Council's gross debt is forecast to exceed its capital financing requirement by £20.5m at the end of 2014/15 and by £4.1m at the end of 2016/17. This balance will be used to fund future capital investment by the Council resulting in the Council's gross debt falling below the Council's capital financing requirement in 2017/18.

4.4 Gross and Net Debt

4.4.1 The borrowing and investment projections for the Council are as follows:

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2018/19 £'000
Gross Debt at 31 March	441,970	437,566	432,508	426,066	418,880
Investments at 31 March	(218,741)	(210,017)	(197,815)	(177,000)	(166,000)
Estimated Net Debt	223,229	227,549	234,693	249,066	252,880

4.4.2 The Council has a high level of investments relative to its gross debt due to having a high level of reserves and provisions, mainly built up to meet future commitments under the Private Finance Initiative schemes and future capital expenditure. In addition Councils are required to set aside a minimum revenue provision (MRP) for the repayment of debt, but it is often not economic to actually repay debt because of the premiums that would be incurred if loans are repaid early which therefore gives rise to investments pending the repayment of debt.

4.4.3 The high level of investments increases the Council's exposure to credit risk, ie. the risk that an approved borrower defaults on the Council's investment. There is a short term risk that the rates at which the money can be invested will be less than the rates at which the loans were taken out. The level of investments will fall as capital expenditure is incurred, commitments under the PFI schemes are met and loans are repaid.

4.5 Interest Rates

4.5.1 Interest Rate Forecasts for 2014/15

No treasury consultants are currently employed by the City Council to advise on the borrowing strategy. However, the City Council does employ Capita Asset Services to provide an economic and interest rate forecasting service and maintains daily contact with the London Money Market.

4.5.2 Long Term Borrowing Interest Rates

Most City Council borrowing in the past has been through the Public Works Loans Board (PWLB). The PWLB interest rates are determined by HM Treasury and are set by reference to the rates in the secondary market for gilts; the public sector is therefore able to benefit from Government borrowing rates. However the Government introduced a mark up between gilt rates and PWLB rates in October 2010 as part of the Comprehensive Spending review. The current mark up for councils that are eligible for the certainty rate, including Portsmouth, is 0.8%. Within a highly uncertain environment, the Bank of England must decide the stance of monetary policy. The consensus is that policymakers will pursue loose policy by keeping interest rates low. Capita's interest rate forecasts are conservative for the next three financial years and reflect limited economic growth and a prolonged, but successful management of the Euro zone crisis. Capita's view is that the economy faces strong headwinds due to the current limited growth in productivity and business investment, together with only limited opportunities to increase exports due to weaknesses in the economies of our main trading partners. Capita Asset Services' estimate that 25-year PWLB rates will be 4.4% at the start of 2014/15, rising to 4.6% by the end of 2014/15 and 5.1% in the end of 2016/17. On this basis the estimated interest rate on any new long-term loans in 2014/15 will be between 4.4% and 4.6%.

4.5.3 Short Term Investment Interest Rates

The Bank of England's base rate is currently 0.5%. Capita Asset Services do not expect the base rate to increase until the second quarter of 2016 rising to 1.25% by the first quarter of 2017.

4.6 Borrowing / Lending Requirements

Because the Council has a high level of surplus cash invested it will have an overall net lending requirement as follows:

	2014/15	2015/16	2016/17
	£000	£000	£000
Loans Minimum Revenue Provision (MRP) on existing Capital Financing Requirement (excluding credit arrangements)	(8,541)	(7,829)	(7,951)
Planned capital expenditure financed from borrowing	<u>8,938</u>	<u>15,026</u>	<u>396</u>
Net Cash Requirement	397	7,197	(7,555)
Plus maturing loan debt	3,351	3,351	3,351
Less maturing investments	(177,609)	(20,548)	(51,000)
Add top-up for liquidity allowance	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Lending Requirement for Year	(163,861)	0	(45,204)

As part of the budget for 2014/15 it has been assumed that existing maturing debt of £3.4m in 2014/15 will not be replaced. Instead this debt will be repaid using internal funds (see paragraph 6.1(f)). It is recommended however, that the Head of Financial Services and Section 151 Officer be given delegated authority to either replace maturing debt or repay it depending on the outlook for long term interest rates that exists at the time (**Recommendation 4.1(b)**).

4.7 Volatility of Budgets

The budget for interest payments and receipts is based on both the level of cash balances available and the interest rate forecasts contained in paragraph 4.5. Any deviation of interest rates from these forecasts will give rise to budget variances.

The Council is exposed to interest rate fluctuations through the need to invest up to £204m of surplus cash per annum in the medium term.

The Council currently has substantial sums of cash invested in the short term, and if interest rates fall below the budget forecast, investment income will be less than that budgeted. For example, if short-term interest rates fall to 0.5% below the budget forecast, the income from the Council's investments will be £819k below budget in 2014/15. Conversely, if short-term interest rates rise to 0.5% above the budget forecast, income from the Council's investments will exceed the budget by £819k in 2014/15.

4.8 Upper limits for fixed interest rate exposures

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes require local authorities to set upper limits for fixed interest rate exposures.

The City Council's maximum fixed interest rate exposure throughout each year is anticipated to be as follows:

	2013/14	2014/15	2015/16	2016/17
	£m	£m	£m	£m
Maximum Projected Gross Borrowing – Fixed Rate	401	398	394	391
Minimum Projected Gross Investments – Fixed Rate	(39)	(66)	(51)	-

It is recommended that the upper limits for fixed interest rate exposures be set as follows (**Recommendation 4.1(c)**):

2013/14	£362m
2014/15	£332m
2015/16	£343m
2016/17	£391m

The recommended upper limits for fixed interest rate exposure are set to provide sufficient flexibility for the Head of Financial Services and Section 151 Officer to take out fixed rate loans to finance capital expenditure if interest rates fall or are expected to rise significantly.

4.9 Upper limits for variable interest rate exposures

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes require local authorities to set upper limits for variable interest rate exposures.

The City Council's maximum variable interest rate exposure throughout each year is anticipated to be as follows:

	2013/14	2014/15	2015/16	2016/17
	£m	£m	£m	£m
Minimum Projected Gross Borrowing – Variable Rate	-	-	-	-
Maximum Projected Gross Investments – Variable Rate	(189)	(196)	(202)	(223)

The Council's variable interest rate exposure is negative because it has no variable rate loans and a high proportion of its investments are either variable rate or will need to be reinvested within a year. The Council's requirement for cash varies considerably through the year. Therefore the Council needs to invest a proportion of its surplus cash either in instant access accounts or short term investments to avoid becoming overdrawn. The Council is exposed to an interest rate risk in that its investment income will fall if interest rates fall, whilst its borrowing costs will remain the same as all its loans are fixed at rates that will not fall with investment rates. Investment rates are currently very low and the scope for further reductions is very limited. The Council could mitigate this risk through making long term investments. However, this will increase credit risk. It would also be prudent to maintain an even maturity profile so that the Council can benefit from rising interest rates in the future.

It is recommended that the upper limits for variable interest rate exposures be set as follows (**Recommendation 4.1(d)**):

2013/14	(£189m) – Investments up to £189m
2014/15	(£196m) – Investments up to £196m
2015/16	(£202m) – Investments up to £202m
2016/17	(£223m) – Investments up to £223m

4.10 Limits on total principal sums invested for periods longer than 364 days

Under the Treasury Management Code it is necessary to specify limits on the amount of long term investments, ie. investments exceeding 364 days that have maturities beyond year end.

Appendix B shows the City Council's core cash which could be invested long term, ie. in excess of 364 days. Investing long term at fixed rates provides certainty of income and reduces the risk of interest rates falling. However this benefit is significantly reduced at the moment as the interest rates on new investments are low, typically less than 1.25% which restricts how much further returns can fall. At the current time, investing long term allows higher yields to be obtained, although it would be prudent to maintain opportunities to invest when interest rates are higher. Cash balances are expected to be at their lowest at the end of the financial year as tax receipts are lower in March. It is recommended that the limits on sums invested for periods longer than 364 days be set on the basis of the forecast core cash (see Appendix B) after allowing a safety margin for forecasting error so that there is flexibility to take advantage of the yield. It is recommended that the following limits be placed on total principal sums invested for periods longer than 364 days to (**Recommendation 4.1(e)**):

31/3/2014 = £179m
31/3/2015 = £170m
31/3/2016 = £158m
31/3/2017 = £124m

4.11 Limits for the maturity structure of borrowing

The Government has issued guidance on making provision for the repayment of General Fund debt (see paragraph 8) which the Council is legally obliged to have regard to. The City Council is required to begin to make provision for the repayment of debt in advance of most of the Council's debt falling due for repayment. Therefore the City Council is required to provide for the repayment of debt well in advance of it becoming due. This is illustrated in Appendix C. This means that it is necessary to invest the funds set aside for the repayment of debt with its attendant credit and interest rate risks (see paragraph 3.1). The City Council could reschedule its debt, but unless certain market conditions exist at the time, premium payments have to be made to lenders (see paragraph 4.12).

CIPFA's Treasury Management in the Public Services Code of Practice which the City Council is legally obliged to have regard to requires local authorities to set upper and lower limits for the maturity structure of their borrowing.

It is recommended that the upper limit should be set high enough to allow for debt to be rescheduled into earlier years and for any new borrowing to mature over a shorter period than that taken out in the past. The high upper limit for debt maturing in over 40 years time reflects existing borrowing as the upper limit cannot be set lower than the existing maturity profile and is also necessary because no provision is being made for the repayment of debt incurred by the Housing Revenue Account apart from the Self Financing payment.

It is recommended that the lower limit be set at 0%.

4.11 Limits for the maturity structure of borrowing (Continued)

In order to ensure a reasonably even maturity profile (paragraph 4.1(a)), it is recommended that the council set upper and lower limits for the maturity structure of its borrowings as follows (**Recommendation 4.1(f)**).

Amount of fixed rate borrowing maturing in each period as a percentage of total projected borrowing that is fixed rate.

	Loan Debt Maturity	Loans Minimum Revenue Provision (MRP)	% Over / Under Loans MRP	Upper limit	Lower limit
Under 12 months	4%	4%	0%	20%	0%
12 months and within 24 months	1%	4%	-3%	20%	0%
24 months and within 5 years	3%	12%	-9%	30%	0%
5 years and within 10 years	5%	18%	-13%	30%	0%
10 years and within 20 years	9%	26%	-17%	40%	0%
20 years and within 30 years	13%	17%	-4%	40%	0%
30 years and within 40 years	16%	12%	4%	60%	0%
40 years and within 50 years	49%	7%	42%	70%	0%

The current maturity pattern contained in Appendix C is well within these limits.

4.12 Debt Rescheduling

4.12.1 At the present time, all the City Council's long term external debt has been borrowed at fixed interest rates ranging from 3.48% to 5.01%. 49% of the Council's debt matures in over 40 years' time. Appendix C shows the long term loans maturity pattern. Therefore debt rescheduling could be beneficial in evening out the debt maturity profile.

4.12.2 In the event that it was decided to further reschedule debt, account will need to be taken of premium payments to the PWLB. These are payments to compensate the PWLB for any losses that they may incur.

4.12.3 The HRA will be responsible for its proportion of the premium due for early redemption of debt, based on the percentage of debt attributable to the HRA at the start of the financial year. The premiums would be charged to the General Fund and the HRA. Regulations allow the City Council to spread the cost of the premiums over a number of years, during which the accounts would benefit from reduced external interest rates.

4.12.4 The Head of Financial Services and Section 151 Officer will continue to monitor the Council's debt and will undertake further rescheduling if it would be beneficial.

4.12.5 It is recommended that authority to reschedule debt during the year be delegated to the Head of Financial Services and Section 151 Officer subject to conditions being beneficial to the City Council (**Recommendation 4.1(g)**).

5 APPROVED METHODS OF RAISING CAPITAL FINANCE

5.1 The following list specifies the various types of borrowing instruments which are available: -

	Variable	Fixed
PWLB	Y	Y
Market Long-term	Y	Y
Market Temporary	Y	Y
Overdraft	Y	
Negotiable Bonds	Y	
Internal (capital receipts & revenue balances)	Y	Y
Commercial Paper	Y	Y
Medium Term Notes	Y	Y
Leasing	Y	Y
Bills & Local Bonds	Y	Y

- 5.2 The main methods of raising capital finance used by the City Council are discussed in greater detail within Section 6 of this report. Other methods are not generally used because of the perceived risk or because administrative costs are high, such as in the case of Local Bonds.
- 5.3 Local authorities are not required to conform to the Money Laundering Regulations stipulated in the Financial Services Acts. However, these principles where practical will be applied when arranging future money market borrowing to ensure that funds are not obtained from potentially unscrupulous sources.

6 APPROVED SOURCES OF BORROWING

- 6.1 Further information on some of the main borrowing instruments used by the City Council is set out below: -

(a) Public Works Loans Board (PWLB)

The main source of longer term borrowing for the City Council for many years has been from the Government through the Public Works Loans Board. The PWLB offers fixed rate loans from 1 year to 50 years at varying rates with different methods of repayment.

Alternatively the PWLB offers variable rate loans for 1 to 10 years, where the interest rate varies at 1, 3 or 6 month intervals. These loans can be replaced by fixed rate loans before maturity at an opportune time to the authority.

(b) Money Market Loans – Long Term

Loans for 1 to 70 years are available through the London Money Market although, depending of the type of loan being arranged, the rates of interest offered may not match those available from the PWLB, especially for Equal Instalment of Principal loans (E.I.P. loans). Any loans to be taken are evaluated to ensure that the interest rate is the lowest the City Council could obtain.

Loans offered by the money market are often LOBO (Lenders Option, Borrowers Option) loans. This enables the authority to take advantage of low fixed interest for a number of years before an agreed variable rate comes into force. At the time when the interest rate becomes variable, the lender has the option to increase the rate charged every 6 months (or any other agreed review period). The borrower has the option to repay the loan with no penalties if the interest rate is increased on any of the review dates.

(c) Bonds

Bonds may be suitable for raising sums in excess of around £150m. The interest payable on bonds may be less than that charged by the PWLB, but considerable upfront fees would be incurred. To obtain the best interest rate, the Council would need to obtain a credit rating which would need to be maintained. This would incur a further upfront fee and an annual maintenance fee.

Because such a large amount needs to be borrowed to attract investors and also to reduce the upfront fees and negate the need for an individual credit rating a pooled issuance with other local authorities may be more viable.

(d) Money Market Loans – Temporary (Loans up to 364 days)

The use of temporary borrowing through the London Money Market forms an important part of the strategy. The authorised limit for external debt in 2014/15 of £511m set by the City Council on 12 November 2013 must not be exceeded. It is anticipated that the City Council will not need to use the temporary borrowing facility in 2014/15.

(e) Overdraft

An overdraft limit of £2m has been agreed with the Co-operative Bank plc. Interest on the overdraft is charged at 1% above base rate. The City Council does not anticipate that short-term borrowing will generally be necessary during 2014/15 as it currently holds sufficient funds to enable the authority's cash flow to be managed without the need to borrow. However, the overdraft facility may be used when there are unforeseen payments and funds placed on temporary deposit cannot be called back in time.

(f) Internal Funds

Internal funds include all revenue reserves and other specific reserves maintained by the City Council, including the minimum revenue provision which is available to either repay debt or to be used instead of new borrowing. The cash held in internal funds such as earmarked reserves can be borrowed in the short term to fund capital expenditure or the repayment of debt, thus delaying the need to borrow externally.

- 6.2 It is recommended that no restriction be placed on the amount that can be borrowed in sterling from an individual lender provided it is from a reputable source and within the authorised limit for external debt approved by the City Council (**Recommendation 4.1(h)**).

7. APPORTIONMENT OF BORROWING COSTS TO THE HOUSING REVENUE ACCOUNT (HRA)

- 7.1 The Localism Act 2011 requires local authorities to allocate existing and future borrowing costs between council housing (the HRA) and the General Fund. It is for local authorities to choose an allocation method that achieves the principles detailed in their treasury management strategies.
- 7.2 As previously stated, the Council took advantage of the NLF rates and borrowed £88.6m and subsequently applied the borrowing to fund the HRA Self Financing “buy out”. The Council then switched the original PWLB borrowing of £84m taken earlier in the year and applied that to fund existing and future General Fund capital expenditure.
- 7.3 The approved Treasury Management Strategy for 2012/13 provided for a single loans pool to be maintained for both HRA and General Fund. This reflects the previous co-operation between the General Fund and the HRA and provides for the loans portfolio to be managed in the best interests of the whole authority. If the HRA had its own loans pool, having already borrowed £84m at an average rate of 4.51% to fund the Self Financing payment, it would not have been able to borrow much at the NLF rates that were subsequently offered. A single loans pool means that the HRA gets more of the long term benefits of the 3.49% NLF rate loans than it could have done on its own. Although a single loans pool does not allow the HRA to directly benefit from the NLF rate loans, it is felt that a single loans pool is broadly equitable between the HRA and the General Fund in the Council's circumstances.
- 7.4 It is proposed to continue to operate with a single loans pool and apportion costs according to locally established principles. It is recommended that the principles upon which the apportionment of borrowing costs should be based are as follows (**recommendation 4.1(i)**):
- The apportionment is broadly equitable between the HRA and the General Fund, and is detrimental to neither;
 - The loans portfolio is managed in the best interests of the whole authority;
 - The costs and benefits of over and under borrowing above or below the capital financing requirement (CFR) are equitably shared between the General Fund and the HRA.

- 7.5 For the purpose of apportioning borrowing costs it will be assumed that the HRA is under or over financed in the same proportion as the Council as a whole. The HRA will be charged interest at the Council's average cost of borrowing adjusted to take account of any under or over financing which will be charged at the average return on the Council's investments.

8 ANNUAL MINIMUM REVENUE PROVISION FOR DEBT REPAYMENT STATEMENT

- 8.1 The Local Authorities (Capital Finance and Accounting) (Amendment) Regulations 2012 require the Council to make "prudent provision" for the repayment of General Fund debt from 2008/09 onwards. There is no requirement to make "prudent provision" for the repayment of Housing Revenue Account (Council Housing) debt. The Government has provided a definition of "prudent provision" which the Council is legally obliged to "have regard" to. The guidance aims to ensure that the provision for the repayment of borrowing which financed the acquisition of an asset should be made over a period bearing some relation to that over which the asset continues to provide a service.
- 8.2 The guidance also requires the Council to adopt an Annual Minimum Revenue Provision (MRP) for Debt Repayment Statement. This is contained within paragraphs 9, 10, 11, 12 and 13 below.

9 GOVERNMENT- SUPPORTED BORROWING OTHER THAN FINANCE LEASES AND SERVICE CONCESSIONS INCLUDING PRIVATE FINANCE INITIATIVE SCHEMES

- 9.1 The Government has supported some local authority borrowing through the Formula Grant. Provision may be made for the repayment of existing and new government supported borrowing through the Capital Financing Requirement Method or the Regulatory Method.
- 9.2 For debt that is supported by Formula Grant, authorities are able to make revenue provision for the repayment by setting aside 4% of their Adjusted Non-Housing Capital Financing Requirement (CFR). The CFR represents the underlying requirement to borrow for capital expenditure. It takes the total value of the City Council's fixed assets and determines the amount that has yet to be repaid or provided for within the Council's accounts. The CFR is adjusted so that it excludes self-financed debt incurred after 1 April 2008. This is known as the CFR Method.

9.3 Alternatively, for debt that is supported by Formula Grant, authorities are able to continue to use the formulae in the previous regulations, since Formula Grant is calculated on that basis. This is known as the Regulatory Method. This method is also based on the CFR but is adjusted by the effect of the previous regulations. This method is more complex than the CFR method. However it is estimated that the MRP under this method will be £320k less per annum than under the CFR method. It is therefore recommended that the Regulatory Method of calculating MRP be applied to pre 1 April 2008 debt and new government supported debt (**Recommendation 4.1(j)**). This is the same method as that adopted for 2013/14.

10. SELF- FINANCED BORROWING OTHER THAN FINANCE LEASES, SERVICE CONCESSIONS INCLUDING PRIVATE FINANCE INITIATIVE SCHEMES, AND BORROWING TO FUND LONG TERM DEBTORS INCLUDING FINANCE LEASES

10.1 For new borrowing under the prudential system for which no Government support is being given and is therefore self-financed, there are three options offered by the guidance, the Asset Life (Equal Instalment) Method, the Asset Life (Annuity) Method and the Depreciation Method. The guidance suggests that the Asset Life (Annuity) Method is only appropriate for projects where income or savings will increase over time. Both the Asset Life (Equal Instalment) Method and the Depreciation Method should result in a similar MRP. Of these two methods the Asset Life method is the simplest to calculate and therefore it is recommended that this method be used and that MRP begin to be made in the year after the asset is completed (**Recommendation 4.1(k)**). This is the same method as that adopted for 2013/14.

11 FINANCE LEASES AND ON BALANCE SHEET SERVICE CONCESSIONS INCLUDING PRIVATE FINANCE INITIATIVE SCHEMES

11.1 The move to International Financial Reporting Standards has involved arrangements under the Private Finance Initiative (PFI) and service concessions coming onto the balance sheet. A part of the service charge or rent payable will be taken to reduce the balance sheet liability rather than being charged to the service revenue account. This accounting treatment is similar to that for finance leases. Under these leases the risks and rewards of asset ownership rest with the City Council and the assets are shown on the City Council's balance sheet. These leases are therefore in effect a form of borrowing. Statutory guidance allows, in the case of finance leases and on balance sheet service concessions including PFI contracts, the MRP requirement to be regarded as met by a charge equal to the element of the rent / charge that goes to write down the balance sheet liability. It is recommended that this methodology be used to calculate the MRP on finance leases and service concessions including PFI arrangements (**Recommendation 4.1(l)**).

12 SELF FINANCED BORROWING TO FUND LONG TERM DEBTORS INCLUDING FINANCE LEASES

- 12.1 The income received from long term debtors has an interest and a principal element. The interest element is credited to the revenue account. The principal part of the income receivable will be taken to reduce the loan asset on the balance sheet rather than being credited to the revenue account. This part of the rent receivable generates a capital receipt. Capital receipts can principally be used to finance new capital expenditure or repay debt. It is recommended that the principal element of the rent receivable be set aside to repay the borrowing that financed these assets with effect from 2013/14 (**recommendation 4.1(m)**). This is a departure from the MRP calculation for 2012/13 when the MRP on this borrowing was calculated using the Asset Life (Equal Instalment) method.
- 12.2 Under finance leases the risks and rewards of asset ownership rest with the lessee and the assets are not shown on the City Council's balance sheet. These leases are therefore in effect a form of lending. A part of the rent receivable will be taken to reduce the loan asset value on the balance sheet rather than being credited to the revenue account. This part of the rent receivable generates a capital receipt which can principally be used to finance new capital expenditure or repay debt. It is recommended that the principal element of the rent receivable be set aside to repay the borrowing that financed these assets (**recommendation 4.1(n)**). This is in line with the MRP policy adopted in 2012/13 for finance leases funded by unsupported borrowing.

13 HOUSING REVENUE ACCOUNT (HRA) BORROWING

- 13.1 There is no statutory requirement for the HRA to provide for the repayment of its debt. On 28 March 2012 the HRA was required to make a self financing payment to the Government of £88.619m. It is recommended that the HRA provide for the repayment of this debt over 30 years in line with the HRA Business Plan (**recommendation 4.1(o)**). The HRA will continue its practice of not providing for the repayment of its other debts.

14 ANNUAL INVESTMENT STRATEGY

- 14.1 The Government has also issued guidance on investments. The guidance requires the City Council to adopt an Annual Investment Strategy. This is contained within paragraphs 15, to 21 below. The requirements of the Department for Communities and Local Government are in addition to the requirements of the Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice.
- 14.2 During the year the Council may be asked to approve a revised strategy if there are investment issues which the full Council might wish to have brought to their attention.

- 14.3 The guidance defines a prudent policy as having two objectives:
- achieving first of all security (protecting the capital sum from loss);
 - liquidity (keeping the money readily available for expenditure when needed).
- Only when proper levels of security and liquidity have been secured should yield be taken into account.
- 14.4 Investment strategies usually rely on credit ratings and both the current and recommended Investment Strategies are based on credit ratings. Although the recommended Investment Strategy is based on credit ratings other sources of information will be taken into account prior to placing deposits such as information in the quality financial press and credit default swaps (CDS) prices.
- 14.5 CDS are a financial instrument for swapping the risk of debt default. The buyer of a credit default swap pays a premium for effectively insuring against a debt default. He receives a lump sum payment if the debt instrument is defaulted. The seller of a credit default swap receives monthly payments from the buyer. If the debt instrument defaults they have to pay an agreed amount to the buyer of the credit default swap. Absolute prices can be unreliable; however trends in CDS spreads do give an indicator of relative confidence about credit risk.

15. INVESTMENT CONSULTANTS

- 15.1 The City Council currently employs consultants to provide the following information:
- Interest rate forecasts
 - Credit ratings
 - CDS prices
- 15.2 The City Council does not employ consultants to provide strategic advice.

16. SPECIFIED INVESTMENTS

- 16.1 The Government requires the Council to identify investments offering high security and high liquidity. These are known as specified investments. Specified investments will be made with the minimum of procedural formalities. They must be made in sterling with a maturity of no more than one year and must not involve the acquisition of share capital in any corporate body.

16.2 Credit rating information is available to the financial market through three main credit rating bodies ie. Moody's, Fitch, and Standard and Poor. The credit ratings provided are as follows:

- Short Term Rating (measures an institution's suitability for short term investment)
- Long Term Rating (measures an institution's suitability for long term investment). These ratings are explained in Appendix D.
- Viability / Financial Strength Rating (where available measures the likelihood that an organisation will require assistance from third parties such as its owners or official institutions)
- Support Rating (where available measures a potential supporter's (either a sovereign state's or an individual owner's) propensity to support a bank and its ability to support it)

16.3 The grades of short and long term credit rating are as follows with the best credit ratings at the top. The credit ratings that meet the City Council's investment criteria for specified investments are shaded.

Fitch		Moody's		Standard & Poor's	
Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
F1+	AAA	P-1	Aaa	A-1+	AAA
	AA+		Aa1		AA+
	AA		Aa2		AA
	AA-		Aa3		AA-
F1	A+		A1	A-1	A+
	A	P-2	A2		A
	A-		A3	A-2	A-
F2	BBB+	P-3	Baa1	A3	BBB+
	BBB		Baa2		BBB
F3	BBB-		Baa3		BBB-

Support ratings are graded 1 to 5, with 1 being the highest rating.

16.4 It is recommended that specified investments should only be placed with institutions that have a long term credit rating of at least A- from at least two rating agencies except registered social landlords for which a single credit rating will be required (**Recommendation 4.1p**). Registered social landlords (RSLs) are regulated by the Government and their debts can be secured on their housing stock. However, most RSLs are only rated by a single agency.

- 16.5 In addition to rating financial institutions the rating agencies also rate governments. These are known as sovereign credit ratings. Sovereign credit ratings give an indication of a government's capacity to support its financial institutions. Sovereign credit ratings are also dependent on a government's ability to raise taxes and thus also give an indication of the state of a nation's general economy. It is recommended that investments should only be placed with institutions based in either the United Kingdom or states with an AA+ credit rating (**Recommendation 4.1q**).
- 16.6 When an institution or state has differing ratings from different agencies, the lowest rating will be used to assess its suitability. Those institutions that have not been rated by a particular agency will not be discarded because of the lack of ratings.
- 16.7 It is proposed that investments be allowed in government bodies, banks including supranational banks, building societies, RSLs and corporate bonds that meet the Council's investment criteria. Corporate bonds are tradable loan instruments issued by commercial companies. Credit ratings measure the risk of default, ie. the risk of not receiving principal and interest when it is due, across these institutions in a way that allows them to be compared. However, other measures of credit risk such as CDS prices are not available for all institutions including most building societies, RSLs and commercial companies, and the risk of permanent loss following a default also varies according to the nature of the institution.
- 16.8 There are over 30 registered social landlords (RSLs) with a single or double A credit rating. RSLs are subject to Government regulation but their debts are not guaranteed by the Government. As RSLs own houses, lending to RSLs can be secured by a charge against the RSLs properties.
- 16.9 The risk of loss following a default is much smaller for building societies. The mutual ownership of building societies means that in the unlikely event of a building society failing, wholesale depositors such as the Council would almost certainly receive back the full amount of their investment with any losses falling on the society's reserves and members deposits first. Building societies also operate under a separate legal regime to banks, which limits the amount of lending not secured on residential property and limits the amount of wholesale funding.
- 16.10 Corporate bonds are likely to carry a higher risk of loss following default than banks as commercial companies may be of less systemic importance than banks and are less likely to be bailed out by their governments.

16.11 It is proposed to divide the approved counter parties for specified investments into nine categories as follows:

	Recommended Maximum Investment in a Single Organisation
<u>Category 1</u> United Kingdom Government including the Debt Management Office Deposit Facility	Unlimited investments for up to 5 years
<u>Category 2</u> Local authorities in England, Scotland and Wales	£26m for up to 5 years
<u>Category 3</u> RSLs with a single long term credit rating of Aa-	£26m for up to 5 years or 10 years if secured
<u>Category 4</u> Banks with a short term credit rating of F1+ and a long term rating of Aa-. Aaa rated money market funds	£26m for up to 5 years
<u>Category 5</u> RSLs with a single A long term credit rating of A-	£20m for up to 5 years or 10 years if secured
<u>Category 6</u> Banks with a short term credit rating of F1 and a long term rating of A+. Building societies with a short term credit rating of F1 and a long term rating of A. Corporate bonds with a long term credit rating of Aa-	£19m for up to 5 years for banks and building societies. £19m for up to 4 years for corporate bonds.
<u>Category 7</u> Banks with a short term credit rating of F1 and a long term rating of A. Building societies with a short term credit rating of F1 and a long term rating of A-. Corporate bonds with a long term credit rating of A+	£13m for up to 5 years for banks and building societies. £13m for up to 4 years for corporate bonds.
<u>Category 8</u> Banks with a short term credit rating of F1 and a long term rating of A-. Corporate bonds with a long term credit rating of A	£10m for up to 5 years for banks. £10m for up to 4 years for corporate bonds.
<u>Category 9</u> Corporate bonds with a long term credit rating of A-	£6m for up to 4 years

- 16.12 It is proposed that the bodies meeting the criteria of categories 1 to 9 in paragraph 16.11 be approved as repositories of specified investments of the City Council's surplus funds **(Recommendation 4.1(r))**. A list of financial institutions currently meeting the Council's investment criteria is contained in Appendix E. There are too many RSLs and companies issuing corporate bonds to include in the list.
- 16.13 It is recommended that the credit ratings be reviewed monthly and that any institution whose lowest credit rating falls below the criteria for category 9 in paragraph 16.11 be removed from the list of specified investments **(Recommendation 4.1(s))**.
- 16.14 It is recommended that institutions that are placed on negative watch or negative outlook by the credit rating agencies be reassigned to a lower category **(Recommendation 4.1(t))**.

17. NON-SPECIFIED INVESTMENTS

- 17.1 The Government's Guidance requires that other less secure types of investment be identified and that a limit be set on the overall amount that may be held in such investments at any time in the year. Non-specified investments are investments that are not secure, ie. do not have an "A" credit rating or are not liquid, ie. have a maturity in excess of 364 days. Investments that are not denominated in sterling would also be non-specified investments due to exchange rate risks.
- 17.2 45% of the Council's investments are currently placed with local authorities due to the absence of a sufficient number of counter parties. Whilst other local authorities offer security, they only offer a modest return. It is estimated that the average amount of cash invested in 2014/15 will be £237m. In order to reduce the risks associated with placing funds with a relatively small number of counter parties and to improve returns it is recommended that further categories be established for non-specified investments that do not meet the criteria for specified investments.
- 17.3 It is also recommended that a further category of non-specified investments be established for community interest companies that do not meet the criteria for specified investments in order to contribute to the lending objective of making funds available for the regeneration of Hampshire (paragraph 4.1 (b)).

Category 10 - £10m for 364 days

Short Term – F2 (or equivalent from Moody's and Standard & Poor)

Long Term – BBB or better (or equivalent from Moody's and Standard and Poor)

Viability / BFSR – bbb / C-

Support – 5

Category 10 will consist of rated building societies that meet the above criteria.

The building societies included in category 10 do not have sufficient systemic importance to make a Government rescue likely if they get into financial difficulties. However building societies do not typically have exposure to the Euro zone or riskier investment banking activities. In addition there is an established tradition of intra sector support and when building societies have got into financial difficulties they have always been taken over by another building society.

Category 11 - £6m for 364 days

Many smaller building societies that have been more conservative in their lending approach do not have credit ratings. An analysis of building society accounts suggests that many of those without credit ratings are in a better financial position than some of the larger ones who do hold credit ratings.

The limits on some building societies are less than £6m to take account of their small size in terms of assets.

Building Society	Limit
Nottingham	£6.0m
Progressive	£6.0m
Cambridge	£5.0m
Furness	£4.0m
Leek United	£3.8m
Monmouthshire	£3.7m
Newbury	£3.4m
Hinkley & Rugby	£2.9m
Darlington	£2.6m
Market Harborough	£2.1m
Melton Mowbray	£1.9m
Tipton and Crossley	£1.8m
Marsden	£1.7m
Hanley Economic	£1.6m
Scottish	£1.7m
Dudley	£1.6m
Loughborough	£1.4m
Mansfield	£1.4m
Vernon	£1.2m
Harpenden	£1.1m
Buckinghamshire	£1.1m
Harpenden	£1.1m
Swansea	£1.0m

Category 12 - £5m for unlimited periods

Category 12 will consist of callable preference shares in Hampshire Community Bank (HCB) which is a community interest company that will provide a new source of development capital to local businesses and will be committed to local job creation and growth.

Although HCB does not have a credit rating, it will be modelled on the German Sparkassen (local not for profit savings banks) and Volksbanken (Peoples Banks) which have successfully traded for 200 years. No Sparkasse or Volksbank in Germany has ever defaulted or needed a state rescue.

Investors in HCB will receive a stand-by credit line facility of up to 7 times their investment, to ensure investors have no liquidity disadvantages from their investment. Should the Council need to withdraw its money, HCB will also arrange a private sale of preference shares to another interested party.

The shares should receive a dividend of 5.0% per annum from years 3 to 10 and a one-off 10-year bonus that will lift the annual equivalent return to 6% over the first 10 year period. HCB has undertaken not to call the preference shares before the end of the first 10-year period. The preference shares will rank senior to any other class of shares, giving priority as regards participation in the bank's profits and on a return of capital. However, dividends on the preference shares may be paid only to the extent that the payment can be made out of the bank's distributable profits. A payment will not be paid on the preference shares if payment of the dividend would cause a breach of the applicable capital adequacy requirements of the Financial Conduct Authority (FCA) or the Prudential Regulation Authority (PRA). If HCB makes losses, HCB's shareholders could be expected to bear losses before depositors, and the Council may not be able to recoup its investment.

- 17.4 The Council's treasury management operation is exposed to the Council's subsidiary company MMD (Shipping Services) Ltd in two ways. Firstly the Council has £550k lodged with Lloyds TSB to guarantee MMD's banking limits.
- 17.5 The Annual Investment Strategy provides for the Council to lend to the United Kingdom Government and local authorities in England, Scotland and Wales, A rated financial institutions and RSLs for five years (10 years if the loan is secured on an RSLs assets), and A rated corporate bonds for four years. However as these investments would be over a year they cannot be included as specified investments.
- 17.6 The Council sometimes enters into contracts denominated in foreign currencies. Such contracts normally relate to civil engineering schemes at the port. It can be beneficial to buy Euros early to fund these projects and avoid the associated currency risk.

17.7 It is recommended that non-specified investments should be limited to the following (**Recommendation 4.1 (u)**):

	£
Building societies with a BBB credit rating and unrated building societies	81m
Investments in MMD (Shipping Services) Ltd including funds lodged to guarantee the company's banking limits. MMD is a wholly owned subsidiary of the City Council.	2m
Long term investments	170m
Investments in foreign currencies to hedge against contracts priced or indexed against foreign currencies	5m
Community investment companies without a credit rating	5m
Total	263m

18. MAXIMUM LEVEL OF INVESTMENT IN INDIVIDUAL ORGANISATIONS

- 18.1 The Government's Guidance does not require a limit to be placed on the amount that can be placed in any one investment. However in order to minimise risk further, it is proposed that the total amount that can be directly invested with any organisation at any time should be limited as follows **(Recommendation 4.1(v))**:

	Maximum Investment in Single Organisation
Category 1	Unlimited for up to 5 years
Category 2	£26m for up to 5 years
Category 3	£26m for up to 5 years or 10 years if secured
Category 4	£26m for up to 5 years
Category 5	£20m for up to 5 years or 10 years if secured
Category 6	£19m for up to 5 years for banks and building societies. £19m for up to 4 years for corporate bonds
Category 7	£13m for up to 5 years for banks and building societies. £13m for up to 4 years for corporate bonds
Category 8	£10m for up to 5 years for banks and building societies. £10m for up to 4 years for corporate bonds
Category 9	£6m for up to 4 years
Category 10	£10m for up to 364 days
Category 11	£6m for up to 364 days
Category 12	£5m for an unlimited period
MMD (Shipping Services) Ltd including sums lodged to guarantee the company's banking limits	£2m for up to 364 days

- 18.2 It is recommended that the Head of Financial Services and Section 151 Officer in Consultation with the Leader of the Council be given delegated authority to revise the total amount that can be directly invested with any organisation at any time **(Recommendation 4.1(w))**.
- 18.3 AAA money market funds offer security and same day access. By aggregating investments they can also invest in financial institutions that may not be interested in the relatively small sums that the Council can invest. The Council will only invest in money market funds that are managed by major banks with considerable investment expertise. Although AAA money market funds are well diversified in their investments there is a risk that more than one fund could have investments with the same bank or that the Council may also have invested funds in the same bank as a money market fund. Therefore it is proposed that the Council should aim to have no more than £70m invested in money market funds with an absolute limit of £80m.
- 18.4 Most building society lending is secured against residential properties. If property prices fall there may be inadequate security to support building societies lending giving rise to a systemic risk.
- 18.5 In order to minimise systemic credit risk in any sector it is recommended that the following limits be applied **(Recommendation 4.1(x))**:

Money market funds	£80m
Building societies	£107m
Registered Social Landlords	£80m

- 18.6 In order to minimise systemic credit risk in any region it is recommended that the following limits be applied **(Recommendation 4.1(y))**:

Asia & Australia	£40m
Americas	£40m
Continental Europe	£40m

- 18.7 The limits above only apply to direct investments. The City Council's exposure to any institution, sector or region may exceed the limits stated above through indirect investments via money market funds. Money market funds employ specialist staff to assess counter party risks and all investments made by money market funds are short-term.

19. LIQUIDITY OF INVESTMENTS

- 19.1 The City Council maintains a three year cash flow forecast which is updated daily (See Appendix B). This forecast is used to determine the maximum period for which funds may be prudently committed. ie. the City Council's core cash. This forecast has been used to set the limits on total principal sums invested for periods longer than 364 days (see paragraph 4.10). The City Council maintains at least £10m invested on an instant access basis to ensure that unforeseen cash flows can be financed.

20. INVESTMENT OF MONEY BORROWED IN ADVANCE OF NEED

- 20.1 Section 12 of the Local Government Act gives a local authority the power to invest for "any purpose relevant to its functions under any enactment or for the prudent management of its financial affairs". While the speculative procedure of borrowing purely to invest at a profit is clearly unlawful, there is no legal obstacle to the temporary investment of funds borrowed for the purpose of funding capital expenditure incurred in the reasonably near future.
- 20.2 Borrowing in advance of need may enable the City Council to obtain cheaper loans than those available at the time when expenditure is incurred, although the consequent investment of funds borrowed in advance of need does expose the City Council to credit risk. The interest payable on funds borrowed in advance of need is likely to exceed the interest earned on the investment of those funds in the current economic climate.

20.3 In 2011/12 the Council was required to pay the Government £88.6m under the Housing Revenue Account self financing scheme. With the expected direction of gilt yields being upwards, £84m was borrowed from the PWLB in the spring and summer of 2011 for between 20 and 50 years at rates between 4.19% and 5.01%. On 29 September the Government announced that they would allow local authorities to borrow this sum from the Public Works Loans Board at National Loans Fund (NLF) rates. NLF rates are typically 1.13% below the rates the PWLB normally offered to local authorities. The Council therefore took advantage of this and borrowed the £88.6m required from the PWLB at NLF rates. This has resulted in the Council's gross debt exceeding its estimated capital financing requirement by £24.9m at the end of 2013/14. The Council's gross debt is forecast to exceed its capital financing requirement (calculated in accordance with the prudential indicator of gross debt and the capital financing requirement) by £20.5m at the end of 2014/15. The Council's gross debt is forecast to exceed its capital financing requirement (calculated in accordance with the prudential indicator of gross debt and the capital financing requirement) by £4.1m at the end of 2016/17. This balance will be used to fund future capital investment by the Council and the Council's gross debt is forecast to fall below the Council's capital financing requirement (calculated in accordance with the prudential indicator of gross debt and the capital financing requirement) in 2017/18.

21. TRAINING OF INVESTMENT STAFF

21.1 The Finance Manager (Technical & Financial Planning) manages the treasury function with assistance from the Senior Financial Planning Accountant. Both these officers are qualified Chartered Public Finance Accountants and hold the Association of Corporate Treasurers Certificate in International Treasury Management. The City Council is also a member of CIPFA's Treasury Management Forum which provides training events throughout the year. Additional training for investment staff is provided as required.

22. DELEGATED POWERS

22.1 Once the Treasury Policy has been approved, the Head of Financial Services and Section 151 Officer has delegated powers under the Standing Orders of the City Council, to make all executive decisions on borrowing, investments or financing.

23. TREASURY SYSTEMS AND DOCUMENTATION

- 23.1 Once the Policy Statement has been approved by the Council, the documentation of the Treasury Systems will be updated so that all employees involved in Treasury Management are clear on the procedures to be followed and the limits applied to their particular activities.
- 23.2 The Treasury Management Practices document covers the following topics: -
- risk management
 - best value and performance measurement
 - decision making and analysis
 - approved instruments, methods and techniques
 - organisation, clarity and segregation of responsibilities, and dealing arrangements
 - reporting requirements and management information arrangements
 - budgeting, accounting and audit arrangements
 - cash and cash flow management
 - money laundering
 - staff training and qualifications
 - use of external service providers
 - corporate governance

24. REVIEW AND REPORTING ARRANGEMENTS

- 24.1 The Head of Financial Services and Section 151 Officer will submit the following:-
- (i) an annual report on the treasury management outturn to the Council by 30 September of the succeeding financial year
 - (ii) a mid year review to the Council
 - (iii) the Annual Strategy Report to the Council in March 2015
 - (iv) quarterly treasury management monitoring reports to the Governance and Audit and Standards Committee

APPENDIX A

PRUDENTIAL INDICATORS

Capital Expenditure							
	2012/13 Actual £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Children & Education	7,640	13,937	9,422	-	-	-	-
Culture & Leisure	985	2,390	4,343	775	-	-	-
Environment & Community Safety	254	997	13,192	12,340	22,340	14,000	200
Health & Social Care (Adults Services)	438	1,963	3,775	2,868	165	-	-
Planning, Regeneration & Economic Development	381	1,703	23,214	22,545	29,962	50,293	2,810
Commercial Port	4,780	1,777	3,956	-	-	-	-
Resources	5,256	5,083	5,087	2,066	250	-	-
Traffic & transportation	14,869	35,675	13,991	12,225	2,689	2,449	3,435
Millennium	344	23	-	-	-	-	-
Licensing Committee	-	-	-	-	-	-	-
Housing General Fund	1,836	3,900	13,200	4,706	3,064	2,914	2,968
Non HRA	36,783	67,402	90,180	57,525	58,470	69,656	9,413
HRA	18,559	34,723	34,510	26,763	26,367	29,787	29,787
Total	55,342	102,125	124,690	84,288	84,837	99,443	39,200

Ratio of financing costs to net revenue stream							
	2012/13 Actual	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Non - HRA	12.0%	12.3%	13.4%	13.4%	13.6%	12.4%	10.8%
HRA	14.1%	12.4%	12.4%	11.7%	11.3%	10.8%	10.3%

Capital Financing Requirement							
	2012/13 Actual £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Non - HRA	278,198	271,272	247,846	249,625	238,176	239,685	231,285
HRA	142,010	145,205	166,785	168,638	168,082	165,128	162,174

HRA Limit on Indebtedness							
	2012/13 Actual £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
HRA	181,701	181,701	181,701	181,701	181,701	181,701	181,701

Authorised Limit for External debt							
	2012/13 Actual £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Borrowing	379,615	426,372	424,511	418,932	417,799	415,278	408,566
Other Long Term Liabilities (ie Credit Arrangements)	88,720	87,148	86,095	84,389	81,297	77,463	77,463
Total	468,335	513,521	510,607	503,321	499,096	492,741	486,029

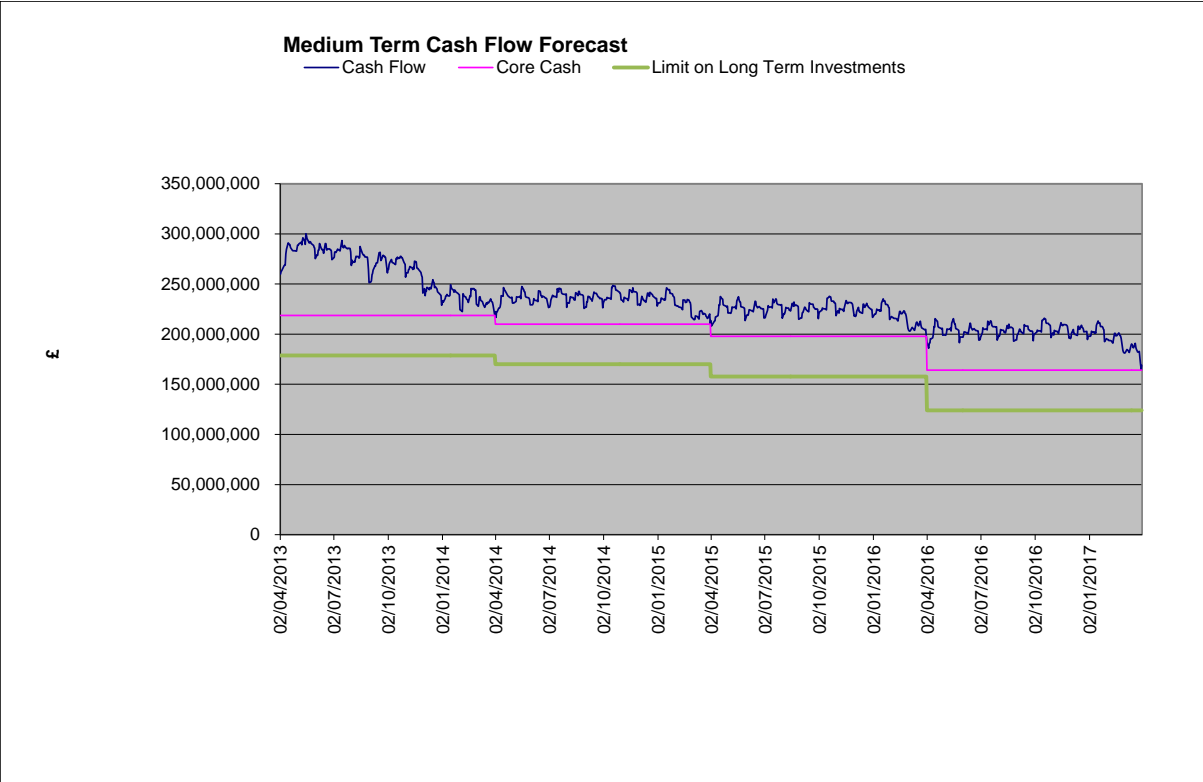
Operational boundary for external debt							
	2012/13 Actual £000	2013/14 Estimate £000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Borrowing	358,173	361,501	359,203	353,178	351,211	348,602	341,417
Other Long Term Liabilities (ie Credit Arrangements)	88,720	87,148	86,095	84,389	81,297	77,463	77,463
Total	446,893	448,649	445,298	437,566	432,508	426,065	418,880

Incremental impact of capital investment decisions on the council tax *						
	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000	
Revenue effect of existing capital programme	402	789	1,209	1,298	1,431	
Revenue effect of proposed capital programme	482	904	1,322	1,406	1,538	
Increase in revenue effect	80	114	112	108	107	
Increase in Council Tax Band D	£1.59	£2.26	£2.22	£2.14	£2.12	

Incremental impact of capital investment decisions on the housing rents					
	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Revenue effect of existing capital programme	32,744	25,491	25,674	29,285	31,010
Revenue effect of proposed capital programme	38,575	23,955	25,419	28,515	28,391
Increase in revenue effect	5,831	(1,536)	(255)	(770)	(2,619)
Effect on average weekly rent	£7.40	(£1.94)	(£0.32)	(£0.98)	(£3.33)

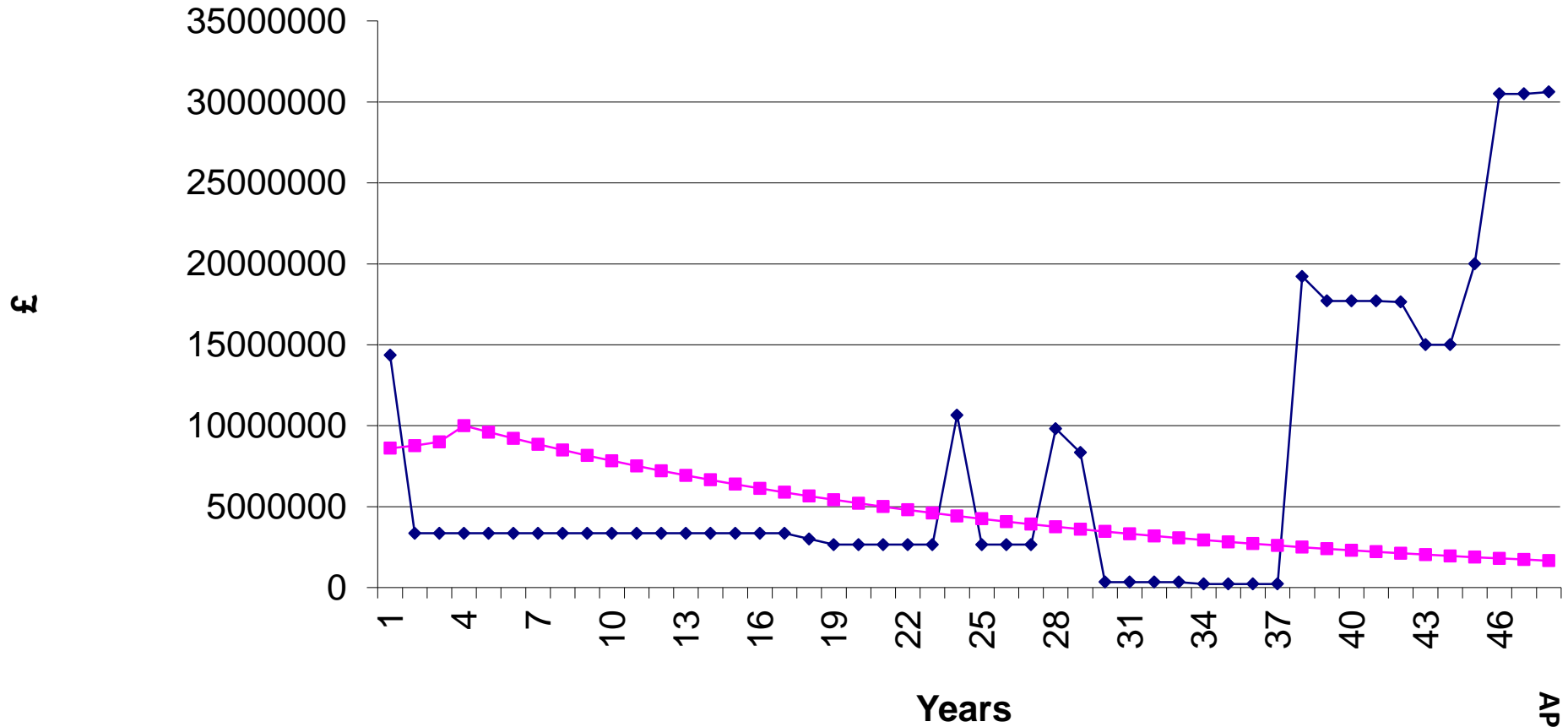
* The incremental impact of capital investment decisions on the Council Tax has been calculated on the basis of the estimated tax base contained in the original revenue budget.

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Principal Repayment of Debt



Legend:
 -◆- Loan maturities
 -■- Loans Minimum Revenue Provision

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DEFINITIONS OF LONG TERM CREDIT RATINGS

Credit ratings are issued by three main credit rating agencies, Fitch, Moody's and Standard & Poor. All three agencies use broadly the same scale. Fitch defines its long term ratings as follows:

AAA: Highest credit quality

"AAA" ratings denote the lowest expectation of default risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA: Very high credit quality

"AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High Credit Quality

"A" ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than in the case of the higher ratings.

BBB: Good credit quality

"BBB" ratings indicate that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

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INVESTMENT COUNTER PARTY LIST

APPENDIX E

Category	Counter Party	Minimum Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
1	United Kingdom Government including investments explicitly guaranteed by the UK Government	AA+		Unlimited	5 years
2	All local authorities in England, Scotland & wales	n/a		26,000,000	5 years
3	Registered Social Landlords (RSLs)	AA-		26,000,000	5 years or 10 years if secured
4	Australia & New Zealand Banking Group	AA-		26,000,000	5 years
4	Commonwealth Bank of Australia	AA-		26,000,000	5 years
4	National Australia Bank	AA-		26,000,000	5 years
4	Westpac Banking Corporation	AA-		26,000,000	5 years
4	Royal Bank of Canada	AA-		26,000,000	5 years
4	Toronto Dominion Bank	AA-		26,000,000	5 years
4	DBS Bank	AA-		26,000,000	5 years
4	Overseas Chinese Banking Corp	AA-		26,000,000	5 years
4	United Overseas Bank	AA-		26,000,000	5 years
4	Bank of New York Mellon	AA-		26,000,000	5 years
4	Wells Fargo Bank NA	AA-		26,000,000	5 years
4	Nordic Investment Bank	AAA		26,000,000	5 years
4	Inter-American Development Bank	AAA		26,000,000	5 years
4	IBRD (World Bank)	AAA		26,000,000	5 years
4	Council of Europe Development Bank	AA+		26,000,000	5 years
4	European Bank for Reconstruction & Development	AAA		26,000,000	5 years
4	European Investment Bank	AA-		26,000,000	5 years
4	Global Treasury Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Morgan Stanley Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Short Term Investment Company (Global Series) Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Goldman Sachs Sterling Liquidity Reserve	AAA	Money Market Fund	26,000,000	Instant Access
4	Scottish Widows Investment Partnership Global Liquidity Sterling Fund	AAA	Money Market Fund	26,000,000	Instant Access
4	BNY Mellon Sterling Liquidity Fund	AAA	Money Market Fund	26,000,000	Instant Access
4	Citibank	AAA	Money Market Fund	26,000,000	Instant Access
4	Deutsche Global Liquidity Series Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Morgan Stanley Funds Plc	AAA	Money Market Fund	26,000,000	Instant Access
4	Standard Life Sterling Liquidity Fund	AAA	Money Market Fund	26,000,000	Instant Access
5	Registered Social Landlords (RSLs)	A-		20,000,000	5 years or 10 years if secured
6	Standard Chartered Bank	A+		19,000,000	5 years
6	HSBC Bank plc	A+		19,000,000	5 years
6	Rabobank Nederland NV	A+		19,000,000	5 years
6	Bank of Montreal	A+		19,000,000	5 years
6	Bank of Nova Scotia	A+		19,000,000	5 years
6	Canadian Imperial Bank of Commerce	A+		19,000,000	5 years
6	Pohjola Bank Plc	A+		19,000,000	5 years
6	Nordia Bank AB	A+		19,000,000	5 years
6	Svenska Handelsbanken	A+		19,000,000	5 years
6	Swedbank AB	A+		19,000,000	5 years
6	JP Morgan Chase Bank NA	A+		19,000,000	5 years
6	DNB Bank	A+		19,000,000	5 years

Category	Counter Party	Minimum Long Term Credit Rating *	Comments	Investment Limit £	Maximum Term
7	Nationwide Building Society	A-		13,000,000	5 years
7	Skandinaviska Enskilda Banken (SEB)	A		13,000,000	5 years
7	Credit Suisse	A		13,000,000	5 years
7	UBS AG	A		13,000,000	5 years
7	National Bank of Canada	A		13,000,000	5 years
7	Coventry Building Society	A-		13,000,000	5 years
8	Lloyds TSB Bank plc	A-		10,000,000	5 years
8	Deutsche Bank AG	A-		10,000,000	5 years
8	ABN Amro Bank NV	A-		10,000,000	5 years
8	ING Bank NV	A-		10,000,000	5 years
8	Barclays Bank Plc	A-		10,000,000	5 years
9	Restricted to corporate bonds	A-		6,000,000	4 years
10	Leeds Building Society	A-	Short term rating F2	10,000,000	364 days
10	Yorkshire Building Society	BBB		10,000,000	364 days
11	Nottingham Building Society	BBB	Single rating	6,000,000	364 days
11	Progressive Building Society	Unrated		6,000,000	364 days
11	Cambridge Building Society	Unrated		5,000,000	364 days
11	Furness Building Society	Unrated		4,000,000	364 days
11	Leek United Building Society	Unrated		3,800,000	364 days
11	Monmouthshire Building Society	Unrated		3,700,000	364 days
11	Newbury Building Society	Unrated		3,400,000	364 days
11	Hinckley & Rugby Building Society	Unrated		2,900,000	364 days
11	Darlington Building Society	Unrated		2,600,000	364 days
11	Market Harborough Building Society	Unrated		2,100,000	364 days
11	Melton Mowbray Building Society	Unrated		1,900,000	364 days
11	Tipton & Coseley Building Society	Unrated		1,800,000	364 days
11	Marsden Building Society	Unrated		1,700,000	364 days
11	Hanley Economic Building Society	Unrated		1,600,000	364 days
11	Scottish Building Society	Unrated		1,700,000	364 days
11	Dudley Building Society	Unrated		1,600,000	364 days
11	Loughborough Building Society	Unrated		1,400,000	364 days
11	Mansfield Building Society	Unrated		1,400,000	364 days
11	Vernon Building Society	Unrated		1,200,000	364 days
11	Stafford Railway Building Society	Unrated		1,100,000	364 days
11	Buckinghamshire Building Society	Unrated		1,100,000	364 days
11	Harpenden Building Society	Unrated		1,100,000	364 days
11	Swansea Building Society	Unrated		1,000,000	364 days
12	Hampshire Community Bank	Unrated		5,000,000	Unlimited

Notes

* The long term credit ratings shown are adjusted to take account of possible future actions resulting from negative watches & outlooks. All negative watches & outlooks are assumed to result in a one notch downgrade.

Agenda Item 7

Agenda item:

Decision maker: Cabinet 3rd March 2014
City Council 18th March 2014

Subject: Budget & Performance Monitoring 2013/14 (3rd Quarter) to end December 2013

Report by: Head of Finance & Section 151 Officer

Wards affected: All

Key decision (over £250k): Yes

1. Purpose of Report

- 1.1 The purpose of this report is to update members on the current Revenue Budget position of the Council as at the end of the third quarter for 2013/14.

To also take the opportunity to report on the key performance measures of the Council and highlight any relationships between financial performance and service performance that may indicate any potential or emerging matters of concern in relation to either.

2. Recommendations

- 2.1 It is recommended that:

- (i) The contents of this report be noted, in particular (after further forecast transfers to Portfolio Specific Reserves of £449,600) the overall forecast overspend of £316,600 representing a variance of 0.16% against the City Council Revised Budget of £192,781,200. Before further forecast transfers to Portfolio Specific Reserves, there is a forecast underspend of £133,000 representing a variance of 0.07%.
- (ii) Members note that any actual overspend at year end will in the first instance be deducted from any Portfolio Reserve balance and once depleted then be deducted from the 2014/15 Cash Limit.
- (iii) A report in respect of the Children and Education Portfolio be prepared for the Cabinet in April 2014 setting out the options for significantly reducing or eliminating in future financial years the adverse budget position presently being forecast by the Portfolio, including the associated impact of doing so.
- (iv) Heads of Service, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2014/15 Portfolio cash limit will be managed to avoid further overspending during 2014/15.

3. Background

- 3.1 The Revised Budget for 2013/14 of £192,781,200 was approved by City Council on the 11th February 2014. This level of spending required an overall contribution from General Reserves of £5.58m in order to meet the shortfall between in-year spending and in-year income from all sources.
- 3.2 This is the third quarter monitoring report of 2013/14 and reports on the forecast 2013/14 outturn as at the end of December 2013. The forecasts summarised in this report and detailed in the attached papers are made on the basis that management action to address any forecast overspends are only brought in when that action has been formulated into a plan and there is a high degree of certainty that it will be achieved.
- 3.3 Any variances within Portfolios that relate to windfall costs or windfall savings will be met / taken corporately and not generally considered as part of the overall budget performance of a Portfolio. "Windfall costs" are defined as those costs where the manager has little or no influence or control over such costs and where the size of those costs is high in relation to the overall budget controlled by that manager. "Windfall costs" therefore are ordinarily met corporately from the Council's central contingency. A manager / Cabinet Member however, does have an obligation to minimise the impact of any "windfall cost" from within their areas of responsibility in order to protect the overall Council financial position. Similarly, "windfall savings" are those savings that occur fortuitously without any manager action and all such savings accrue to the corporate centre.
- 3.4 The Financial Pack attached at Appendix A has been prepared in Portfolio format and is similar in presentation, but not the same as, the more recognisable "General Fund Summary" presented as part of the Council Tax setting report approved by Council on 11th February 2014. The format presented at Appendix A has been amended to aid understandability for monitoring purposes by excluding all non cash items which have a neutral effect on the City Council's budget such as Capital Charges. In addition to this, Levies and Insurances are shown in total and have therefore been separated from Portfolios to also provide greater clarity for monitoring purposes.

4 Forecast Outturn 2013/14 – As at end December 2013

- 4.1 At the third quarter stage, the revenue outturn for 2013/14 before further forecast transfers to Portfolio Specific Reserves is forecast to be underspent by £133,000 representing an overall budget variance of 0.07%.

4.2 The quarter 3 variance consists of a number of forecast under and overspends.

The most significant overspendings at the quarter 3 stage are:

Quarter 1 (Adjusted Budget)	Quarter 2 (Adjusted Budget)		Quarter 3 (Revised Budget)
£	£		£
2,923,600	1,170,500	Children and Education	2,555,300
595,700	162,100	Health and Social Care	156,000
925,500	870,900	Traffic and Transportation	Nil

These are offset by the following significant forecast underspends at the quarter 3 stage:

Quarter 1 (Adjusted Budget)	Quarter 2 (Adjusted Budget)		Quarter 3 (Revised Budget)
£	£		£
	102,900	Environment and Community Safety	357,300
176,200		PRED	
	536,200	Port	
	294,700	Resources	353,800
118,300		Governance Audit and Standards Committee	
1,890,100	1,563,700	Asset Management Revenue Account	
		Other Miscellaneous	2,144,600

5 Quarter 3 Significant Budget Variations – Forecast Outturn 2013/14

5.1 Children and Education – Overspend £2,555,300 (or 7.9%)

The cost of Children and Education Services is forecast to be £2,555,300 higher than budgeted.

The key variances are:

- Staffing costs across the Portfolio are forecast to overspend by £689,000. As a result of:
 - fewer vacancies than assumed when the budget was prepared
 - delays in achieving planned efficiency savings
 - higher staffing requirements for children with disabilities and adoption placements
 - agency staffing costs in respect of sickness and maternity cover
- Child Support Services are forecast to overspend by £316,900 as a result of increased pupil transport requirements and the associated assessment process offset by a reduction in expenditure arising from a delay in the introduction of the new sitting service.

- The first three months of the financial year saw an increase in the number of children requiring placement. Whilst these numbers have returned to the levels at the beginning of the year, and remained stable over the last quarter, the numbers are still in excess of budgeted provision. The projected spend presumes that existing placements will continue for the remainder of the year, although review work will continue. The budget provided for an increase in the number of Portsmouth Foster Carers as part of the 5 year strategy to reduce the number of looked after children placed with Independent Fostering Agencies. Whilst the number of Portsmouth Foster Carers is growing it is at a pace slightly below expectations. Taking all of these factors into account the Looked After Children budget heading is forecast to overspend by £1,594,300.

Whilst there are individual variances within budget areas covered by the Dedicated Schools Grant, in aggregate these are neutral.

5.2 Health and Social Care – Overspend £156,000 (or 0.3%)

The cost of Health & Social Care is forecast to be £156,000 higher than budgeted.

The key variances are:

Overspendings

- As a result of an increase in client numbers within the Mental Health and Substance Misuse service the budget is forecast to be overspent by £171,100
- PCC contribution to Continuing Health Care Pooled Budget – PCC's contribution is forecast to be £860,000 higher than budgeted due to:-
 - The residential care budget assumed client numbers of 112 however currently there are 121 being supported by Adult Social Care as at the end of December. It is expected to continue at this level for the remainder of the financial year. Currently 162 clients are in receipt of nursing care compared to a target level of 132. Domiciliary Care client numbers have also increased from 712 to 770 since April 2013. These factors are causing significant pressure within the budget which is projected to overspend by £860,000 as a result.

Underspendings

- The cost of in-house residential care is forecast to be £64,900 lower than budgeted as a result of increased income at Hilsea Lodge, Edinburgh House and Shearwater offset by increased staffing made in response to an inspection by the Care Quality Commission at Shearwater care home.
- Staffing costs are forecast to be £472,000 lower than originally budgeted primarily as a result of not filling posts in the early part of the year and the holding of vacancies pending an organisational restructure within the Adult Social Care Service.

- An increase in demand for dementia care has led to a rise in client numbers with a corresponding increase in client contributions. Income from clients on the Deferred Payments Scheme is also higher. Older Persons/Physical Disability Commissioned Residential Care Income is £126,100 higher than budgeted as a result.
- There has been an increase in client numbers for domiciliary care in both Older Persons and Physical Disability resulting in forecast income being £60,100 higher than budgeted.
- Management, Support & Premises are forecast to underspend by £95,600 arising from reductions in premises costs, training and IT expenditure

Whilst there are individual variances within budget areas covered by the Public Health Grant, in aggregate these are neutral.

5.3 Traffic & Transportation – Nil variance

As approved by the City Council on 11th February 2014 any overspend against the Traffic & Transportation Portfolio will be funded by an equivalent transfer from the Parking Reserve. It is expected that a transfer of £851,000 will be necessary to meet the shortfall between in-year spending and in-year income.

The main causes of the underlying forecast deficit relate to:

- Income within Off Street Parking is forecast to be £606,600 less than budgeted.
- Despite budgeting for increases in street lighting energy costs, expenditure is forecast to be £139,600 higher than budgeted as a result of a change in the methodology used to measure consumption.
- The cost of travel concessions is anticipated to be £63,100 higher than originally budgeted.
- School Crossing Patrols - A budget saving of £200,000 was approved by the City Council in February 2013 with the intention that the remaining budget would be passed to schools who would then become responsible for providing their own school crossing patrols. However, such an arrangement would require lengthy and complex consultation with each school governing body which has meant that this saving is no longer achievable in the medium term. Once savings arising from holding posts vacant are taken into account the forecast overspend is reduced to £121,000.
- The above overspends are offset by higher income than budgeted within the Road Safety & Sustainable Transport and Passenger Transport services totalling £57,100.

5.4 Environment and Community Safety – Underspend £357,300 (or 2.2%)

The Portfolio is forecasting an underspend of £357,300.

A number of small areas of under and over spending are currently being forecast across the Portfolio. The more significant areas of under and over spending are:

- Primarily as a result of effective contract monitoring the cost of Refuse Collection and Waste Recycling is forecast to be £220,700 lower than budgeted.
- Staffing costs across the Portfolio are expected to be £129,300 lower than originally budgeted due to staff vacancies, higher fee income for staff time spent on major capital projects including Tipner, Northern Quarter and Northern Road Bridge and two staff previously wholly chargeable to Environment & Community Safety now being shared with Public Health.

5.5 Resources – Underspend £353,800 (or 1.5%)

The Portfolio is forecasting an underspend of £353,800.

The main causes of the forecast underspend are:

- The holding of posts vacant across the Portfolio in anticipation of savings requirements in future years has resulted in a reduction of staffing costs of £246,000.
- Claims for support under the Local Welfare Assistance scheme are currently forecast to be £42,200 lower than originally budgeted.
- Following a review of the despatch service and the impending changes to primary school meal provision a decision has been made to delay the purchase of a replacement vehicle until after any required changes to existing school meal delivery arrangements are known. This has resulted in a reduction in expenditure of £41,800 within the AMS Design & Maintenance Service.
- Following changes to the Non-Domestic Rates regulations, which govern the sharing of the cost of discretionary relief between local authorities and the Government, the Council's share of the cost of discretionary relief awarded has reduced by £42,200.

Offset by:

- Human Resources, Legal & Performance Management are expected to experience a shortfall in fee income of £39,400 as a result of staff being redeployed to corporate enabling based initiatives including City Deal and Super Connected Cities.

5.6 Other Miscellaneous – £2,144,600

As described in the Council Tax Setting Report to Council on 11th February 2014 Children and Education Portfolio is experiencing difficulty containing expenditure within budgeted limits. The Revised Budget approved by the City Council on the 11th February 2014 was prepared to include a Contingency provision of £2,144,600 which

was set aside to guard against an overall overspend on the Council budget. As set out in that report an action plan will be reported to Cabinet in April 2014 which will guide a decision on whether to "Claw Back" any 2013/14 overspend from the 2014/15 Cash Limit.

6 Other Minor Budget Variations – Forecast Outturn 2013/14

6.1 Culture, Leisure & Sport – Overspend £5,400 (or 0.1%)

6.2 Housing – Overspend £96,300 (or 3.0%)

Overspends within Green Deal and Licensing of Low Rise Houses in Multiple Occupation totalling £186,000 are offset by the following underspends:

- Private Housing enforcement and assistance projects have commenced, however due to department reorganisations they are now projected in some cases to continue past the end of the current financial year resulting in an underspend of £44,800. These projects relate to Landlord Accreditation, Winter Warmth, Un-Licensed gas fitters and Rogue Builders. It is anticipated that there will be no adverse impact on residents from a delayed start. It is expected that these projects will prove significant in providing appropriate support and protection for private housing owners and tenants which will enable housing in Portsmouth to be of sufficient long term quality.
- Savings within Housing Strategy and Home Check Scheme originally planned for implementation in 2014/15 have been brought forward to 2013/14 resulting in an underspend of £59,700

6.3 Leader – Minor Overspend £8,100 (or 3.5%)

6.4 PRED – Overspend £67,000 (or 5.1%)

A number of variances across the Portfolio are being forecast as follows:

- Staffing restructures coupled with staff vacancies has resulted in a small underspend across the Portfolio of £4,000.
- Income across the Portfolio is lower than budgeted by £41,100 primarily as a result of reduced income from PCMI manufacturing sales (£95,100) offset by increased income following an upturn in occupancy at enterprise centres (£54,000).
- Additional sponsorship combined with lower costs associated with Christmas lighting and seasonal events has resulted in an underspend of £44,500.
- Once City Council assets are declared surplus to requirements the holding and disposal costs become the responsibility of the Property Portfolio. The cost of holding and marketing these assets for subsequent disposal has led to a forecast overspend of £77,400.

6.5 PRED (Port) – Underspend £79,600 (or 7.7%)

Overall net income from the Port is forecast to be £79,600 above target income.

This is primarily due to increased rental and concession income of £77,200.

6.6 Licensing Committee – Underspend £47,100 (or 40.4%)

Additional net income arising from recent changes in legislation relating to scrap metal & motor salvage dealers which requires them to be licenced by the Local Authority from 2013/14. Previously these dealers were only required to be registered with the Local Authority. This net income is after direct costs associated with enforcement are deducted, but before the full indirect costs of administration and enforcement are taken into account.

6.7 Governance, Audit and Standards Committee – Underspend £16,100 (or 8.0%)

Additional income to the Registrars Service arising mainly from increased demand for priority birth certificate searches and civil marriage ceremonies.

6.8 Levies – Underspend £22,400 (or 2.9%)

Minor variation due to levies being lower than originally estimated.

6.9 Insurance – No Forecast Variance

6.10 Asset Management Revenue Account – No Forecast Variance

This budget funds all of the costs of servicing the City Council's long term debt portfolio that has been undertaken to fund capital expenditure. It is also the budget that receives all of the income in respect of the investment of the City Council's surplus cash flows. As a consequence, it is potentially a very volatile budget particularly in the current economic climate and is extremely susceptible to both changes in interest rates as well as changes in the Council's total cash inflows and outflows.

7. Relationships between Financial Performance and Service Performance

7.1 There are a number of areas where the council is demonstrating strong performance. It is performing well on almost all of its key performance indicators in relation to Revenues and Benefits, although Council Tax collection is slightly below plan. The main impacts of welfare reform changes appear to be with council tax benefit changes. There is good progress on implementing working around the Better Care Fund. There are some positive outcomes in the recruiting of foster carers and potential adopters, and improvements in the timeliness of core assessments for children. Key projects at Tipner and Northern Road Bridge are expected to finish on schedule and on budget.

7.2 However, there are still some areas of concern. There remains uncertainty on key Department of Work and Pension initiatives, such as the Universal Credit and the

Single Fraud investigation service, for example. In line with many other local authorities, the recycling rate continues to fall. Recent changes to rent policy, along with cuts in benefits leading to increased rent arrears, may create a long term impact to the Housing Revenue account.

- 7.3 There are some areas where improvements need to be made, and there are plans to address these. There are some areas where sickness absence is a concern. The link between preventative services and early interventions needs to be better understood, and outcomes achieved. Available capital for school sufficiency and condition issues remains an on-going concern.
- 7.4 A full report on quarter 3 performance will be considered by Governance, Audit and Standards Committee on 13th March 2014.

8. Conclusion - Overall Finance & Performance Summary

- 8.1 The overall forecast outturn for the City Council in 2013/14, before further transfers to Portfolio Specific Reserves as at the end of December 2013, is forecast to be £192,648,200. This is an overall underspend of £133,000 against the Revised Budget and represents a variance of 0.07%. Once all transfers to Portfolio Specific Reserves are taken into account the forecast outturn for the City Council increases by £449,600 to £193,097,800. This is an overall overspend against the revised budget of £316,600 representing a variance of 0.16%.
- 8.2 The forecast takes account of all known variations at this stage, but only takes account of any remedial action to the extent that there is reasonable certainty that it will be achieved.
- 8.3 The overall financial position is deemed to be “amber” since the forecast outturn after transfers to Portfolio Specific Reserves is slightly higher than budgeted. However, finance is not having a negative impact on the overall performance status of the Council’s activities.
- 8.4 As outlined in paragraph 4.2, the forecast overspend within the Children and Education Portfolio represents the greatest area of concern in terms of the impact it has on the overall City Council budget for 2013/14. Consequently it is recommended that a report in respect of this Portfolio be prepared for the Cabinet in April setting out the options for significantly reducing or eliminating in future financial years the adverse budget position presently being forecast by the Portfolio, including the associated impact of doing so.
- 8.5 Where a Portfolio is presently forecasting a net overspend, in accordance with current Council policy, any overspending in 2013/14 will be deducted from cash limits in 2014/15 and therefore the appropriate Heads of Service in consultation with Portfolio Holders should prepare an action plan outlining how their 2013/14 forecast outturn or 2014/15 budget might be reduced to alleviate the adverse variances currently being forecast.
- 8.6 Based on the Revised Budget of £192,781,200 the Council will remain within its minimum level of General Reserves for 2013/14 of £6.0m as illustrated below:

	<u>£m</u>
General Reserves brought forward @ 1/4/2013	23.614
<u>Add:</u>	
Forecast Underspend 2013/14	0.133
<u>Less:</u>	
Planned Withdrawal from General Reserves 2013/14	(5.585)
Further Forecast Transfers to Portfolio Specific Reserves	(0.450)
Forecast General Reserves carried forward into 2014/15	17.712

Levels of General Reserves over the medium term are assumed to remain within the Council approved sum of £6.0m in 2014/15 and future years since any ongoing budget pressures / savings will be reflected in future years' savings targets.

- 8.7 In accordance with Recommendation (p) set out in the "Portsmouth City Council - Council Revenue Budget 2014/15 Savings and Council Tax Proposals" report approved by the City Council on the 11th November 2013 (which inter alia updated the Councils Financial Rules to enable each Portfolio to retain 100% of any year end under spending and to be held in an earmarked reserve for use by the relevant Portfolio) the balance on each Portfolio Specific Reserve as at 31st March 2014 is forecast to be:

Portfolio	Balance 1 st April 2013	Approved Transfers (From)/To	Further Forecast Transfers (From)/To	Forecast Balance 31 st March 2014
Culture, Leisure & Sport	0	72,000	(5,400)	66,600
Environment & Community Safety	0	442,000	357,300	799,300
Health & Social Care	0	2,500,000	(156,000)	2,344,000
Housing	0	186,000	(96,300)	89,700
PRED (excl. Port)	0	80,000	(67,000)	13,000
Resources	0	196,000	353,800	549,800
Licensing Committee	0	0	47,100	47,100
Governance & Audit Committee	0	80,000	16,100	96,100
Total	0 0	3,556,000	449,600	4,005,600

- 8.8 Financial resources are not seen as a primary barrier during the current year to either performance achievement or performance improvement. Although there are no specific requests for additional resourcing to ensure targets are achieved, or objectives met through this report, in some cases resources may be a possible risk to future delivery which ought to be considered in the context of all other current and emerging budget pressures and evaluated in context with each other.

9. City Solicitor’s Comments

9.1 The City Solicitor is satisfied that it is within the Council’s powers to approve the recommendations as set out.

10. Equalities Impact Assessment

10.1 This report does not require an Equalities Impact Assessment as there are no proposed changes to PCC’s services, policies, or procedures included within the recommendations.

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Chris Ward

Head of Finance & S151 Officer

Background List of Documents –

Section 100D of the Local Government Act 1972

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

Title of Document	Location
Portsmouth City Council - Council Tax Setting 2014/15 & Medium Term Budget Forecast 2014/15 to 2017/18	Office of Deputy Head of Finance & Section 151 Officer
Electronic Budget Monitoring Files	Financial Services Local Area Network

The recommendations set out above were:

Approved / Approved as amended / Deferred / Rejected by the Cabinet on 3rd March, 2014

Signed:

Approved / Approved as amended / Deferred / Rejected by the City Council on 18th March, 2014

Signed:

**FINANCIAL & SERVICE
PERFORMANCE**

**QUARTER 3
2013/14**

INFORMATION PACK

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO City Council General Fund

BUDGET Total General Fund Expenditure

TOTAL CASH LIMIT 192,781,170

CHIEF OFFICER All Budget Holders

MONTH ENDED December 2013

ITEM No.	BUDGET HEADING
1	Children & Education
2	Culture, Leisure & Sport
3	Environment & Community Safety
4	Health & Social Care
5	Housing
6	Leader
7	PRED
8	Port
9	Resources
10	Traffic & Transportation
11	Licensing Committee
12	Governance, Audit & Standards Com
13	Levies
14	Insurance
15	Asset Management Revenue Account
16	Other Miscellaneous
TOTAL	

BUDGET PROFILE 2013/14			
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013	
£	£	£	%
49,871,132	45,155,127	(4,716,005)	(9.5%)
6,921,211	6,702,037	(219,174)	(3.2%)
12,133,327	11,370,875	(762,452)	(6.3%)
37,425,620	39,972,230	2,546,610	6.8%
1,728,811	1,735,054	6,243	0.4%
185,700	186,488	788	0.4%
(1,086,533)	(1,186,265)	(99,732)	(9.2%)
(4,468,207)	(4,738,941)	(270,734)	(6.1%)
18,382,465	17,889,182	(493,283)	(2.7%)
7,272,941	7,812,030	539,089	7.4%
6,500	9,414	2,914	44.8%
70,500	25,475	(45,025)	(63.9%)
609,500	587,080	(22,420)	(3.7%)
1,684,700	1,684,700	0	0.0%
10,389,073	8,435,501	(1,953,572)	(18.8%)
1,785,500	2,075,451	289,951	16.2%
142,912,240	137,715,437	(5,196,803)	(3.6%)

BUDGET FORECAST 2013/14			
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget	
£	£	£	%
32,178,293	34,733,561	2,555,268	7.9%
9,029,973	9,035,383	5,410	0.1%
16,266,367	15,909,035	(357,332)	(2.2%)
49,900,843	50,056,819	155,976	0.3%
2,289,100	2,385,412	96,312	4.2%
232,900	241,000	8,100	3.5%
(1,304,273)	(1,237,302)	66,971	5.1%
(5,551,600)	(5,631,200)	(79,600)	(1.4%)
23,749,023	23,791,197	42,174	0.2%
15,871,892	16,722,886	850,994	5.4%
(116,700)	(163,809)	(47,109)	(40.4%)
201,600	185,500	(16,100)	(8.0%)
781,000	758,570	(22,430)	(2.9%)
1,141,500	1,141,500	0	0.0%
22,247,797	22,247,797	0	0.0%
25,863,455	23,718,855	(2,144,600)	(8.3%)
192,781,170	193,895,204	1,114,034	0.6%

Total Value of Remedial Action (from Analysis Below)

(1,246,994)

Total Net Forecast Outturn (after remedial action but before transfers (From)/to Portfolio Specific Reserves)

192,781,170 192,648,210 (132,961) (0.07%)

Total Transfers To Portfolio Specific Reserves

449,600

Total Net Forecast Outturn (after remedial action and after transfers (From)/to Portfolio Specific Reserves)

192,781,170 193,097,810 316,640 0.16%

Note All figures included above exclude Capital Charges

Income/underspends should be recorded in brackets and expenditure/overspends without

VALUE OF REMEDIAL ACTIONS

Item No.	Reason for Variation	Remedial Action	Value of Remedial Action
1	Children & Education		0
2	Culture, Leisure & Sport		0
3	Environment & Community Safety		0
4	Health & Social Care		0
5	Housing		0
6	Leader		0
7	PRED		0
8	Port		0
9	Resources		(396,000)
10	Traffic & Transportation		(850,994)
11	Licensing Committee		0
12	Governance, Audit & Standards Com		0
13	Levies		0
14	Insurance		0
15	Asset Management Revenue Account		0
16	Other Miscellaneous		0
Total Value of Remedial Action			(1,246,994)

Note Remedial Action resulting in savings should be shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO	Children and Education		
BUDGET	7,149,093	Education	
	25,029,200	Children's Social Care & Safeguarding	
TOTAL CASH LIMIT	32,178,293		

CHIEF OFFICER Julian Wooster

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	ISB Nursery
2	ISB Primary
3	ISB Secondary
4	ISB Special
5	DSG
6	Strategic Commissioning
7	Early Support
8	Education Improvement
9	Child Support Services
10	Joint Priorities
11	Family Support Service
12	Fieldwork Services
13	Looked After Children
14	Services Commissioned And Provided
15	Safeguarding Management And Support
16	Youth Support (IYSS)

BUDGET PROFILE 2013/14				
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013		
£	£	£	%	
5,678,222	7,591,887	1,913,665	33.7%	
56,532,304	56,723,760	191,456	0.3%	
40,923,995	40,924,036	41	0.0%	
7,266,300	6,217,993	(1,048,307)	(14.4%)	
(84,690,306)	(88,413,866)	(3,723,560)	(4.4%)	
827,388	698,556	(128,832)	(15.6%)	
2,377,026	1,857,822	(519,204)	(21.8%)	
441,603	(6,990)	(448,593)	(101.6%)	
2,592,837	2,101,421	(491,416)	(19.0%)	
524,997	(553,564)	(1,078,561)	(205.4%)	
1,010,862	1,167,135	156,273	15.5%	
4,437,063	4,244,336	(192,727)	(4.3%)	
8,367,210	9,799,253	1,432,043	17.1%	
727,344	227,848	(499,496)	(68.7%)	
1,180,800	1,187,898	7,098	0.6%	
1,673,487	1,387,602	(285,885)	(17.1%)	

BUDGET FORECAST 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
7,441,800	7,762,424	320,624	4.3%	L
56,532,304	56,532,304	0	0.0%	L
40,923,995	40,923,995	0	0.0%	L
7,266,300	7,266,300	0	0.0%	L
(112,164,399)	(112,485,023)	(320,624)	(0.3%)	L
1,079,400	1,057,600	(21,800)	(2.0%)	L
3,132,400	3,132,400	0	0.0%	M
588,800	687,805	99,005	16.8%	H
3,457,100	3,773,960	316,860	9.2%	M
703,493	703,493	0	0.0%	M
1,333,700	1,606,556	272,856	20.5%	M
5,916,100	6,199,051	282,951	4.8%	M
11,191,800	12,786,100	1,594,300	14.2%	H
969,800	924,914	(44,886)	(4.6%)	M
1,574,400	1,897,982	323,582	20.6%	M
2,231,300	1,963,700	(267,600)	(12.0%)	M

TOTAL	49,871,132	45,155,127	(4,716,005)	(9.5%)
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Total Value of Remedial Action (from Analysis Below)

0

Total Net Forecast Outturn (after remedial action)

32,178,293	34,733,561	2,555,268	7.9%
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Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
5	Whilst there is an increase in the numbers of hours of early years provision, increased high needs provision and a reduction in income from schools converting to academies which together are estimated to amount to additional spending of £558,154 this will be offset by additional grant and grant brought forward from 2012/13	
6	Staff turnover savings have more than offset other staffing costs such as agency cover for specific areas	(21,800)
8	Staffing levels in this area are such that the expected savings from staff turnover are not being achieved	99,005
9	Transport requirements following September pupil intake has increased costs alongside an increased cost of the statutory assessment process, partially offset by reduced expenditure following a delay in the introduction of the new sitting service.	316,860
11	Relocation costs in respect of the teams' move into the Civic offices and agency costs in respect of cover for sickness and maternity is above expectations	272,856
12	Enhanced staffing together with increased support requirements for children with disabilities and adoption placements.	282,951
13	Although the numbers of children in care have remained largely stable, the mix of provision has seen greater numbers in high cost external residential and foster placements resulting in an over spend forecast.	1,594,300
14	There have been fewer numbers of children in remand together with negotiated reduction in some contracted services	(44,886)
15	Staffing levels in this area are such that the expected savings from staff turnover are not being achieved. There is also substantial pressure on the legal and medical costs.	323,582
16	The under spend represents reductions in staffing and operational costs	(267,600)
TOTAL PROJECTED VARIANCE		2,555,268

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO Culture, Leisure & Sport

BUDGET 4,898,383 City Development & Cultural Services
4,131,590 Transport & Street Management - check Sarah

TOTAL CASH LIMIT **9,029,973**

CHIEF OFFICER Kathy Wadsworth

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

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ITEM No.	BUDGET HEADING
1	Parks, Gardens & Open Spaces
2	Seafront Management
3	Golf Courses
4	Pyramids
5	Mountbatten & Gymnastic Centres
6	Other Sports & Leisure Facilities inc (POC)
7	Sports Development
8	Departmental Establishment (Leisure)
9	Libraries
10	Museum Services
11	Arts Service
12	Community Centres
13	Events
TOTAL	

BUDGET PROFILE 2013/14				
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013		
		£	%	
1,945,237	1,758,674	(186,563)	(9.6%)	
93,488	87,807	(5,681)	(6.1%)	
(240,804)	(183,413)	57,391	23.8%	
928,137	873,099	(55,038)	(5.9%)	
202,797	206,934	4,137	2.0%	
174,503	199,009	24,506	14.0%	
217,008	234,171	17,163	7.9%	
336,303	326,185	(10,118)	(3.0%)	
1,659,474	1,827,316	167,842	10.1%	
713,764	544,787	(168,977)	(23.7%)	
316,560	347,841	31,281	9.9%	
341,946	208,521	(133,425)	(39.0%)	
232,798	271,106	38,308	16.5%	
6,921,211	6,702,037	(219,174)	(3.2%)	

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	

BUDGET FORECAST 2013/14					RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			
£	£	£	%		
2,555,105	2,487,515	(67,590)	(2.6%)	L	
142,908	138,908	(4,000)	(2.8%)	L	
(255,269)	(190,269)	65,000	25.5%	H	
1,103,600	1,103,600	0	0.0%	L	
270,508	288,008	17,500	6.5%	L	
318,817	301,317	(17,500)	(5.5%)	H	
270,797	291,797	21,000	7.8%	M	
432,313	343,313	(89,000)	(20.6%)	L	
2,182,061	2,282,061	100,000	4.6%	M	
952,019	942,019	(10,000)	(1.1%)	M	
365,375	327,375	(38,000)	(10.4%)	L	
451,071	429,071	(22,000)	(4.9%)	L	
240,668	290,668	50,000	20.8%	L	
9,029,973	9,035,383	5,410	0.1%		
Total Net Forecast Outturn (after remedial action)					
9,029,973	9,035,383	5,410	0.1%		

Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
1	The service has been charged external businesses for contributions for bedding plants. In addition a small amount of funding has been received from the Football foundation towards park equipment. Also selling equipment no longer needed has resulted in an additional £7,000 income. A repayment totalling £18,300 is being received in installments from English Landscapes following a previous over payment. Expenditure is being held back this year in order to offset the anticipated reduction in golf income.	(67,600)
2	Expenditure on seafront maintenance is being kept to a minimum in order to offset overspends in other areas of the service.	(4,000)
3	Poor weather conditions and a general downturn in the number of people playing golf has had an adverse impact on the number of customers visiting the golf course over this period. Income that received from green fees are significantly lower than anticipated, together with lower than expected season ticket sales.	65,000
7	Staff vacancies and the introduction of charging clients for activities organised by the Interaction Service have been used to partially fund the year 2 transformation savings approved in the City Council Budget Meeting February 2012.	21,000
8	The Windows 7 Upgrade costs of £66,000 in total have now been allocated across Cultural Services along with the unallocated year 2 transformation savings approved in the City Council Budget meeting February 2012. These were previously being held in this service area to be implemented after the Head of Service responsibility changes. Unbudgeted costs of £11,000 for the City of Culture bid have also been incurred. A recharge of management costs of £93,000 to PRED will be processed to reflect the time and cost of management support for the City Development Service which will offset overspending in other areas of the service.	(89,000)
9	The savings approved in the February 2013 budget have not been fully achieved and this pressure has been increased by the reduction in the budget of £52,000 to fund the Libraries share of the Windows 7 programme. Utility and cleaning costs are more than budgeted and there has been a reduction in the amount of income being received. Expenditure is being held back on the book fund to mitigate some of the projected overspend. The remaining overspend will be offset by the management recharge from PRED above.	100,000
10	There are staff vacancies in the service which are contributing towards the underspend. This will be used to offset the variances above.	(10,000)
11	A staff vacancy in the service is contributing towards the projected underspend.	(38,000)
12	The service has been re-organised in 2013/14 in order to deliver the transformation savings approved in February 2012. Expenditure on supplies and services has reduced as a result.	(22,000)
13	It was agreed at the beginning of the year that the existing programme of events would continue into 2013/14. In order to achieve this, budget provision has been made by reducing expenditure in other areas of Cultural Services.	50,000
TOTAL PROJECTED VARIANCE		5,400

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO Environment & Community Safety

BUDGET	1,069,851	Corporate Assets, Business & Standards
	66,900	City Development & Cultural Services
	12,787,585	Transport and Street Management
	2,342,031	Community Safety
TOTAL CASH LIMIT	16,266,367	

CHIEF OFFICER Kathy Wadsworth

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

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ITEM No.	BUDGET HEADING
1	Environmental Protection
2	Environment Admin & Management
3	Community Safety Administration & Management
4	Environmental Health - Commercial Services
5	Port Health
6	Trading Standards
7	Welfare Burials
8	Refuse Collection
9	Waste Disposal
10	Waste Recycling
11	Street Enforcement
12	Public Conveniences
13	Street Cleansing
14	Clean City
15	Built Environment
16	Control Of Dogs
17	Projects & Procurement Management
18	Sea Defences And Drainage
19	Coastal Partnership
20	LATS
21	Cemeteries
22	Contaminated Land
23	Carbon Allowances
24	Motiv8
25	Hidden Violence And Abuse
26	Community Safety Strategy And Partnership
27	CCTV
28	PYOP
29	Community Wardens
30	Anti Social Behaviour Unit
31	Substance Misuse (including Alcohol)
32	Civil Contingencies (Emergency Planning)
TOTAL	

BUDGET PROFILE 2013/14			
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013	
£	£	£	%
312,261	278,744	(33,517)	(10.7%)
8,520	12,096	3,576	42.0%
10,476	10,292	(184)	(1.8%)
191,036	150,904	(40,132)	(21.0%)
92	(11,065)	(11,157)	(12127.2%)
230,474	271,203	40,729	17.7%
8,934	8,206	(728)	(8.1%)
1,658,228	1,628,414	(29,814)	(1.8%)
3,820,715	3,516,620	(304,095)	(8.0%)
727,701	658,369	(69,332)	(9.5%)
166,505	158,529	(7,976)	(4.8%)
349,806	331,602	(18,204)	(5.2%)
2,170,152	2,171,025	873	0.0%
2,997	4,705	1,708	57.0%
79,799	135,660	55,861	70.0%
58,501	50,574	(7,927)	(13.6%)
74,042	25,764	(48,278)	(65.2%)
220,519	149,484	(71,035)	(32.2%)
147,659	147,777	118	0.1%
		0	-
20,277	(18,683)	(38,960)	(192.1%)
87,660	43,261	(44,399)	(50.6%)
10,000	10,970	970	9.7%
81,800	82,049	249	0.3%
282,878	255,407	(27,471)	(9.7%)
294,701	32,353	(262,348)	(89.0%)
242,595	366,949	124,354	51.3%
0	534	534	-
603,720	623,375	19,655	3.3%
117,663	132,428	14,765	12.5%
7,622	(2,842)	(10,464)	(137.3%)
145,994	146,171	177	0.1%
TOTAL	11,370,875	(762,452)	(6.3%)

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	11,370,875

BUDGET FORECAST 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
411,602	387,102	(24,500)	(6.0%)	L
33,105	33,105	0	0.0%	L
13,973	13,973	0	0.0%	L
268,652	235,302	(33,350)	(12.4%)	M
10,183	(817)	(11,000)	(108.0%)	M
315,414	364,014	48,600	15.4%	M
16,922	15,722	(1,200)	(7.1%)	L
2,529,927	2,416,221	(113,706)	(4.5%)	H
4,533,786	4,504,159	(29,627)	(0.7%)	H
1,120,654	1,013,332	(107,322)	(9.6%)	L
205,672	227,327	21,655	10.5%	M
471,318	471,318	0	0.0%	M
2,894,694	2,894,694	0	0.0%	L
4,000	4,000	0	0.0%	L
104,622	160,347	55,725	53.3%	L
91,107	87,426	(3,681)	(4.0%)	H
102,129	24,873	(77,256)	(75.6%)	M
330,679	329,343	(1,336)	(0.4%)	L
158,785	158,785	0	0.0%	M
		0	-	H
40,212	29,212	(11,000)	(27.4%)	L
66,900	66,900	0	0.0%	L
200,000	200,000	0	0.0%	L
81,800	82,049	200	0.2%	L
377,170	385,220	8,100	2.1%	L
392,935	314,598	(78,300)	(19.9%)	L
323,460	306,737	(16,700)	(5.2%)	L
0	534	500	-	L
804,960	801,100	(3,900)	(0.5%)	L
156,884	157,269	400	0.3%	L
10,163	30,991	20,800	204.7%	L
194,659	194,199	(500)	(0.3%)	L
TOTAL	15,909,035	(357,398)	(2.2%)	

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	15,909,035

Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO	Health & Social Care
BUDGET	49,900,843
TOTAL CASH LIMIT	49,900,843
CHIEF OFFICER	Julian Wooster
MONTH ENDED	December 2013

Risk indicator	
Low	L
Medium	M
High	H

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ITEM No.	BUDGET HEADING
1	Shared Lives Team
2	In House - Residential Care
3	Day Care
4	Learning Disabilities - Russetts/PDS/PFI (Units)
5	Portsmouth Rehabilitation and Reablement Team (PRRT)
6	Adults Social Work & Care Management (Commissioning - Fieldwork)
7	Adults Social Work & Care Management (Commissioning - Residential)
8	Adults Social Work & Care Management (Commissioning - Nursing)
9	Adults Social Work & Care Management (Commissioning - Domiciliary)
10	Adults Social Work & Care Management (Commissioning - Other)
11	Learning Disabilities Commissioning
12	Joint Commissioning (Mental Health and Substance Misuse)
13	Management, Support and Premises
14	Joint Commissioning (Other)
15	Health Improvement and Development (HIDS)
16	Supporting People
17	PCC contribution to CHC Pool
18	Sexual Health Mandatory - services
19	Sexual Health Non Mandatory - services
20	Smoking
21	Children 5-19 Programme
22	Health Checks
23	Obesity
24	Substance Misuse
25	Public Health Advice
26	Miscellaneous Public Health Services
27	European Integration Fund
28	Big Lottery
29	Chances 4 change
TOTAL	

BUDGET PROFILE 2013/14				
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013		
£	£	£		%
141,830	128,733	(13,097)		(9.2%)
2,869,680	3,112,792	243,112		8.5%
405,610	5,225,018	4,819,408		1188.2%
2,113,620	2,493,826	380,206		18.0%
776,550	484,280	(292,270)		(37.6%)
2,343,540	2,206,797	(136,743)		(5.8%)
(1,335,640)	(1,598,066)	(262,426)		(19.6%)
(1,460,110)	(1,420,806)	39,304		2.7%
(2,215,800)	(2,273,347)	(57,547)		(2.6%)
373,050	495,155	122,105		32.7%
(76,580)	(71,292)	5,288		6.9%
3,486,040	3,730,246	244,206		7.0%
303,520	1,633,345	1,329,825		438.1%
1,093,110	1,539,023	445,913		40.8%
838,270	854,871	16,601		2.0%
4,556,250	4,175,251	(380,999)		(8.4%)
23,450,410	23,723,163	272,753		1.2%
2,371,380	2,272,619	(98,761)		(4.2%)
118,500	106,353	(12,147)		(10.3%)
1,058,420	817,472	(240,948)		(22.8%)
596,010	484,503	(111,507)		(18.7%)
315,090	156,280	(158,810)		(50.4%)
537,840	428,523	(109,317)		(20.3%)
3,892,540	1,762,389	(2,130,151)		(54.7%)
134,770	37,620	(97,150)		(72.1%)
(9,262,280)	(10,553,263)	(1,290,983)		(13.9%)
0	(62,281)	(62,281)		-
0	95,705	95,705		-
0	(12,679)	(12,679)		-
TOTAL	37,425,620	39,972,230	2,546,610	6.8%

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	0

BUDGET FORECAST 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
189,107	167,407	(21,700)	(11.5%)	H
3,826,239	3,761,324	(64,915)	(1.7%)	L
540,816	552,422	11,606	2.1%	M
2,818,154	2,740,782	(77,372)	(2.7%)	M
1,035,400	783,140	(252,260)	(24.4%)	H
3,124,718	2,982,400	(142,318)	(4.6%)	M
(1,780,853)	(1,907,000)	(126,147)	7.1%	H
(1,946,813)	(1,995,000)	(38,187)	2.0%	M
(2,954,403)	(3,014,500)	(60,097)	2.0%	M
497,395	425,745	(71,650)	(14.4%)	H
(102,100)	(101,751)	349	(0.3%)	L
4,648,052	4,819,169	171,117	3.7%	M
404,687	309,106	(95,581)	(23.6%)	H
1,457,481	1,515,429	57,948	4.0%	M
1,117,699	1,103,949	(13,750)	(1.2%)	L
6,075,000	6,093,900	18,900	0.3%	L
31,267,214	32,127,247	860,033	2.8%	M
3,161,845	3,082,473	(79,372)	(2.5%)	M
158,000	151,955	(6,045)	(3.8%)	M
1,411,230	1,376,514	(34,716)	(2.5%)	M
794,686	756,147	(38,539)	(4.8%)	M
420,126	355,620	(64,506)	(15.4%)	H
717,122	657,621	(59,501)	(8.3%)	H
5,190,058	5,156,530	(33,528)	(0.6%)	L
179,695	119,695	(60,000)	(33.4%)	H
(12,349,712)	(11,973,505)	376,207	(3.0%)	M
0	0	0	0.0%	L
0	0	0	0.0%	L
0	0	0	0.0%	L
TOTAL	49,900,843	50,056,819	155,976	0.3%

Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO Housing

BUDGET 849,800 Corporate Assets, Business & Standards Includes £186K CL Adj for green deal and licencing, awaiting reversal
1,439,300 Housing Management

TOTAL CASH LIMIT 2,289,100

CHIEF OFFICERS Kathy Wadsworth & Margaret Geary

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

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ITEM No.	BUDGET HEADING
1	Housing Strategy - General
2	Registered Social Landlords
3	Housing Advisory Service
5	Housing Enabling
7	Private Leased Properties
8	Homeless Prevention
9	Community Alarms / Rent Insurance
10	Wardens Welfare (Sheltered Housing)
11	Youth & Play Shared Services with the HRA
12	De Minimis Capital Receipts
13	Other Council Property
14	Works in Default / Properties in Default
15	Housing Standards
16	Houses in Multiple Occupation
17	Houses in Single Occupation
18	Home Check scheme
19	Controlling Orders
20	Mortgages
21	Green Deal
22	Low Rise Houses in Multiple Occupation Licensing

BUDGET PROFILE 2013/14				
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013		
£	£	£	%	
138,412	104,725	(33,687)	(24.3%)	
47,376	44,994	(2,382)	(5.0%)	
194,499	163,537	(30,962)	(15.9%)	
68,949	62,913	(6,036)	(8.8%)	
(77,454)	(103,598)	(26,144)	(33.8%)	
587,736	694,786	107,050	18.2%	
(67,464)	(62,738)	4,726	7.0%	
55,476	27,700	(27,776)	(50.1%)	
329,573	314,956	(14,617)	(4.4%)	
(95,886)	(73,708)	22,178	23.1%	
(11,772)	(18,613)	(6,841)	(58.1%)	
(6,003)	(1,882)	4,121	68.6%	
518,743	476,353	(42,390)	(8.2%)	
(19,791)	(43,750)	(23,959)	(121.1%)	
(702)	(267)	435	62.0%	
64,122	54,936	(9,186)	(14.3%)	
2,997	0	(2,997)	(100.0%)	
0	10	10	-	
0	17,369	17,369	-	
0	77,331	77,331	-	

BUDGET PROFILE 2013/14					RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget To December 2013			
£	£	£	%		
183,254	140,789	(42,465)	(23.2%)	L	
63,190	63,190	0	0.0%	L	
259,440	259,440	0	0.0%	L	
91,970	91,970	0	0.0%	L	
(103,424)	(103,424)	0	0.0%	L	
771,084	771,084	0	0.0%	L	
(89,970)	(89,970)	0	0.0%	L	
74,000	74,000	0	0.0%	L	
438,200	438,100	(100)	(0.0%)	M	
(127,900)	(97,900)	30,000	23.5%	M	
(15,700)	(26,800)	(11,100)	(70.7%)	L	
(7,844)	(7,844)	0	0.0%	L	
691,390	646,605	(44,785)	(6.5%)	L	
(26,400)	(26,400)	0	0.0%	L	
(940)	(940)	0	0.0%	L	
84,750	67,512	(17,238)	(20.3%)	L	
4,000	0	(4,000)	(100.0%)	L	
0	0	0	-	L	
0	31,000	31,000	-	L	
0	155,000	155,000	-	L	

TOTAL 1,728,811 1,735,054 6,243 0.4%

TOTAL 1,728,811 1,735,054 6,243 0.4%

Total Value of Remedial Action (from Analysis Below)

0

Total Net Forecast Outturn (after remedial action)

2,289,100 2,385,412 96,312 4.2%

2,289,100 2,385,412 96,312 4.2%

Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
1	There is an ongoing review of Housing Strategy costs ahead of the approved 2014/15 saving. External advice is not being commissioned ahead of this saving although some costs are expected from the recent Housing Market Assessment.	(42,465)
12	Breaches of loans and grants conditions are less than forecast, this has resulted in a reduction in recovery of penalty repayments. New loans and grants that are offered have revised financial assessments.	30,000
13	Earlier prudent budgeting for vacant retail unit had forecast a full year void. However, as legal negotiations are still ongoing this rent continues to be paid by the previous tenant.	(11,100)
15	Private Housing enforcement and assistance projects have commenced, however due to department reorganisations they are now projected in some cases to continue into the next financial year. These projects include Landlord Accreditation, Un-Licensed gas fitters and Rogue Builders. It is anticipated that there will be no adverse affect on residents from a delayed start as good progress on impact is reported. It is expected that these projects will prove significant in providing appropriate support and protection for private housing owners and tenants which will enable housing in Portsmouth to be of sufficient long term quality.	(44,785)
18	Part year vacant post in Homecheck team currently held open ahead of the 2014/15 approved savings target.	(17,238)
21	There have been a number of legal changes within the Energy Act 2011 which has reduced eligibility, causing a reduction in the uptake of the Green Deal plans by customers. The anticipated overspend in 2013/14 is expected to be recovered through the receipt of income in the following year. The 5 year program is still anticipated to be at zero cost to the tax payer.	31,000
22	The income generated by the Additional Licensing program is less than anticipated due to landlords being given a period of 6 months in which to submit their licence applications. This 6 month period, which was not anticipated when setting the 2013/14 budget, finishes on the 27th February 2014. The anticipated overspend in 2013/14 is expected to be recovered through the receipt of the slipped income in the following year. The 5 year program is still anticipated to be at zero cost to the tax payer.	155,000
	Other variances	(4,100)
	TOTAL PROJECTED VARIANCE	96,312

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14	
PORTFOLIO	Leader
BUDGET	232,900
TOTAL CASH LIMIT	232,900
CHIEF OFFICER	
MONTH ENDED	December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Portsmouth Civic Award
2	Civic Pride
3	Lord Mayor
4	Lord Mayor's Events
5	Civic Events
TOTAL	

BUDGET PROFILE 2013/14				
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013		
£	£	£	%	
700	957	257	36.7%	
0	836	836	-	
80,600	87,441	6,841	8.5%	
3,900	4,943	1,043	26.7%	
100,500	92,311	(8,189)	-8.1%	
185,700	186,488	788	0.4%	

BUDGET FORECAST 2013/14					
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			RISK INDICATOR
£	£	£	%		
1,000	1,100	100	10.0%		L
0	-	0	-		L
106,200	114,200	8,000	7.5%		L
3,500	3,500	0	0.0%		L
122,200	122,200	0	0.0%		L
232,900	241,000	8,100	3.5%		

Total Value of Remedial Action (from Analysis Below)	0
Total Net Forecast Outturn (after remedial action)	232,900

232,900	241,000	8,100	3.5%		

Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
3	The agreement for selling typing services to Fareham Borough Council took longer to negotiate than had been expected resulting in lower levels of income this year. In addition to this lower than forecast levels of income are being achieved from third party use of the Lord Mayors Banqueting room.	8,000
	Other minor variations over the remaining budget headings	100
TOTAL PROJECTED VARIANCE		8,100

Remedial Action	Value of Remedial Action
	0
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
1	Reduction in expenditure (net of redundancy costs following the formation of the City Development Service) as a result of posts remaining vacant for much longer than originally anticipated during the transition period.	(47,000)
4	The underspend is as a result of vacant posts in the service. Income is also reduced as a result of the team having less capacity to proactively seek fee earning work.	(20,000)
7	Economic Development, Business and Standards - Additional one-off sponsorship of town centre activities and lower expenditure on Christmas lights and other seasonal events.	(44,485)
8	Enterprise Centres - upturn in occupancy levels has led to an over-recovery in income compared to budget.	(53,992)
9	PCMI Manufacturing Sales are below the original budget and the shortfall will be met within the PCMI service.	95,075
10	Employment, Learning and Skills - <i>Community Learning</i> , a staffing restructure was expected to be completed by the end of July but was subsequently finished in August. <i>Pride in Pompey</i> lost a significant external funding contract, with the funding being diverted to colleges. Further collaboration with the colleges is expected to replace this income stream but no formal agreement is expected to be in place until after April 2014.	63,000
13	Once City Council assets are declared surplus to requirements the holding and disposal costs become the responsibility of the Property Portfolio.	77,373
TOTAL PROJECTED VARIANCE		69,971

Note Remedial Action resulting in savings is shown in brackets

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO Planning Regeneration & Economic Development (Commercial Ferry Port)

BUDGET (5,551,600)

TOTAL CASH LIMIT (5,551,600)

CHIEF OFFICER Martin Putman

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	
	Income
1	Wharfage & Harbour Dues - Private Wharves
2	Tonnage Dues
3	Boat Dues
4	Cruise Operational Dues
5	Rents & Concessions
6	C.F.P - Operational Dues
7	- Ships Services
8	- Parking & Demurrage
9	Pilotage
10	Miscellaneous
11	Charges to Recoverable Schemes
	Total Income
	Operational Expenses
12	Direct Employee Expenses
13	Repairs & Maintenance
14	Fuel, Light, Cleaning & Water
15	Rent & Rates
16	Equipment, Furniture & Fittings
17	Uniforms
18	Other Hired & Contracted Services
19	Operating Leases
20	Use of Transport
21	Hire of Pilot Vessels
22	Recharged Works to Capital
23	Licences
	Total Operational Expenses
	Management and General Expenses
24	Direct Employee Expenses
25	Car Allowances
26	Advertising & General Office Expenses
27	Fixtures & Fittings
28	Travel, Subsistence & Conferences
29	Debt Management Expenses
30	Provision for Bad Debt
31	Subscriptions
32	Officer Recharges to Capital
33	Total Management and General Expenses
34	Total Working Expenses
	TOTAL CASH LIMIT

BUDGET PROFILE 2013/14			
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013	
£	£	£	%
(1,217)	(1,259)	(42)	(3.4%)
(559,349)	(500,353)	58,996	10.5%
(58,339)	(60,760)	(2,421)	(4.2%)
(203,400)	(208,763)	(5,363)	(2.6%)
(409,904)	(447,845)	(37,941)	(9.3%)
(9,845,103)	(10,046,079)	(200,976)	(2.0%)
(495,065)	(519,859)	(24,794)	(5.0%)
(77,913)	(75,008)	2,905	3.7%
(532,669)	(526,154)	6,515	1.2%
(190,456)	(215,638)	(25,182)	(13.2%)
(25,524)	(32,160)	(6,636)	(26.0%)
(12,398,939)	(12,633,878)	(234,939)	(1.9%)
3,321,257	3,375,170	53,913	1.6%
468,671	543,251	74,580	15.9%
365,846	262,771	(103,075)	(28.2%)
1,537,127	1,533,256	(3,871)	(0.3%)
160,872	150,842	(10,030)	(6.2%)
11,863	4,589	(7,274)	(61.3%)
795,209	720,470	(74,739)	(9.4%)
8,600	102,262	93,662	1089.1%
114,179	115,495	1,316	1.2%
87,034	81,886	(5,148)	(5.9%)
(84,568)	(53,843)	30,725	36.3%
1,700	1,521	(180)	(10.6%)
6,787,790	6,837,668	49,878	0.7%
880,488	875,233	(5,255)	(0.6%)
3,686	3,029	(657)	(17.8%)
140,582	125,418	(15,164)	(10.8%)
114,485	83,162	(31,323)	(27.4%)
12,496	7,919	(4,577)	(36.6%)
0	0	0	-
0	0	0	-
26,591	13,869	(12,722)	(47.8%)
(35,386)	(51,363)	(15,977)	(45.1%)
1,142,942	1,057,268	(85,674)	(7.5%)
7,930,732	7,894,936	(35,796)	(0.5%)
(4,468,207)	(4,738,941)	(270,734)	(6.1%)

BUDGET PROFILE 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
(1,800)	(1,800)	0	0.0%	L
(746,100)	(746,100)	0	0.0%	M
(79,900)	(79,900)	0	0.0%	L
(203,400)	(213,400)	(10,000)	(4.9%)	L
(503,100)	(545,100)	(42,000)	(8.3%)	M
(12,418,700)	(12,422,900)	(4,200)	(0.0%)	H
(703,600)	(713,600)	(10,000)	(1.4%)	H
(100,600)	(100,600)	0	0.0%	M
(656,700)	(664,700)	(8,000)	(1.2%)	M
(213,700)	(216,700)	(3,000)	(1.4%)	L
(38,300)	(38,300)	0	0.0%	L
(15,665,900)	(15,743,100)	(77,200)	(0.5%)	
4,079,900	4,087,200	7,300	0.2%	M
803,300	803,300	0	0.0%	H
548,700	548,700	0	0.0%	H
1,619,000	1,619,000	0	0.0%	M
172,900	182,900	10,000	5.8%	L
17,800	17,800	0	0.0%	L
1,135,800	1,115,800	(20,000)	(1.8%)	H
8,600	7,400	(1,200)	(14.0%)	L
155,600	159,600	4,000	2.6%	L
128,000	130,000	2,000	1.6%	M
(126,900)	(126,900)	0	0.0%	M
1,700	1,700	0	0.0%	L
8,544,400	8,546,500	2,100	0.0%	
1,177,400	1,180,900	3,500	0.3%	M
5,400	5,400	0	0.0%	L
212,700	212,700	0	0.0%	M
171,800	171,800	0	0.0%	M
17,000	15,000	(2,000)	(11.8%)	L
0	0	0	-	L
5,000	5,000	0	0.0%	L
35,500	35,500	0	0.0%	M
(54,900)	(60,900)	(6,000)	(10.9%)	M
1,569,900	1,565,400	(4,500)	(0.3%)	
10,114,300	10,111,900	(2,400)	(0.0%)	
(5,551,600)	(5,631,200)	(79,600)	(1.4%)	

Note All figures included above exclude Capital Charges, Levies and Insurances

Total Value of Remedial Action (from Analysis Below)

0

Total Net Forecast Outturn (after remedial action)

(5,551,600) (5,631,200) (79,600) (1.4%)

ANALYSIS OF NET PROFIT

35	Insurance	0	550	550	-	280,000	280,000	0	0.0%
36	Support Service Charges	0	0	0	-	400,000	400,000	0	0.0%
37	Impairment	0	0	0	-	750,000	750,000	0	0.0%
38	Depreciation	0	0	0	-	3,000,000	3,000,000	0	0.0%
39	IAS 19 Superannuation	0	0	0	-	100,000	100,000	0	0.0%
40	Employee Benefit Accrual	0	(46,088)	(46,088)	-	0	0	0	-
41	Purchased Leave	0	(5,718)	0	-	(7,764)	(7,764)	0	0.0%
42	Net (Profit) / Loss	(4,468,207)	(4,790,197)	(321,990)	(7.2%)	(1,029,364)	(1,108,964)	(79,600)	7.7%

Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
Income	Cruise Operational Dues are forecast to have a favourable variance of £10,000 due to an unbudgeted cruise call in March 14. Rents & Concessions are expected to have a favourable variance of £42,000 due to an end of year contract adjustment for the car parking contract. CFP Operational Dues are forecast to be above budget by £4,200 due to adverse freight figures for Brittany Ferries offset by increased freight for Condor and DFDS, adverse passenger figures for DFDS, and an increase in other dues resulting from tugs using the Port. Ships Services are expected to be above estimate by £10,000 due to the lay-by of tugs using the Port and a small amount of lay-by for DFDS. Pilotage is forecast to be above estimate by £8,000 due to pilotage acts taking place on behalf of Portsmouth Naval Base for dredging and other works in the dockyard.	(77,200)
Operational Expenses	Direct Employee Expenses are forecast to be above estimate by £7,300 due to additional pilotage acts and increased overtime due to sickness and vacant posts, partly offset by sickness half pay and the extension of a secondment. Equipment, Furniture & Fittings is forecast to have an adverse variance of £10,000 due to the need to replace the ageing VHF radio aerial. Other Hired & Contracted Services is forecast to be below budget by £20,000 due to an anticipated saving in security due to the implementation of a new security contract and the continued reduction in labour for the road sweeper.	2,100
Management and General Expenses	Direct Employee Expenses are forecast to have an adverse variance of £3,500 due to medical referee costs and an increase in IT call out activity. Travel, Subsistence & Conferences is expected to be £2,000 below budget due to a general reduction in travel undertaken. Officer Recharges to Capital is forecast to have a favourable variance of £6,000 due to officer time spent on capital schemes being higher than budgeted.	(4,500)
TOTAL PROJECTED VARIANCE		(79,600)

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO	Resources
BUDGET	23,749,023
TOTAL CASH LIMIT	23,749,023
CHIEF OFFICER	Various
MONTH ENDED	December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Miscellaneous Expenses
2	HR, Legal and Performance
3	Transformation Workstream Investment
4	Customer & Community Services
5	Grants & Support to the Voluntary Sector
6	Financial Services
7	Information Services
8	AMS Design & Maintenance
9	Property Services
10	Landlords Repairs & Maintenance
11	Spinnaker Tower
12	MMD Crane Rental
13	Administration Expenses
14	Council Tax Benefits
15	Housing Benefit - Rent Allowances
16	Housing Benefit - Rent Rebates
17	Local Taxation
18	Local Welfare Assistance Scheme
19	Benefits Administration
20	Discretionary Non-Domestic Rate Relief
21	Land Charges
22	Democratic Representation & Management
23	Corporate Management

BUDGET PROFILE 2013/14				
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013		
£	£	£	%	
115,800	120,002	4,202	3.6%	
2,684,500	2,499,374	(185,126)	(6.9%)	
0	253,459	253,459	-	
1,321,300	1,278,940	(42,360)	(3.2%)	
610,000	589,264	(20,736)	(3.4%)	
4,057,800	3,972,364	(85,436)	(2.1%)	
3,047,700	2,884,875	(162,825)	(5.3%)	
927,600	878,969	(48,631)	(5.2%)	
145,000	112,895	(32,105)	(22.1%)	
800,900	690,409	(110,491)	(13.8%)	
(200,000)	(190,264)	9,736	4.9%	
(289,100)	(289,114)	(14)	(0.0%)	
3,500	(773)	(4,273)	(122.1%)	
0	123	123	-	
(505,000)	(437,999)	67,001	13.3%	
(103,000)	(149,547)	(46,547)	(45.2%)	
1,570,100	1,544,489	(25,611)	(1.6%)	
650,000	683,999	33,999	5.2%	
1,520,000	1,395,472	(124,528)	(8.2%)	
0	0	0	-	
(53,700)	(57,815)	(4,115)	(7.7%)	
987,100	963,839	(23,261)	(2.4%)	
1,091,965	1,146,221	54,256	5.0%	

BUDGET PROFILE 2013/14					RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget			
£	£	£	%		
149,823	109,600	(40,223)	(26.8%)	M	
3,297,600	3,337,000	39,400	1.2%	M	
0	396,000	396,000	-	L	
1,693,900	1,698,900	5,000	0.3%	L	
719,200	719,200	0	0.0%	L	
5,139,500	5,053,000	(86,500)	(1.7%)	M	
4,592,400	4,542,400	(50,000)	(1.1%)	M	
1,234,100	1,192,300	(41,800)	(3.4%)	M	
284,000	261,600	(22,400)	(7.9%)	H	
1,293,600	1,293,600	0	0.0%	H	
(350,000)	(350,000)	0	0.0%	H	
(385,400)	(385,400)	0	0.0%	L	
5,000	1,500	(3,500)	(70.0%)	M	
0	100	100	-	M	
(679,200)	(729,700)	(50,500)	(7.4%)	H	
(148,600)	(117,300)	31,300	21.1%	H	
1,329,000	1,326,000	(3,000)	(0.2%)	L	
726,200	684,000	(42,200)	(5.8%)	L	
2,343,600	2,256,500	(87,100)	(3.7%)	M	
179,500	123,300	(56,200)	(31.3%)	L	
(82,400)	(79,500)	2,900	3.5%	M	
1,212,000	1,225,700	13,700	1.1%	M	
1,195,200	1,232,397	37,197	3.1%	M	

TOTAL	
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18,382,465	17,889,182	(583,372)	(3.2%)
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23,749,023	23,791,197	42,174	0.2%
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Total Value of Remedial Action (from Analysis Below)	
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(396,000)

Total Net Forecast Outturn (after remedial action)	
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23,749,023	23,395,197	(353,826)	(1.5%)
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Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
2	The HR, Legal and Performance Management budget is currently forecast to be overspent due to a shortfall in predicted income within Legal services. This has arisen because there has been a shift of resources to provide support to corporate project feasibility work as opposed to fee earning work.	39,400
3	The initial investment for the Transformation Workstream Business Cases was agreed by City Council on 11th October 2011. As expenditure is incurred, a release from the Medium Term Resource Strategy reserve will be actioned to fund these costs.	396,000
6	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(86,500)
7	It is likely that Information Services will deliver an underspend of £50,000 at the end of the financial year due to a high number of leavers from the service. Although the recruitment campaign to replace these key staff is proving very successful and posts are gradually being filled, savings have been made from the vacancies. A conscious decision has been made to preserve these savings to support other pressures within the portfolio.	(50,000)
8	The underspend is due to a review of the despatch service and the impending changes to primary school meal provision. As a result of this it has been decided to delay the purchase of a replacement vehicle until after April 2014 as it is anticipated that existing school meal deliveries will change and further deliveries added to the schedule. The procurement of any vehicles will only be undertaken when the outcome of this is known. In addition to this there is a staff saving due to the proactive holding of vacant posts in order to help meet future years savings targets.	(41,800)
9	There is a staffing underspend due to the difficulty in recruiting to 3 separate posts. One of these, a 1 year project post to review the Investment Property Portfolio Assets, has now been filled and the other two posts are currently subject to a recruitment process.	(22,400)
18	The Local Welfare Assistance scheme is a limited fund that can only be used to support those in greatest need, providing help towards the funding of emergencies and exceptional expenses. Based upon the claims made to date this budget is forecast to be underspent, however, the number and value of claims could change, therefore the position will be kept under review.	(42,200)
19	Underspend due to holding of vacancies where possible in order to prepare for savings requirements in future years.	(87,100)
20	Under the non-domestic rate regulations any award of discretionary relief is now split 50:50 between the billing authority and central government. Previously the split was 75:25 so the City Council's contribution has dropped from 75% to 50% of the total amount awarded.	(42,200)
	Other minor variations over the remaining budget headings	(21,026)
	TOTAL PROJECTED VARIANCE	42,174

Remedial Action	Value of Remedial Action
The Head of Service continues to work to reduce the income shortfall by where possible diverting resources to maximise the amount of fee earning work. Any non urgent expenditure has also been frozen to the end of the financial year.	
A planned release from the MTRS Reserve will fully meet the costs of the approved Transformation Business Cases	(396,000)
TOTAL VALUE OF REMEDIAL ACTION	(396,000)

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14	
PORTFOLIO	Traffic & Transportation
BUDGET	15,871,892
TOTAL CASH LIMIT	15,871,892
CHIEF OFFICER	Kathy Wadsworth
MONTH ENDED	December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Off-Street Parking
2	Road Safety & Sustainable Transport
3	Network Management
4	Highways Infrastructure
5	Highways Routine
6	Highways Street Lighting (Electricity)
7	Highways Design
8	Travel Concessions
9	Passenger Transport
10	Integrated Transport Unit
11	School Crossing Patrol
12	Transport Policy
13	Feasibility Studies
14	Tri-Sail Maintenance
TOTAL	

BUDGET PROFILE 2013/14			
Budget Profile To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013	
£	£	£	%
(1,730,129)	(1,261,413)	468,716	27.1%
134,153	131,651	(2,502)	(1.9%)
418,853	397,643	(21,210)	(5.1%)
2,672,260	2,636,864	(35,396)	(1.3%)
2,229,960	2,150,782	(79,178)	(3.6%)
885,208	974,807	89,599	10.1%
(39,317)	(62,899)	(23,582)	(60.0%)
3,122,361	3,218,833	96,472	3.1%
(919,718)	(951,351)	(31,633)	(3.4%)
86,680	86,653	(27)	(0.0%)
122,949	213,684	90,735	73.8%
127,680	107,028	(20,652)	(16.2%)
110,350	155,188	44,838	40.6%
51,651	14,560	(37,091)	(71.8%)
-	-	-	-
7,272,941	7,812,030	539,089	7.4%

BUDGET FORECAST 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
(2,216,887)	(1,610,226)	606,661	27.4%	H
183,124	155,016	(28,108)	(15.3%)	M
615,476	611,476	(4,000)	(0.6%)	H
8,303,537	8,303,537	0	0.0%	L
3,078,114	3,051,157	(26,957)	(0.9%)	L
1,312,610	1,452,222	139,612	10.6%	H
(47,733)	(61,767)	(14,034)	(29.4%)	M
4,164,810	4,227,931	63,121	1.5%	M
(62,147)	(91,147)	(29,000)	(46.7%)	H
118,001	117,801	(200)	(0.2%)	L
164,000	285,000	121,000	73.8%	L
149,425	149,425	0	0.0%	L
40,662	63,561	22,899	56.3%	L
68,900	68,900	0	0.0%	M
15,871,892	16,722,886	850,994	5.4%	
	(850,994)			
15,871,892	15,871,892	0	0.0%	

Total Value of Remedial Action (from Analysis Below)
(850,994)
Total Net Forecast Outturn (after remedial action)
0

Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
1	Off Street Parking - The off street parking function continues to struggle to meet it cash limit, an increase in parking tariffs in the Seafront and District zones and a drier summer has reduced the deficit slightly	606,600
2	Costs are below budget due to lower Bikeability revenue expenditure and additional fee income generated from Student Road Safety Officers.	(28,100)
6	Consumption rates appear in line with budget, however there remains a large budget shortfall.	139,600
8	Overall concessionary fares reimbursements are higher than were budgeted.	63,100
9	Additional fee income has been achieved compared to the budget on the recharging of the Transport Planning Manager' time to capital schemes. Additionally a saving was made on the contract costs of the newly retendered subsidised bus routes. This will be factored into next years budget.	(29,000)
11	School Crossing Patrols - A saving of £200,000 was approved by the City Council in February 2013. It was the service's intention that the remaining funding would be passed out to schools who would then be responsible for providing their own school crossing patrols. However, the service has since been advised that this would require lengthy and complex consultation with each governing body at each school which in effect has meant that this saving cannot be achieved.	121,000
	Other Variances	(22,206)
TOTAL PROJECTED VARIANCE		850,994

Remedial Action	Value of Remedial Action
Transfer from Off Street Parking reserve	(850,994)
TOTAL VALUE OF REMEDIAL ACTION	(850,994)

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

COMMITTEE	Licensing
BUDGET	(116,700)
TOTAL CASH LIMIT	(116,700)

CHIEF OFFICER Michael Lawther

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Licensing Committee

BUDGET PROFILE 2013/14				
Budget To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013		
£	£	£	%	
6,500	9,414	2,914	44.8%	

BUDGET FORECAST 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
(116,700)	(163,809)	(47,109)	(40.4%)	L

TOTAL

6,500	9,414	2,914	44.8%
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(116,700)	(163,809)	(47,109)	(40.4%)
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Total Value of Remedial Action (from Analysis Below)	0
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Total Net Forecast Outturn (after remedial action)	(116,700)	(163,809)	(47,109)	(40.4%)
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Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
1	Additional net income arising from recent changes in legislation relating to scrap metal & motor salvage dealers which requires them to be licenced by the Local Authority from 2013/14. Previously these dealers were only required to be registered with the Local Authority. This net income is after direct costs associated with enforcement are deducted, but before the full indirect costs of administration and enforcement are taken into account.	(47,100)
TOTAL PROJECTED VARIANCE		(47,100)

Remedial Action	Value of Remedial Action
Total Value of Remedial Action	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

COMMITTEE	Governance, Audit and Standards Committee
BUDGET	201,600
TOTAL CASH LIMIT	201,600
CHIEF OFFICER	Michael Lawther
MONTH ENDED	December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Municipal Elections
2	Registration Of Electors
3	Registrar of Births, Deaths & Marriages
TOTAL	

BUDGET PROFILE 2013/14			
Budget To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013	
£	£	£	%
40,000	31,777	(8,223)	(20.6%)
125,500	116,232	(9,268)	(7.4%)
(95,000)	(122,534)	(27,534)	(29.0%)
70,500	25,475	(45,025)	(63.9%)

BUDGET FORECAST 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
52,300	51,300	(1,000)	(1.9%)	L
187,700	195,400	7,700	4.1%	L
(38,400)	(61,200)	(22,800)	(59.4%)	L
201,600	185,500	(16,100)	(8.0%)	

Total Value of Remedial Action (from Analysis Below) 0

Total Net Forecast Outturn (after remedial action)

201,600 **185,500** **(16,100)** **(8.0%)**

Note All figures included above exclude Capital Charges, Levies and Insurances
Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
2	New rules on Individual Electoral Registration has placed additional strain on the budget for this area as the Authority will need to contact each household more often than usual in order to confirm the data required for this legislative change.	7,700
3	It is expected that the Registrars will deliver an underspend at the end of the financial year due additional income for the chargeable services that it delivers. A conscious decision has been made to preserve these savings to support other pressures within the portfolio. Going forward this additional income will help the service achieve future increased income targets as a contribution to the City Council's budget savings strategy.	(22,800)
TOTAL PROJECTED VARIANCE		(15,100)

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO Other Expenditure

BUDGET 781,000 Levies

TOTAL CASH LIMIT 781,000

CHIEF OFFICER Michael Lawther

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Environment & Flood Defence Agency
2	Coroners
3	Southern Sea Fisheries
TOTAL	

BUDGET PROFILE 2013/14			
Budget To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013	
£	£	£	%
48,400	35,770	(12,630)	(26.1%)
514,700	514,700	0	0.0%
46,400	36,610	(9,790)	(21.1%)
609,500	587,080	(22,420)	(3.7%)

Total Value of Remedial Action (from Analysis Below)

Total Net Forecast Outturn (after remedial action)

BUDGET FORECAST 2013/14				
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
£	£	£	%	
48,400	35,770	(12,630)	(26.1%)	M
686,200	686,200	0	0.0%	M
46,400	36,600	(9,800)	(21.1%)	L
781,000	758,570	(22,430)	(2.9%)	

0

781,000 758,570 (22,430) (2.9%)

Note All figures included above exclude Capital Charges and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
1		
TOTAL PROJECTED VARIANCE		0

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING DECEMBER 2013

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2013/14

PORTFOLIO	Other Expenditure
BUDGET	22,247,797 Asset Management Revenue Account
TOTAL CASH LIMIT	22,247,797

CHIEF OFFICER Michael Lawther

MONTH ENDED December 2013

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	External Interest Paid
2	External Interest Earned
3	Net Minimum Revenue Provision
TOTAL	

BUDGET PROFILE 2013/14			
Budget To End December 2013	Actual To End December 2013	Variance vs. Profile To December 2013	
£	£	£	%
11,031,735	11,020,757	(10,978)	(0.1%)
(642,662)	(2,585,256)	(1,942,594)	(302.3%)
0		0	-
10,389,073	8,435,501	(1,953,572)	(18.8%)

BUDGET FORECAST 2013/14				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
18,448,993	18,448,993	0	0.0%	H
(3,304,540)	(3,304,540)	0	0.0%	H
7,103,344	7,103,344	0	0.0%	M
22,247,797	22,247,797	0	0.0%	

Total Value of Remedial Action (from Analysis Below)

0

Total Net Forecast Outturn (after remedial action)

22,247,797 22,247,797 0 0.0%

Note All figures included above exclude Capital Charges, Levies and Insurances

Income/underspends is shown in brackets and expenditure/overspends without brackets

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2013/14

Item No.	Reason for Variation	Variance £
2	Return on investments higher than anticipated	0
3	Capital financing requirement lower than anticipated due to capital under spends in 2012/13	0
TOTAL PROJECTED VARIANCE		0

Remedial Action	Value of Remedial Action
TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

Agenda Item 8



Agenda item:

Decision maker: Cabinet – 3rd March 2014

Subject: Business Rates Discretionary Relief policy

Report By: Head of Revenues & Benefits

Wards affected: All

Key decision (over £250k): No

Forward Plan: No

1. Purpose of report

The purpose of this report is for Cabinet to approve, for implementation on 1st April 2014, Portsmouth City Council's local policy for Business Rates Discretionary Relief, updated to take account of Retail Relief, Unoccupied New Builds Relief & Re-occupation Relief.

2. Recommendations

Cabinet agree the following recommendations:

- i. **Approve the amended policy document (attached to this report): "Policy for the granting of Discretionary Non-Domestic Rate Relief"**
- ii. **Grant delegated authority to the Head of Revenues & Benefits to update Section 9 of the policy titled "Discretionary Relief - Re-occupation Relief" as soon as central Government issues guidance on this relief**

3. Background

Non-Domestic Rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally.

There are 3 policy changes that the Government intends that Local Authorities should implement:

- Exemption for all newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months.

- A business rates discount of up to £1,000 for any retail premises (including pubs, cafes, restaurants and charity shops) with a rateable value of up to £50,000 in 2014-15 and 2015-16.
- A reoccupation relief, giving new occupants of retail premises that had previously been empty for 12 months or more a 50% discount from business rates for 18 months between 1 April 2014 and 31 March 2016.

As the measures are temporary, the Government is not changing the legislation around the reliefs available to properties. It is expected that Local Authorities will provide these reliefs through discretionary powers.

These policy changes will be provided under discretionary relief powers (Section 47 of the Local Government Finance Act 1988) to grant relief in prescribed circumstances. It will be for individual local billing authorities to decide to grant relief under section 47 but central Government will fully reimburse Local Authorities for loss of retained business rate income (via a grant under Section 31 of the Local Government Act 2003) based on outturn of relief granted according to the guidance specified by central Government.

Specifically, in the Chancellor's autumn statement on 5th December 2012, it was confirmed that the Government would make grant payments under Section 31 of the Local Government Act 2003 to fund 100% of the cost of the following policy:

Exemption for all newly built commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months.

The Government has introduced this temporary measure for unoccupied new builds from October 2013. Unoccupied new builds will be exempt from unoccupied property rates for up to 18 months (up to state aid limits) where the property comes on to the list between 1st October 2013 and 30th September 2016. The 18 month period includes the initial 3 or 6 month exemption and so properties may, if unoccupied, be exempt from non-domestic rates for up to an extra 15 or 12 months.

As this is a temporary measure, the Government is not changing the rules on when a property becomes liable for empty property rates (which would be charged at 100%).

In the Chancellor's autumn statement on 5th December 2013, it was confirmed that the Government would make grant payments under Section 31 of the Local Government Act 2003 to fund 100% of the cost of the following policies:

A business rates discount of up to £1,000 for any occupied retail premises (including pubs, cafes, restaurants and charity shops) with a rateable value of up to £50,000 in 2014-15 and 2015-16.

Properties that will benefit from the relief will be occupied properties with a rateable value of £50,000 or less that are wholly or mainly being used as:

- Shops,
- Restaurants,
- Cafes
- Drinking establishments

This policy will follow Government guidance on what is meant by the terms shops, restaurants, cafes and drinking establishments. The definitions are held in Section 8 of the policy document (Appendix 1).

A reoccupation relief, giving new occupants of retail premises that had previously been empty for 12 months or more a 50% discount from business rates for 18 months between 1 April 2014 and 31 March 2016.

Central Government intends to introduce a 50% discount from non-domestic rates for new occupations of previously empty retail premises. The discount will last for 18 months and be available from 1st April 2014 until 31st March 2016.

Guidance has yet to be issued by Central Government. Therefore, this section of the policy will be updated as soon as the Government publishes guidance.

5. Equality impact assessment (EIA)

There are no equality implications to this policy / policy change.

6. Head of legal services' comments

There are no legal issues beyond those described in the body of the report.

7. Head of finance's comments

The financial implications of the proposals set out within this report are financially neutral to the Council since any loss in retained Business Rate income will be reimbursed by a grant from central government of equivalent value.

.....
Signed by:

Appendices:

Appendix 1 – Policy for the granting of Discretionary Non-Domestic Rate Relief

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

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

Title of document	Location

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

.....
Signed by:

Policy for the granting of Discretionary Non-Domestic Rate Relief

Version Control

<i>Version</i>	<i>Version date</i>	<i>Revised by</i>	<i>Description</i>
1	July 1998		Original policy
1.1	February 2002	V Lane	Update for leisure attractions & Guildhall
1.2	May 2013	V Fair	Update to new style
1.3	June 2013	C Lennard	Minor updates
2	February 2014	E Woodhouse	New discretionary reliefs

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief to be granted to certain defined ratepayers within the City Council's area.
- 1.2 The Local Government Finance Act 1988 and subsequent legislation requires the authority to grant mandatory relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise certain premises situated within a rural settlement area will be eligible for mandatory relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where the authority feels the granting of such relief would be of benefit to the local community.
- 1.3 Further guidance has also been received from Central Government in respect of the granting of relief for:
 - Unoccupied new structures (from 1st October 2013);
 - Retail relief (£1000) (from 1st April 2014); and
 - Retail reoccupation relief (from 1st April 2014).
- 1.4 Whilst the City Council is obliged to grant relief to premises, which fall within the mandatory category, the City Council also has powers to grant discretionary relief to ratepayers subject to certain criteria being met. In the case of new reliefs, guidance has been issued by Central Government outlining actions expected to be taken by local authorities.
- 1.5 Full details of the legislative requirements for both mandatory and discretionary relief are given within the following sections this report.
- 1.6 This document also outlines the following areas:
 - Details of the criteria for receiving Discretionary Relief for all relevant areas;
 - The Council's policy for granting of all types of Discretionary Relief;
 - Guidance on granting and administering the relief;
 - European Union requirements including provisions for State Aid; and
 - The Scheme of Delegation.
- 1.7 This policy covers all aspects of discretionary rate relief (subject to changes in legislation). Where organisations apply for relief they will be granted (or not granted) relief in line with the following policy.

2.0 Mandatory Relief - Legislative Background

Charity Relief

- 2.1 The powers relating to the granting of mandatory¹ and discretionary relief are given to the authority under the Local Government Finance Act 1988². Charities and Trustees for Charities are only liable to pay one fifth of the Non Domestic Rates that would otherwise be payable where property is occupied and used wholly or mainly for charitable purposes. This amounts to mandatory relief of 80%. For the purposes of the Act a charity is an organisation or trust established for charitable purposes, whether or not it is registered with the Charity Commission. The provision has recently been extended under the Local Government Act 2003 (effective from 1st April 2004) to registered Community Amateur Sports Clubs (CASCs).
- 2.2 The authority has discretion to grant relief of up to a further 20% for these cases under the discretionary provisions.

Rural Rate Relief

- 2.3 The City Council has no rural settlements within its area.

¹ S43 & S45 Local Government Finance Act 1988

² S47 & S48 Local Government Finance Act 1988

3.0 Discretionary Relief – Legislative Background

Introduction

- 3.1 The original purpose of discretionary relief was to provide assistance where the property does not qualify for mandatory relief, or to 'top' up cases where ratepayers already receive mandatory relief.
- 3.2 Over recent years and particularly since 2011, the discretionary relief provisions have been amended to allow authorities the flexibility to provide assistance to businesses and organisations. Recent announcements by Central Government have also allowed for relief:
- to be targeted to certain business ratepayers;
 - to encourage building of business premises even though the developer may not be able to sell or let the premises immediately;
 - to alleviate the effects of the recession; and
 - to encourage the use of retail premises which have been unoccupied for a period of time.
- 3.3 The range of bodies, which are eligible for discretionary rate relief, is wide and not all of the criteria laid down by the legislation will be applicable in each case.
- 3.4 Unlike mandatory relief, ratepayers are obliged to make a written application to the City Council.
- 3.5 The City Council is obliged to consider carefully every application on its merits, taking into account the contribution that the organisation makes to the amenities of the area. There is no statutory appeal process against any decision made by the Council although as with any decision of a public authority, decisions can be reviewed by Judicial Review.
- 3.6 Granting of the relief falls broadly into the following categories:
- a. Discretionary Relief – Charities who already receive mandatory relief.
 - b. Discretionary Relief – Premises occupied by organisations not established or conducted for profit whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts;
 - c. Discretionary Relief – Premises occupied by organisations not established or conducted for profit and wholly or mainly used for purposes recreation;
 - d. Discretionary Relief – Rural Rate relief - premises that already receive mandatory relief (not applicable to the City Council);
 - e. Discretionary Relief – Rural Rate relief - premises not receiving mandatory relief but of benefit to the local community and less than £16,500 RV (not applicable to the City Council);
 - f. Discretionary Relief – Granted under the Localism Act 2011 provisions
 - g. Discretionary Relief – Unoccupied New Structures (available from 1st October 2013);
 - h. Discretionary Relief - Retail relief (available from 1st April 2014);
 - i. Discretionary Relief - Reoccupation Relief (available from 1st April 2014).
- 3.7 The decision to grant or not to grant relief is a matter purely for the City Council although the general principles are a matter of concern to Central Government

and in the case of e., f., and g. above, Central Government has provided specific guidance and finance.

4.0 Charity Relief – Mandatory Relief recipients

General Explanation

- 4.1 S43 of the Local Government Finance Act 1988 allows mandatory relief (80%) to be granted on premises if the ratepayer is a charity or trustees for a charity and the premises are wholly or mainly used for charitable purposes. No charge is made in respect of unoccupied premises where it appears that *when next in use* it will be used wholly or mainly for those purposes.
- 4.2 The legislation has been amended by the Local Government Act 2003 (effective from 1st April 2004) to include registered³ Community Amateur Sports Clubs (CASC). These organisations can now receive the mandatory (80%) relief.

Charity registration

- 4.3 Charities are defined within the legislation as being an institution⁴ or other organisation established for charitable purposes only or by persons administering a trust established for charitable purposes only.
- 4.4 The question as to whether an organisation is a charity may be resolved in the majority of cases by reference to the register of charities maintained by the Charity Commissioners under s.4 of the Charities Act 1960. Entry in the register is conclusive evidence. By definition, under the Non Domestic Rating legislation, there is no actual need for an organisation to be a registered charity to receive the relief and this has been supported by litigation⁵, however in all cases the organisation must fall within the following categories:
- trusts for the relief of poverty;
 - trusts for the advancement of religion;
 - trusts for the advancement of education; and
 - trusts for other purposes beneficial to the community, but not falling under any of the preceding heads.
- 4.5 Certain organisations are exempted from registration generally and are not required to make formal application to the Charity Commissioners these are:
- the Church Commissioners and any institution administered by them;
 - any registered society within the meaning of the Friendly Societies Acts of 1896 to 1974 ;
 - units of the Boy Scouts Association or the Girl Guides Association; and
 - voluntary schools within the meaning of the Education Acts of 1944 to 1980
- 4.6 The authority would consider charitable organisations, registered or not, for mandatory relief.

³ Registered with HMRC as a CASC

⁴ S67(10) Local Government Finance Act 1988

⁵ Income Tax Special Commissioners v Pemsell (1891)

Use of Premises – wholly or mainly used

- 4.7 Irrespective of whether an organisation is registered as a charity or not, the premises must be wholly or mainly used for charitable purposes. This is essential if any relief (either mandatory or discretionary) is to be granted. In most cases this can be readily seen by inspection but on occasions the authority has had to question the actual use to which the premises are to be put.
- 4.8 Guidance from the Department of Communities and Local Government (DCLG) has stated that in the case of 'mainly', at least 51% must be used for charitable purposes whether of that charity or of that and other charities
- 4.9 The following part of this section gives details on typical uses where relief may be given plus additional criteria that have to be satisfied. The list is not exhaustive but gives clear guidance on premises for which mandatory relief can be granted *and therefore* premises which could be equally considered for discretionary rate relief.

Offices, administration and similar premises

- 4.10 Premises used for administration of the Charity including:
- Offices
 - Meeting Rooms
 - Conference Rooms

Charity shops

- 4.11 Charity shops are required to meet additional legislative criteria if they are to receive mandatory (and therefore discretionary) relief. Section 64(10) of the Local Government Finance Act 1988 provides that a property is to be treated as being wholly or mainly used for charitable purposes at any time if, at the time, it is wholly or mainly used for the sale of goods donated to a charity and the proceeds of the sale of the goods (after any deduction of expenses) are applied for the purposes of the charity.
- 4.12 In order to ascertain whether an organisation meets these requirements, inspections may be made by staff when an application is received

Charity Relief – Mandatory Relief recipients, the City Council's Policy

- 4.13 Organisations already in receipt of mandatory relief will not generally be eligible for discretionary relief but applications will be considered on their merits from charitable bodies & Community Amateur Sports Clubs, which can demonstrate that their activities are consistent with the City Council's core values and priorities, and tackling poverty strategy.
- 4.14 A decision to award discretionary relief and how much relief is given is only applicable to the financial year for which the application is made
- 4.15 A fresh application for discretionary relief will be necessary for each financial year.

5.0 Discretionary Relief – Non Profit Making Organisations including Recreation

General explanation

Non-Profit

- 5.1 The legislation⁶ allows the authority to grant discretionary relief where the property is not an *excepted* one and all or part of it is occupied for the purposes of one or more institutions or other organisations none of which is established or conducted for profit and each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts.
- 5.2 Relief cannot be granted to any premises occupied by the City Council, or any town or parish council (*excepted premises*).
- 5.3 A number of issues arise from the term ‘not established or conducted for profit’. This requires the authority to make enquiries as to the overall purpose of the organisation although if surpluses and such amounts are directed towards the furtherance or achievement of the objects of the organisation then it does not necessarily mean that the organisation was established or conducted for profit.⁷

Recreation Clubs

- 5.4 Ideally all recreation clubs should be encouraged to apply for CASC status, which would automatically entitle them to 80% relief whilst at the same time ensuring that no cost of the relief is borne by the authority.
- 5.5 Recreation Clubs can also apply to the Charity Commissioners for registration as a Charity (thereby falling under the mandatory provisions for 80% relief) where they meet the following conditions:
- a. The promotion of community participation in healthy recreation and by the provision of facilities for the playing of particular sports; and
 - b. The advancement of the physical education of young people not undergoing formal education.
- 5.6 Where sports clubs do not meet the CASC requirement, and are not registered charities, discretionary relief can be granted (0-100%) where the property is not an *excepted* one, it is wholly or mainly used for purposes of recreation and all or part of it is occupied for the purpose of a club, society or other organisation not established or conducted for profit.
- 5.7 Sport England can provide a definition of recreation for these purposes
- 5.8 Within this area the authority also considers whether the facilities provided relieve the authority of the need to do so, or enhance and supplement those that it does provide.

⁶ S47 Local Government Finance Act 1988

⁷ National Deposit Friendly Society v Skegness Urban District Council (1958)¹ and Guinness Trust (London Fund) v West Ham County Borough Council (1959)

Discretionary Relief - Non-Profit Organisations including Recreation – the City Council’s Policy

- 5.9 Applications will be considered from non-profit making organisations, which can demonstrate the following:
- a. That the activities of the organisation are consistent with the City Council's core values and priorities, and tackling poverty strategy;
 - b. That they are non-profit making associations, groups, clubs which are accessible to all potential users, possess a representative management group and are clearly accountable to users, beneficiaries and members (e.g. evidence of constitution, GM, membership and/or participation are required);
 - c. That the membership comprises mainly residents of Portsmouth or that activities are of direct benefit to residents of Portsmouth;
 - d. Both as an employer, and provider of services, the organisation shall seek to eliminate all forms of discrimination in its activities and shall undertake its work with due regard to the Race Relations Act 1976, the Sex Discrimination Act 1975, the Disability Discrimination Act 1996 and the City Council's own commitment to Equal Opportunities;
 - e. The organisation shall not discriminate on grounds of race, gender, disability or political or religious persuasion (except in so far as the objectives of the organisation specifically address one section or group within the community);
 - f. That its membership is committed financially through subscriptions and other fund raising activities to provide facilities etc., for the organisation and its membership;
 - g. That without relief the organisation may experience financial hardship.
- 5.10 Organisations already in receipt of grant aid from the City Council will not generally be eligible for discretionary relief.
- 5.11 A decision to award discretionary relief and how much relief is given is only applicable to the financial year for which the application is made.
- 5.12 A fresh application for discretionary relief will be necessary for each financial year.

6.0 Discretionary Relief – Localism Act 2011

General explanation

- 6.1 Section 69 of the Localism Act 2011 amended Section 47 of the Local Government Finance Act 1988. These provisions all authorities to grant discretionary relief in **any** circumstances where it feels fit having regards to the effect on the Council Tax payers of its area.
- 6.2 The provisions are designed to give authorities flexibility in granting relief where it is felt that to do so would be of benefit generally to the area and be reasonable given the financial effect to Council Tax payers.

Discretionary Relief – Localism – the City Council’s Policy

- 6.3 Applications will be considered from any ratepayer who wishes to apply however, where a ratepayer is suffering hardship or severe difficulties in paying their rates liability then relief can be granted under the existing provisions as laid down by Section 49 of the Local Government Finance Act 1988. There will be no requirement to grant relief in such cases under the City Council’s discretionary relief policy.
- 6.4 Any ratepayer applying for discretionary rate relief under these provisions and who does not meet the criteria for existing relief (charities, non profit making organisations or rural premises) must meet **all** of the following criteria and the amount of relief granted will be dependant on the following key factors:
- a. The ratepayer **must not** be entitled to mandatory rate relief (Charity or Rural Rate Relief);
 - b. The ratepayer **must not** be an organisation that could receive relief as a non profit making organisation or as a sports club or similar;
 - c. The ratepayer **must** occupy the premises (no discretionary rate relief will be granted for unoccupied premises);
 - d. The premises and organisation **must** be of *significant* benefit to residents of the City Council;
 - e. The premises and organisation **must** relieve the City Council of providing similar facilities;
 - f. The ratepayer **must**;
 - a. Provide facilities to certain priority groups such as elderly, disabled, minority groups, disadvantaged groups; **or**
 - b. Provide *significant* employment or employment opportunities to residents of the City; **or**
 - c. Provide the residents of the City with such services, opportunities or facilities that cannot be obtained locally or are not provided locally by another organisation;
 - g. The ratepayer **must** demonstrate that assistance (provided by the discretionary rate relief) will be for a *short time only* **and** that any business / operation is financially viable in the medium and long term; **and**
 - h. The ratepayer **must** show that the activities of the organisation are consistent with the City Council's core values and priorities, and tackling poverty strategy.

- 6.5 Where a ratepayer can demonstrate that **all** of the above criteria are met, relief will be considered for a period of one year.
- 6.6 A formal application from the ratepayer will be required in each case and any relief will be granted in line with State Aid requirements.

7.0 Discretionary Relief – Unoccupied New Structures

General explanation

- 7.1 Central Government announced in December 2012 that, it would exempt all newly built unoccupied commercial property completed between 1 October 2013 and 30 September 2016 from empty property rates for the first 18 months, up to the state aids limits.
- 7.2 As this is a temporary measure, the Government are not changing the rules on when a property becomes liable for empty property rates (which would be charged at 100%). Instead they are providing the exemption by reimbursing local authorities that use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant relief in prescribed circumstances.
- 7.3 It will be for the City Council to decide to grant relief under section 47 but Central Government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under s31 of the Local Government Act 2003) based on outturn of relief granted in the circumstances specified. Through this mechanism, central government will guarantee to reimburse local within the rates retention system.
- 7.4 In order to receive the relief, the premises will be all unoccupied non-domestic properties that are **wholly or mainly** comprised of qualifying **new structures**.
- ‘Structures’ means:
- a) foundations ;and/or
 - b) permanent walls; and/ or
 - c) permanent roofs.
- The definition of ‘new’ means;
- a. Completed less that 18 months previously; and
 - b. Completed after 1st October 2013 and before 30th September 2016.
- 7.5 New structures are to be considered completed when the building or part of the building of which they form part is ready for occupation for the purpose it was constructed unless a completion notice has been served in respect of such a building or part of a building – in which case it would be the date specified in that notice.
- 7.6 The relief runs with the property rather than the owner so subsequent owners may also qualify.
- 7.7 In all cases the relief will be subject to State Aid requirements as mentioned later in this policy.
- 7.8 In all cases, an inspection of the premises shall be made by an officer of the authority, prior to granting any relief

Discretionary Relief – Unoccupied New Structures – the City Council’s Policy.

- 7.9 The relief is designed to provide an incentive to owners, developers etc. to build new non-domestic premises without the fear of facing unoccupied property rate charges. Central Government is also prepared to finance the relief through the Business Rates Retention scheme. In view of this the City Council will grant the relief in accordance with Central Government guidance for all qualifying new structures.
- 7.10 An application from the ratepayer will be required in each case and any relief will be granted in line with State Aid requirements.
- 7.11 This exemption is available for unoccupied new structures that were completed between 1st October 2013 and 30th September 2016 and will be granted for a period of 18 months to include existing empty property exempt periods.

EXAMPLE

A simple example is a new build office that is unoccupied from the date it is completed for 18 months. In such a circumstance the ratepayer would not be required to pay rates for the first 3 months under the 2008 Regulations and then would benefit from 15 months new build empty property relief provided through section 47 of the Local Government Finance Act 1988.

8.0 Discretionary Relief – Retail Relief

General explanation

- 8.1 The Government announced in the Autumn Statement in December 2013 that it would allow for a relief of up to £1000 to all **occupied** retail properties with a rateable value of £50,000 or less in each of the years 2014/15 and 2015/16.
- 8.2 As this is a temporary measure only, the Government is not changing the legislation around the reliefs available to properties. Instead local authorities will use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief. It will be for individual authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47.
- 8.3 Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).
- 8.4 The Government expects local government to grant relief to qualifying ratepayers.
- 8.5 Properties that will benefit from the relief will be occupied properties with a rateable value of £50,000 or less that are **wholly or mainly** being used as:
- Shops;
 - Restaurants;
 - Cafes; and
 - Drinking establishments
- 8.6 This policy will follow Government guidance that considers shops, restaurants, cafes and drinking establishments to mean:
- i. Properties that are being used for the sale of goods to visiting members of the public:
- Shops (such as: florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores, supermarkets, etc.)
 - Charity shops
 - Opticians
 - Post offices
 - Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
 - Car/ caravan show rooms
 - Second hand car lots
 - Markets
 - Petrol stations
 - Garden centres
 - Art galleries (where art is for sale/hire)
- ii. Properties that are being used for the provision of the following services to visiting members of the public:
- Hair and beauty services (such as: hair dressers, nail bars, beauty salons, tanning shops, etc.)

- Shoe repairs/ key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/ TV/ domestic appliance repair
- Funeral directors
- Photo processing
- DVD/ video rentals
- Tool hire
- Car hire

iii. Properties that are being used for the sale of food and/ or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

- 8.7 To qualify for the relief the property should be wholly or mainly being used as a shop, restaurant, cafe or drinking establishment. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, properties which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.
- 8.8 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied retail uses that exist. There will also be mixed uses. However, it will be used as a guide as to the types of uses that government considers for this purpose to be retail. Properties not listed above which are broadly similar in nature to those above will be considered for the relief. Conversely, properties that are not broadly similar in nature to those listed above would not be eligible for the relief.
- 8.9 The list below sets out the types of uses that government does not consider to be retail use for the purpose of this relief. Again, it is for local authorities to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the relief under their local scheme.

i. Properties that are being used for the provision of the following services to visiting members of the public:

- Financial services (e.g. banks, building societies, cash points, bureau de change, payday lenders, betting shops, pawn brokers)
- Other services (e.g. estate agents, letting agents, employment agencies)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, tutors)
- Post office sorting office

ii. Properties that are not reasonably accessible to visiting members of the public

- 8.10 Central Government guidance gives a range of premises that may benefit from the relief and the City Council will use this when deciding entitlement. It is acknowledged that this is guidance and each application will be looked at on its own merits.
- 8.11 The total amount of relief available for each eligible property for each of the years under this scheme is up to £1000. The amounts will not vary with rateable value and there is no taper. There is no relief available under this scheme for properties with a rateable value of more than £50,000. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis for each day of occupation. It will be granted after the application of any other relief, which may be applicable and also be granted for all properties meeting the criteria.
- 8.12 Any amounts granted will be subject to State Aid requirements.

Discretionary Relief – Retail Relief – the City Council’s Policy.

- 8.13 The relief is designed primarily to assist businesses during the recession. Central Government is prepared to finance the relief through the Business Rates Retention scheme. In view of this the City Council will grant the relief in accordance with Central Government guidance for all qualifying premises.
- 8.14 An application from the ratepayer will be required in each case.
- 8.15 This relief will only be available during the financial years 2014/15 and 2015/16

9.0 Discretionary Relief – Reoccupation Relief

General explanation

- 9.1 Central Government intends to introduce a 50% discount from non-domestic rates for new occupations of previously empty retail premises. The discount will last for 18 months and be available from 1st April 2014 until 31st March 2016.
- 9.2 **Guidance has yet to be issued by Central Government**
It is expected that there will be no restrictions based on the type or size of business, which takes on the property.
It is anticipated that previously empty retail premises will need to have been unoccupied for at least twelve months and would include premises, which were used for:
- The sale of goods to visiting members of the public; and/or
 - The provision of services to visiting members of the public.
- This will be updated as soon as the Government publishes guidance**
- 9.3 As this is a temporary measure only, the Government is not changing the legislation around the reliefs available to properties. Instead local authorities will use their discretionary relief powers, introduced by the Localism Act (under section 47 of the Local Government Finance Act 1988, as amended) to grant relief. It will be for individual authorities to adopt a local scheme and decide in each individual case when to grant relief under section 47.
- 9.4 Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).
- 9.5 The Government expects local government to grant relief to qualifying ratepayers.
- 9.6 Any amounts granted will be subject to State Aid requirements.

Discretionary Relief – Retail Relief – the City Council’s Policy.

- 9.7 The relief is designed primarily to assist businesses during the recession and particularly in this case, to encourage the re-occupation of vacant retail premises. Central Government is prepared to finance the relief through the Business Rates Retention scheme. In view of this the City Council will grant the relief in accordance with Central Government guidance for all qualifying premises.
- 9.8 An application from the ratepayer will be required in each case.
- 9.9 This relief will be available for a maximum of 18 months between 1st April 2014 and 31st March 2016 and will not be allowable for any period after 31st March 2016.

10.0 Discretionary Relief – EU State Aid requirements

- 10.1 European Union competition rules generally prohibit Government subsidies to businesses. Relief from taxes, including non-domestic rates, can constitute state aid. The Council must bear this in mind when granting discretionary rate relief.
- 10.2 Rate relief for charities and non-profit making bodies is not generally considered to be state aid, because the recipients are not in market competition with other businesses. However, where other bodies receive relief and are engaged in commercial activities or if they are displacing an economic operator or if they have a commercial partner, rate relief could constitute state aid.
- 10.3 Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)⁸. The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
- 10.4 Where the relief to any one business is greater than the De Minimis level then permission will need to be obtained from the European Commission. In such cases the matter will be referred to the DCLG for advice and then referred back to the City Council for consideration.
- 10.5 In all cases, when making an application, ratepayers will be required to provide the City Council with sufficient information to determine whether these provisions are applicable in their case.

⁸ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

11.0 Administration of Discretionary Relief

- 11.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief. This is essentially laid down by legislation⁹

Applications and Evidence

- 11.2 Discretionary rate relief must be applied for in writing by the ratepayer. Application forms are produced within the City Council and issued to all ratepayers requesting the relief.
- 11.3 Organisations are required to provide a completed application form plus any such evidence, documents, accounts, financial statements etc. necessary to allow the authority to make a decision. Where insufficient information is provided, despite reminders, then no relief will be granted.

Granting of relief

- 11.4 In all cases, the City Council will notify the ratepayer of decisions made.
- 11.5 Where an application is successful, then the following is notified to them in writing:
- The amount of relief granted and the date from which it has been granted;
 - If relief has been granted for a specified period, the date on which it will end;
 - The new chargeable amount;
 - The details of any planned review dates and the notice that will be given in advance of a change to the level of relief granted; and
 - A requirement that the applicant should notify the authority of any change in circumstances that may affect entitlement to relief.
- 11.6 Where relief is not granted then the following information is provided, again in writing:
- An explanation of the decision within the context of the authority's statutory duty; and
 - An explanation of the appeal rights (see below).
- 11.7 Relief is to be granted from the beginning of the financial year in which the decision is made. Since 1997 decisions can be made up to 6 months after the end of the financial year for which the application was made. Where the relief is only available for a limited period as defined by Central Government then it will only be granted for that period.
- 11.8 A decision to award discretionary relief and how much relief is given is only applicable to the financial year for which the application is made.
- 11.9 A fresh application for discretionary relief will be necessary for each financial year.

⁹ The Non-Domestic Rating (Discretionary Relief) Regulations 1989

Variation of a decision

11.10 Variations in any decision will be notified to ratepayers as soon as practicable and will take effect as follows:

- Where the amount is to be increased due to a change in rate charge – from the date of the increase in rate charge;
- Where the amount is to increase for any other reason (other than a general termination of relief under Central Government guidelines)– takes effect at the expiry of a financial year, and so that at least one year’s notice is given;
- Where the amount is to be reduced due to a reduction in the rate charge – from the date of the decrease in rate charge;
- Where the amount is to be reduced for any other reason (other than a general termination of relief under Central Government guidelines) – takes effect at the expiry of a financial year, and so that at least one year’s notice is given

11.11 A decision may be revoked and the change will take effect at the expiry of a financial year (other than a general termination of relief under Central Government guidelines).

Appeal rights

11.12 Whilst there is no formal right of appeal except by judicial review, we are advised by Central Government to constitute a review panel of members where a decision is appealed and where the original decision has been made by officers under delegated powers.

12.0 Proposed Scheme of Delegation

Granting, Varying, Reviewing and Revocation of Relief

- 12.1 Under powers given to the authority by section 223 of the Local Government Act 1992, all permissions for the granting, varying, reviewing and revocation of discretionary relief given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011 be delegated to the Head of Revenues and Benefits.
- 12.2 The method of administration shall be that laid down within this policy document. The level of the discretionary relief shall be calculated in accordance with guidance given within this policy and determined by the Head of Revenues and Benefits
- 12.3 The policy for granting relief will be reviewed where there is a substantial change to the legislation or funding rules. At such time a revised policy will be brought before the relevant committee of the City Council.
- 12.4 The amount of funding to be provide by the City Council in respect of discretionary relief granted shall be determined by the S151 Officer/Head of Financial Services and approved by Council in the normal budgeting process.

Appeals

- 12.5 Where the authority receives an appeal from the ratepayer regarding the granting, non-granting or amount of any discretionary relief, in line with DCLG guidelines, the case will initially be reviewed by the Head of Revenues and Benefits in conjunction with the s151 Officer/Head of Financial Services. Where a decision is revised then the ratepayer shall be informed likewise if the original decision is upheld.
- 12.6 Where a further appeal is made the matter shall be referred to a panel of members (consisting of not less than three Council members) for a decision to be made.

Agenda Item 9



Portsmouth
CITY COUNCIL

INFORMATION REPORT

Agenda
item:

9

Title of meeting: Cabinet.

Date of meeting: 3rd March 2014.

Subject: Portsmouth City Council Flood Update

Report by: Simon Moon, Head of Service, Transport and Environment

Wards affected: All

1. Purpose of item

- 1.1 To inform Cabinet of storm damage and actions undertaken by officers in dealing with the exceptional weather conditions.
- 1.2 To advise on funding arrangements for emergency works and capital schemes and costs incurred to date on repairs.
- 1.3 To thank staff and outside Agencies for their work.

2. Background

Portsmouth has (along with the rest of the country) been subjected to unprecedented weather. This commenced with a major thunderstorm event on the evening of the 22nd of October followed by the St Jude storm on the 27th October, the East Coast storm surge on the 6th of December, high winds, rain and exceptional tides on the 23rd of December through to the 6th of January.

High rainfall and storm force winds continued into the first two weeks of February with amber weather alerts for gale force conditions and heavy rain becoming frequent notifications. Extreme storm conditions were experienced overnight on February 14th.

3. Information

- 3.1 The events have in themselves been exceptional and have produced some statistics that are worth repeating. The thunderstorm event of October 22nd deposited 26mm of rain on the city in barely 1 hour - this has been measured as a 1/36 year event. Southern water had both the main pumps at Eastney and the new sister pumping station fully operational to take this water away from the City.
- 3.2 Rainfall for the Solent and South Downs Area in December was measured at 205% of the long-term average (180mm) and in January this figure increased to 254% of the long term average with 217mm of rainfall. This is the highest monthly rainfall since 1910.
- 3.3 The storm surge of the 6th December produced a prolonged tide of 5.41 metres against the Old Portsmouth floodgates for nearly 2 hours. Spring tides increased levels to 5.51 metres in early January - these were accompanied by gale force south easterly winds.

3.4 Groundwater levels remain at exceptionally high levels throughout the city and cellar flooding and some overland flooding have been reported.

4. Damage Assessment, Mitigation and Actions

- Tree damage was sustained throughout the period, commencing with the St Jude Storm on the 27th October and culminating in the recent loss and precautionary felling of trees on the Tangiers Road. Tree surgeons have worked sensitively throughout the stormy weather often at night and out of hours in order to minimise disruption.
- Flooding of the Eastern Road on New Years' day, resulting in temporary Road Closure. This happened due to an extremely high tide and a South Easterly wind causing some wave over-topping of the defences. Future work to prevent this re-occurring has already commenced. A public consultation on options for the refurbishment of North Portsea Coastal defences will commence on 20th Feb at Anchorage lodge. A business case of which the Eastern Road defence is part will be put to the Environment Agency for approval in July 2014.
- Damage to the Seafront at Southsea Opposite the Model Village - Jan 4th - 6th. Concrete coping was displaced and hundreds of tonnes of shingle were deposited on the esplanade and road. This was removed and repaired as part of the PFI contract. This part of the Esplanade is being assessed as part of the Southsea Flood Defence Refurbishment Schemes. Public consultation on this scheme is due to commence in June/July 2014.
- Undercutting of the Esplanade at Southsea near the War Memorial Jan 4th - 6th. Remedial work has already been undertaken by Colas as part of the PFI contract. Further damage on 14th Feb.
- Hovercraft terminal shingle deposition. Jan 4th - 6th. Several thousand tonnes of shingle was deposited on the Hoverport Terminal Apron. This was removed in a joint venture by the operators and PCC. The operator has to clear the shingle and PCC need it to re-profile the beach where there is obvious shingle loss. This area is included in the Southsea Defence Refurbishment schemes.
- Southampton Road overtopping. Jan 4th - 6th. Coping stones were dislodged and a large amount of debris was deposited on the pathway. Repairs have been made and the debris removed. Further damage 14th Feb. Remedial work now completed.
- Flooding of the Pyramid Centre, Rock Gardens and Canoe Lake. 4th Feb. This was attributed to extremely unusual wind and tide conditions that caused overtopping of defences behind Southsea Castle and at the section of esplanade by Canoe Lake where the foreshore is very narrow. High waves and a SS Easterly wind coincided with a storm surge and high tide. These conditions have not been experienced before, and did not occur during higher tide levels over the New Year period. This over-topping will be addressed as part of the Southsea Scheme.
- South Parade Pier has sustained considerable damage to its forward boat deck. Remains of this structure were washed up on the beach at Southsea. The owners are aware and are in dialogue with our Seafront Management Team. A scheme is underway to prevent access under the pier whilst its structural condition remains unknown.
- Incremental damage is being sustained to Long Curtain Moat Sea Wall by continuous wave-action and high tides. The sea wall is being assessed on a daily basis. Colas have an instruction to undertake emergency repair work as soon as they can access the area safely. Further and more significant damage occurred at Long Curtain Moat on the 14th February. Temporary repairs are being undertaken to the structure and the millennium walkway will be re-opened when re-assessed by PCC structural engineers. (See 5.4).

- Ground water flooding is being assessed at Stanley Avenue to see if there is an appropriate and cost effective solution. It should be noted this does not affect residential properties and flooding is limited to an access track and garages at the rear of some properties.
- Throughout the stormy conditions officers have patrolled and monitored areas at risk to ensure that appropriate early responses can be taken.
- **Update Monday AM Further damage from Friday Storm**
- **Long Curtain Moat** Structural damage has been caused by high waves and the largest tide in seven years. This is being assessed **now** by PCC officers. The footpath has been closed and stabilisation of the existing structure is being treated as a priority. There has been damage to the gates at Sallyport and plates at the gunports have broken loose. Remedial work to these items will also commence as soon as possible. Guy Mason has been speaking to Cllr Wood regarding this.
- **Anchorage Park.** Officers held a tide watch at this location due to the forecast tide, but no problems were reported.
- **Flooding at Pier Road, Durisburg Road and Copnor Road.** Sheer volumes of water caused groundwater and surface water flooding at these locations. The Copnor Road flooding will be substantially reduced by the Surface Water Separation scheme which will divert water from this location to Great Salterns Lake and Pumping Station.
- **Rees Hall Students accommodation.** Sandbags were placed as a precaution in the location to prevent surface water flooding.
- **Property Flooding** To date no residential flooding has been reported, although residents of the Southampton Road were subject to hoax calls asking them to evacuate. This was dealt with by the Police. Mentioned on Sky News Feed.

5. Continuing work to build resilience and obtain funding

Over recent years we have taken a strategic approach to reducing flood risk in the city of Portsmouth. This has included working closely with our partners at the Environment Agency, Southern Water and Colas and this continues to be part of a long term flood risk management plan.

- 5.1 Despite record levels of rainfall there have been only a few instances of surface water flooding. This has been made possible through the efforts of PCC officers who have established and led a comprehensive gully cleansing programme now undertaken by Colas. This work is directly in line with the Pitt Review produced after the summer 2007 floods. The Report identified blocked gullies as a major source of surface water flooding. In the last year from March 2013, just under **16,000** gullies have been cleaned, with a target figure approaching **21,000** to be completed before the end of February 2014. This is huge achievement which has directly resulted in fewer surface water problems.
- 5.2 A series of surface water separation schemes are being undertaken by Southern Water throughout the City. PCC officers have been instrumental in the fast tracking of this work through planning permissions and building restrictions and have worked closely with the contractor to ensure delivery with minimum disruption. These individual projects will come 'on line' in late spring/early summer 2014 and will give even further resilience to the City. Approximately 6000 litres of surface water per second will be removed from the sewer system by this work, raising our standard of protection to 1/76 years (possibly higher) at a cost of over £20 million pounds funded directly by Southern Water. Further collaboration with Southern Water will soon commence which will identify more opportunities to reduce surface water flood risk.

- 5.3 PCC is currently undertaking options appraisal for the refurbishment of Coastal Flood Defences at North Portsea and Southsea. A business case for the approval of the North Portsea schemes will be presented to the Environment Agency For approval in June/July of this year. This item has already come before informal cabinet. The Southsea Schemes are due to start public consultation in June/July and will follow the North Portsea schemes for approval in 2015. Treasury guidelines currently state these schemes will qualify for full funding, but officers are keen to seek contributions from all parties to prioritise the schemes over and above others. Although no accurate costs have been identified other than those in the Portsea Island Strategy, funding could exceed £60 Million.
- 5.4 Officers are now working with the Environment Agency seeking opportunities to bring forward elements of the Southsea refurbishment work at Long Curtain Moat. Storm damage at this location effectively re-prioritises the need for wholesale replacement as opposed to ad-hoc repair.
- 5.5 A bid from PCC for funding to cover remedial repairs and clean-up operations has already been put to the Environment Agency for some £18.5K. This figure may rise due to the problems with the seawall at Long Curtain Moat.
- 5.6 Members should note that a substantial amount of the clean-up work both after and during the storms has been covered by the PFI contractor within the existing service agreement.
- 5.7 In accordance with the Flood and Water Management Act 2010, PCC has produced a Preliminary Flood Risk Assessment, a Surface Water Management Plan and finally a Flood Risk Management Strategy which sets out our aims and objectives for the next 5-10 years. This document has been produced in conjunction with our partners and stakeholders and with the approval of the Environment Agency.
- 5.8 Officers will look for funding opportunities which become available after the recent offer of financial assistance made by the Prime Minister in Parliament. However, the current level of damage may not qualify for emergency financial assistance under the existing Bellwin Scheme available to Councils for emergency work.
- 5.9 Officers from our Civil Contingency Unit have been instrumental in the work they have done at Netley with their colleagues in Hampshire for Emergency Response and have been asked to assist on-going County-wide operations. Coastal and Drainage Officers and The PFI Team continue to monitor and patrol, working to minimise both damage and risk.

Signed by: **Simon Moon**, Head of Service, Transport and Environment

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Appendices:

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

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

Title of document	Location
Photographs of recent storm damage	

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

.....
Signed by: Councillor Gerald Vernon-Jackson - Leader of the Council

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Agenda item:

Title of Meeting: Cabinet
Date of Meeting: 3 March 2014
Subject: Supporting children and young people to attend school/college through the provision of transport assistance
Report From: Julian Wooster, Director of Children's & Adults' Services
Report By: Meg Southcott, Strategy Adviser and Julia Katherine, Child Support Services Commissioning Manager
Wards Affected: All
Key Decision: Yes

1. Purpose of Report

- 1.1. In the context of diminishing funding from Central Government, the report makes recommendations to enable the City Council to reduce expenditure on home-to-school and home-to-college transport assistance whilst ensuring that vulnerable families in the City are protected and a fair and consistent process is applied to all families requesting transport assistance.
- 1.2. The recommendations take into account the Special Educational Needs and Disabilities (SEND) reforms¹, which will mean that from September 2014:
- Statements of special educational needs will be replaced with Education, Health and Care Plans (EHCPs) for children and young people aged 0 to 25.
 - Families with an EHCP will have the right to request a Personal Budget, giving young people and their parents/carers greater control over their finances and choice in decisions.
 - The new system will require improved cooperation between services that support children and their families, particularly requiring local authorities and health authorities to work together.

2. Recommendations

- 2.1. It is recommended that Members:
- Note the consultation process that has been undertaken (set out in **Sections 6 to 9**);
 - Acknowledge the consultation feedback (summarised in **Sections 10/11**);
 - Approve the recommendations set out below (detailed in **Sections 12/13**):
- a) Create a fairer and more consistent system by:
- i- Introducing a single application process that provides a holistic assessment of the child and their family's need.
 - ii- Providing transport assistance appropriate to the assessed need of the child/young person and their family.
 - iii- Expanding the current Inclusion Support Panel to take on the role of a new and more representative Transport Appeal Panel.

¹ Support and aspiration: a new approach to special educational needs and disability - progress and next steps

- b) Protect and support vulnerable families in the City by:
- i- Continuing to provide transport assistance to families with statutory entitlement.
 - ii- Increasing the current offer of support to pupils/students aged 0-25 whose families are assessed as in need.
 - iii- Introducing new exceptional circumstances criteria, which will replace the current discretionary criteria and will be based on an assessment of family need.
- c) Bring about reductions in expenditure by:
- i- Providing transport assistance at the lowest cost compatible with the Council's duty to safeguard and promote the welfare of children/young people.
 - ii- Providing subsidised transport for parents who can afford to contribute towards the cost of travel assistance i.e. means tested parental contributions.
 - iii- Increasing the mileage allowance provided to eligible parents/carers who transport their child to school, from 19p to 50p per mile.
 - iv- Exploring and implementing, where appropriate, a range of supporting strategies to remove the barriers to parents/carers transporting their children to school, including:
 - Offering independent travel training;
 - Working with schools to increase the number of breakfast/after school clubs where possible;
 - Introducing less expensive forms of travel such as 'Walking buses';
 - Selling 'privilege places' on existing home to school transport;
 - Exploring the child/young person's and parent/carer's eligibility to receive a blue badge. If entitled, a blue badge would give the parent/carer the ability to park close to the educational provision they are attending.
- d) Bring the new arrangements into effect alongside the SEND reform programme starting in September 2014.
- i- Give parents/carers the opportunity to have a Personal Budget. For example a family may be given an annual mileage allowance, which could be taken as a Direct Payment.
- e) Phase in the implementation of the new arrangements based around when the annual review of the statements takes place or when the child/young person finishes their current key-stage phase.
- f) Increase the support available to successfully implement the above recommendations.

3. Background

- 3.1. The legal responsibility for ensuring a child's attendance and transport to and from school/college rests with the child's parent or carer and in Portsmouth 98% of transport is arranged by the child's parent or carer. However, the remaining 2% (791 children and young people) receive free transport assistance, which is currently costing the Portsmouth City Council (PCC) in excess of £2million a year.
- 3.2. PCC's current Home-to-school Transport Policy sets out the eligibility criteria for transport assistance. It comprises both statutory and non-statutory elements and complies with the Department for Education's guidance issued in March 2013. A separate, entirely discretionary PCC policy applies to post-16 pupils. The Department for Education issued statutory guidance on post-16 transport in February 2014, which sets out the Local Authority's responsibility to support post-16 pupils to get to their place of education or training.
- 3.3. In addition, PCC offers free transport assistance to children and young people in exceptional circumstances. A summary of the statutory/discretionary eligibility criteria can be found on **Page 1 of Appendix A**.
- 3.4. With regards to the 791 children and young people currently receiving transport assistance, 421 children and young people have a statutory entitlement to free transport assistance, whilst the remaining 370 children and young people receive discretionary transport assistance (which the Council does not have to provide) either because they meet the Council's discretionary eligibility criteria, or because the child and their family have exceptional circumstances (as shown in **Figure 1 in Appendix B**).
- 3.5. Children and young people are transported from all parts of the City to specialist provision. **Figure 2 in Appendix B** indicates where the children and young people requiring assistance reside, while **Figure 3 in Appendix B** shows the range of education provision where transport to pupils is currently provided². The maps distinguish between statutory and discretionary (non-statutory) support.

4. Expenditure on Home-to-School/College Transport

- 4.1. The combined 2013/14 budget for home-to-school/college transport equates to £1,864,500 (£1,767,900 for school transport and £96,600 for college transport). December 2013 budget monitoring indicated a projected total overspend of £386,424 (£255,328 for school transport and £131,096 for college transport), bringing the total annual expenditure to £2,250,924. Actual expenditure on home-to-school/college transport has been increasing year on year and this can be seen in **Figure 4 in Appendix B**. A detailed breakdown of expenditure against each criteria (statutory/discretionary) can be found in **Tables 1-14 in Appendix B**.

² Some children and young people are travelling outside of the City and these have not been included.

4.2. **Figure 5 in Appendix B** shows that Portsmouth has a high percentage (22.9%) of pupils with special educational needs in Primary and Secondary Schools when compared with statistical neighbours. The number of maintained statements has increased year on year between 2010 (845) and 2013 (894). The percentage of Portsmouth pupils with statements is 3.1% and has remained above the national average for the last five years. As many pupils with a statement are entitled to home-to-school transport assistance, this increase is likely to be one of the contributory factors in driving the increased expenditure.

4.3. The SEND reform programme brings into force a number of changes from September 2014 (as outlined in **Section 1.2**). It is predicted that the introduction of personal budgets as part of the SEND reforms will put an additional pressure on the statutory element of the budget. However, there is no additional long term funding to meet this increased demand.

5. Reasons for Reviewing the Allocation and Provision of Free Home-to-School/College Transport Assistance

5.1. On 11 November 2013 a report outlining the current issue of overspend and options to reduce spending was taken to Cabinet. Analysis indicated that PCC's discretionary criteria for transport assistance is more generous than neighbouring authorities. However, direct comparisons (particularly with regards to expenditure) are difficult, given the different population sizes and differences in the range of specialist provision available. The report also acknowledged that there was scope to streamline the current application and assessment process to ensure a more consistent approach.

5.2. Cabinet has already agreed that action must be taken to achieve reductions in expenditure and that the Council should consult widely on suggested changes to the allocation and provision of transport assistance. It was agreed that any changes should:

- a) Create a fair and consistent system (based on assessment of need);
- b) Protect and support vulnerable families in the City;
- c) Help to achieve reductions in expenditure;
- d) Be brought into effect alongside the SEND reform programme;
- e) Be phased in, based around when the child/young person finishes their current key-stage phase to minimise the impact on families currently receiving support.

6. Consultation Timescale

6.1. The Council has a legal obligation to consult for 28 days during term-time on any changes to the pre-existing provision. PCC consulted from 2 December 2013 until 24 January 2014. In total the consultation lasted 54 days (40 within term-time).

7. Consultation Methodology

- 7.1. A consultation document (which included a letter, detailed summary of the suggested changes, a set of frequently asked questions and a consultation survey and can be found attached as **Appendix C**) was sent to pre-schools; primary, secondary and special school Headteachers/Chairs of Governors; post-16 colleges in Portsmouth; and Parents/Carers of children who were receiving transport assistance prior to the consultation start date.
- 7.2. The same information was placed on the PCC external website. Individuals were given the option to return paper copies of their completed survey to a free postal address or complete the survey online. A dedicated inbox was also set up to receive additional comments/answer any queries. Two consultation drop-in sessions were arranged (one on 12 December 2013 at the Guildhall and one on 15 January 2014 at Willows Centre for Children) for anyone wishing to discuss the proposals on a face-to-face basis. Key stakeholders were made aware of the consultation through a range of existing meetings and given the opportunity to respond.

8. Consultation Proposals

- 8.1. 5 key changes to the current process were suggested and consulted on. These can be summarised as follows:

- a) All applicants would need to go through the same process, using the same single application form.
- b) Applications would need to be made annually, and would need to include a recent summary of the child and family's history and information about their needs completed as part of a Common Assessment Framework (CAF).
- c) The Council would only provide free transport assistance over and above the statutory requirement if there were exceptional circumstances.
- d) Any transport assistance offered would be the most suitable lowest-cost option.
- e) Free transport assistance would be offered according to a number of principles.

9. Consultation Questions

- 9.1. Recipients were asked to comment on 4 key questions (outlined below). Due to the nature of the open-ended questions asked, a lot of qualitative data has been collected. Although this free flow approach provides challenges for analysis, the decision was taken not to use closed questions, as it can restrict respondents' answers. Where possible, answers to each of the questions have been quantified and key themes that run across all answers have been identified.

- **Question 1** - What support would your family need to ensure your child/ren get to/from school/college?
- **Question 2** - Our proposal is that exceptional cases for transport support would be decided by a transport appeal panel. Who do you think should sit on the appeal panel? We would suggest that it should include mixed representation.
- **Question 3** - What do you consider exceptional circumstances should include?
- **Question 4** - Please use the following box for any additional comments, or suggestions as to alternative arrangements, or to describe any ways in which you consider the proposals will have a particular impact on you?

10. Consultation Response Rate

10.1. In total, 125 completed surveys were returned (51 online submissions and 74 paper submissions). 112 of the surveys were from parents/carers (3 of whom were also Governors), 12 were from school staff, and 1 was from a transport provider. In addition to the survey responses, 4 phone calls and 2 emails were received. There were no attendees at the first drop in session at the Guildhall. However, 14 parents and 2 school staff attended the 2nd drop-in session at the Willows Centre for Children. Verbatim feedback has been collated into a single spreadsheet, which is available on request.

11. Key Findings

11.1. Responses to Question 1 - What support would your family need to ensure your child/ren get to/from school/college?

11.1.1. As expected, the majority of respondents indicated that they would need travel assistance/support in order to get their child to/from school (see **Figure 6 in Appendix D**).

11.1.2. However, a number of other factors that would reduce the need for travel assistance were identified. These include: travel training (i.e. teaching children the skills to travel independently to school) and breakfast/after-school clubs (i.e. flexible start/finish times - particularly useful for parents with more than one child attending school).

11.2. Responses to Question 2 - Our proposal is that exceptional cases for transport support would be decided by a transport appeal panel. Who do you think should sit on the appeal panel?

11.2.1. As can be seen by **Figure 7 in Appendix D** the top 3 popular responses were parents/carers, school/college staff and Council staff (although 5 respondents explicitly stated that they do not want Council staff to sit on the panel). The least popular answers were adults with special needs, Councillors, an independent representative and the young person.

11.3. Responses to Question 3 - What do you consider exceptional circumstances should include?

11.3.1. As can be seen by **Figure 8 in Appendix D**, a large proportion of respondents stated that where parents have more than one child attending school/college, this should be considered an exceptional circumstance. Other frequent answers included: significant distance between home and school; if the child would be unsafe without transport assistance; children with a disability; parents/carers who do not have their own means of transport; and working parents. The types of answers can be categorised into exceptional circumstances relating to three areas - the family, the child and other circumstances outside of the parent/carer's control.

11.4. Responses to Question 4 - *Please use the following box for any additional comments, or suggestions as to alternative arrangements, or to describe any ways in which you consider the proposals will have a particular impact on you?*

11.4.1. With regards to additional comments, responses focused on the impact removing transport assistance would have on their family. These can be summarised as follows:

- Reduced attendance rates/persistent absence from school and subsequent impact on attainment;
- Child's safety jeopardised;
- Negative emotional impact on the child;
- Detrimental financial impact on the family;
- Loss of employment;
- Detrimental impact on health and wellbeing of the family;
- Increased traffic congestion/impact on the environment.

11.4.2. A number of suggestions were made about how savings could be made, income could be generated and the process could be done differently. These can be summarised as follows:

- Give parents/carers the option to make contributions towards the cost of transport assistance;
- Offer alternative modes of transport - walking bus, bus pass, carers etc.
- Ensure minibuses are full;
- More competitive tendering of transport providers;

- Approach local community groups to see if they can provide transport;
- Schools contribute to the cost of transport assistance for their pupils;
- Provide children and young people with training to enable them to safely and independently travel to school/college;
- Set up breakfast and/or after-school clubs to allow more flexible drop-off/pick up times for those with multiple siblings/work commitments.

11.5. Themes

11.5.1. A number of consistent themes/phrases emerged from the answers. These include:

- Safe travel - 65 references
- Independence - 18 references
- Conflicting parent/carer demands - 128 references
- Restrictive factors (out of parent/carer control) - 93 references
- Affordability - 43 references

11.5.2. Examples can be seen in **Table 15, Appendix D**. The frequency of key words/phrases can help the Council to better understand what is important to parents/carers.

- 11.5.3. Clearly safe transport to/from school is of upmost importance to parents/carers as is the ability to maintain/increase a young person's independence where possible. The Council needs to consider how it can support parents with conflicting demands and how it can reduce some of the restrictive factors highlighted in the consultation responses. Affordability of transport assistance is clearly an issue for some families; however, others have stated that they are willing to contribute.
- 11.5.4. The report seeks to address the points that have been made in the consultation by considering options that take on board suggestions of how transport assistance could be provided to reduce expenditure, whilst addressing the key concerns.

12. Recommendations

12.1. Options to create a fairer and more consistent system

- 12.1.1. It is recommended that the Council introduces a single application form that makes use of the Common Assessment Framework (CAF). The CAF is already used by many professionals and enables a holistic assessment of the child and their family's need. This means that all families will be completing the same application form and will go through the same assessment of need based around the common assessment framework. The application form will set out the principles on which transport assistance is offered and these will be consistently applied to all children/families requesting transport assistance thus ensuring that the process is fair and equitable to all.
- 12.1.2. It is recommended that the transport assistance provided must be appropriate to the assessed need of the child/young person and their family. This means taking into account the family's capacity to transport their child to school, and offering personalised support, to best meet the family's needs.
- 12.1.3. It is recommended that the Inclusion and Support Panel (ISP) is expanded to take on the role of a new and more representative Transport Appeal Panel. Consultation feedback indicated that respondents felt that it was important to have a representative panel, which included parents/carers, school staff, Council staff (including representation from social care), all of which are currently represented on the ISP. It is also recommended that Elected Members of the Council do not sit on the new Transport Appeal Panel as this was the least mentioned preference from respondents.

12.2. Options to ensure vulnerable families are protected and supported

- 12.2.1. It is recommended that in addition to continuing to provide statutory transport assistance in line with current legislation, the current offer is increased to support pupils/students up to the age of 25, in line with the SEND reforms.
- 12.2.2. Parents/carers have highlighted through the consultation, the importance of continuing to support the most vulnerable families in the City. Although the Council could remove all discretionary transport assistance, this option has therefore been rejected.

12.2.3. It is therefore recommended that the PCC continue to provide discretionary travel assistance in very exceptional circumstances in order to ensure that support is provided to the most vulnerable. In practice this will mean that the Council will no longer provide transport assistance if the child or young person meets the current discretionary criteria (outlined on **Page 1 of Appendix A**) but will continue to provide transport assistance if the child or young person is considered eligible against a new exceptional circumstances criteria, based on an assessment of need of the family.

12.2.4. Through the consultation suggestions were sought on what might constitute exceptional circumstances. Responses have been aligned to the three domains (parent/carer, child and young person or environmental factors) within the CAF to help inform the development of the of the Exceptional Circumstances criteria. The responses have also been given a score which considers the frequency the circumstance was mentioned in the consultation (examples in the table below) and banded into high, medium and low need categories. Each application will be considered against the new scoring system and there will be one of three outcomes:

- Cases that exceed the minimum points score for the high need category of the Exceptional Circumstances Criteria will have transport assistance granted.
- Cases that fall in the medium points score range will be taken through Inclusion Support Panel (ISP) (see **Section 12.1.3**) for a multi-agency recommendation. Where the ISP makes a recommendation not to support the application the applicant will be offered the opportunity to appeal to the Director of Children's Services to review the decision in line with the Department for Education's two stage appeal guidelines.
- Where the point score is low, the Exceptional Circumstances Criteria will not be met and the applicant will be advised.

CAF Domains	Top two issues raised by parents in the consultation
Parent and carer factors	<ul style="list-style-type: none"> • Family capacity to take child to school • Family's access to own transport
Child and young person factors	<ul style="list-style-type: none"> • Child's disability/learning difficulties • Needs assistance in participating in education or training
Environmental factors	<ul style="list-style-type: none"> • Significant distance to travel (over the statutory distance) • Safety of child/young person compromised if unassisted

12.3. Options to bring about reductions in expenditure

12.3.1. Over the last 3 years (2011/12 to 2013/14) Central Government funding to Portsmouth City Council has reduced by over £35m. However, the combined budget for home-to-school/college transport has not been reduced. In the next 3 years the Council needs to make an additional £37m of savings and all services

will need to contribute to this total. Not changing the existing policy is not an option, as it is likely that the budget would continue to be overspent.

- 12.3.2. It is recommended that the Council provide subsidised transport assistance to children and young people who meet the exceptional circumstances criteria. A considerable number of parents/carers indicated through the consultation that they would be happy to contribute towards the cost of transport assistance. It is recommended that parental contributions towards the cost of transport assistance are sought from those who are not on a low income. Clearly, this will need to involve means testing to determine those who are/are not on a low income.
- 12.3.3. It is recommended that the package of support offered to those who are eligible either through the statutory criteria or the new exceptional circumstances criteria for transport assistance is provided at the lowest cost compatible with the Council's duty to safeguard and promote the welfare of children/young people. In many cases this is likely to be providing parents/carers with a mileage allowance. However, the Council will also need to look at providing high cost transport assistance at a lower cost where possible, as explored in **Section 12.4.3**.
- 12.3.4. It is also recommended that the Council explore and implement where possible a range of supporting strategies, which aim to remove the barriers preventing parents/carers from transporting their children to school/college. These include:
- Making available independent travel training for children and young people who could learn to travel to school or college independently, with training/support. The requirements of the recently issued 'Post 16 Transport to Education and Training Statutory Guidance for Local Authorities' increases the need to provide Independent Travel Training for young people post 16.
 - Working in partnership with schools to explore the introduction of breakfast and/or after-school clubs where they are currently not available;
 - Working in partnership with schools to set up walking buses, e.g. school staff collecting children from a nearby transport drop-off point;
 - Selling privilege places i.e. sell spare minibus seats (on the proviso that should an eligible child require the seat, the purchased seat will be withdrawn) to ensure that all minibuses are full (where possible);
 - Exploring the child/young person's and parent/carer's eligibility to receive a blue badge³. If entitled, a blue badge would give parents/carers (who have a car) the ability to park close to the educational provision they are attending. In addition to this, the availability/suitability of school/college drop-off zones would need to be considered.
 - Support available from other professionals e.g. a family advocate such as Parent Partnership.
- 12.3.5. In addition to the above supporting strategies, a separate piece of work will be undertaken in the coming months by the Transport and Environment Service to ensure the Council's tendering processes deliver best value for money transport contracts.

³ The blue badge scheme is for those who have a permanent and substantial disability which means they are unable to walk or have very considerable difficulty in walking.

12.4. Options to bring the new arrangements into effect alongside the SEND reform programme starting in September 2014.

- 12.4.1. One of the new statutory duties included within the SEND Reforms is that parents will have the right to request a Personal Budget and in some cases a Direct Payment for aspects of the support they are entitled to as specified in their Education, Health and Care Plan. It is therefore recommended that parents/carers are given the opportunity to have a personal budget which would give them more choice and control over the way in which they receive support. This may be the offer of a Personal Budget in the form of a mileage allowance which could be taken on a monthly, termly, or annual basis as a Direct Payment.
- 12.4.2. It is recommended that the mileage allowance offered to parents/carers who can transport their child to school is increased from 19p to 50p per mile in line with neighbouring authorities.
- 12.4.3. There are currently 11 cases where the cost of transport provided by PCC is over £10k per individual. This is often when the child or young person has to travel out of the city to access specialist provision. Plans are in place to further develop PCC's SEN provision within the city, which will reduce the need for children to be placed in specialist schools and colleges outside of the city and reduce expenditure. Whilst PCC has a statutory duty to provide travel assistance in these cases, it is recommended that the Council explore more creative and less expensive solutions to meet the child's transport needs. The following examples look at how expenditure could be reduced if a mileage allowance was offered to families.

Example Case Study 1

Assistance is currently provided to an out of city school by specialist adapted taxi for a pupil to attend a specialist provision because of the young person's physical disability. The annual cost is £16,200. If an annual mileage rate was offered it would cost £2,280.

Example Case Study 2

Assistance is currently provided for a pupil to remain at an out of city specialist provision as the family now reside in Portsmouth and there is no comparable provision available. The annual cost of the taxi is £11,157 (including Passenger Assistant costs). If an annual mileage rate was offered it would cost £1,520.

- 12.4.4. Take up of either of the above options, would be dependent on a number of factors including: parent/carer access to a reliable/suitably adapted car; siblings who may need escorting to different schools at the same time; and parent/carer work commitments. However, it is anticipated that some of the supporting strategies outlined in **Section 12.3.4** above, would remove some of these barriers.

13. Implementation of the new arrangements

13.1. A phased approach

13.1.1. Parents/carers highlighted concern in the consultation about the impact on school attendance if transport assistance was withdrawn. Therefore, it is recommended that changes to the current transport offer are phased in from September 2014. The new arrangements will be brought into effect when the child or young person finishes their current key stage phase (as set out below). This will minimise disruption to the child and young person during their current key stage phase and give most families time to make alternative transport arrangements if they are no longer entitled. Both new applicants and those children and young people who will be changing key stages at the end of the academic year 2013/14 will be assessed against the new criteria from April 2014.

Current key stage phase	Child's current year	When will transport assistance end if my child is no longer considered eligible?
Pre-School	At Pre-school	At the end of their current pre-school
Early Years Foundation Stage	Year R	At the end of Year R
Key Stage 1	Year 1	At the end of Year 2
	Year 2	
Key Stage 2	Year 3	At the end of Year 6
	Year 4	
	Year 5	
	Year 6	
Key Stage 3	Year 7	At the end of Year 9
	Year 8	
	Year 9	
Key Stage 4	Year 10	At the end of Year 11
	Year 11	
Post-16	At College	At the end their current post-16 course

13.2. Capacity to implement the proposed changes

13.2.1. It is recommended that support available within the Education and Strategic Commissioning Service is increased in order to successfully implement the above changes. Additional capacity will be needed to:

- Support the reassessment process
- Initiate CAF assessments where they are not in place
- Co-ordinate existing assessments with lead professionals, parents and young people
- Provide training and build capacity in the wider workforce so that other professionals and parent advocate groups can support the application and assessment process.
- Make home visits to families who are unable to travel (because of their disability) to undertake an assessment of need
- Provide a programme of independent travel training, where appropriate

14. Next steps

14.1. Once implementation plans are agreed, the following actions will need to be undertaken:

- 17 March 2014 - Agreed changes are communicated to parents/carers, schools, transport providers, internal staff (and all other groups engaged with as part of the consultation process).
- 1 April 2014 - New applications begin to be assessed under the new criteria's and reassessment of children and young people currently in receipt of transport assistance takes place.
- 31 May 2014 - The new home-to-school/college transport Policies are uploaded onto PCC's external website.
- 1 September 2014 - Changes begin to be implemented for new applicants and phased in for children and young people currently in receipt of transport assistance.

15. Equality Impact Assessment (EIA) and Other Implications

15.1. A full EIA has been completed, which suggests that the recommendations are not envisaged to discriminate against any of the protected groups under the Equality Act 2010. A high level summary of the findings are available in **Appendix E** and a copy of the full EIA is available on request.

16. City Solicitor Comments

16.1. Relevant obligations in relation to school-transport are that Local Authorities in England must:

- a) have regard to the Secretary of State's guidance and publish information about travel arrangements (section 508D, Education Act (EA) 1996, as inserted by Education and Inspections Act 2006);
- b) have regard to any parental choice of school based upon the parent's religion or belief (section 509AD, EA 1996) or, in relation to a person of sixth form age, that person's choice based on their religion or belief (section 84, EIA 2006);
- c) provide free transport to and from school for "eligible" children (that is, children with special educational needs, disabilities, where the necessary route would be unreasonable to take as a pedestrian or cyclist, where the school is outside of the relevant walking distance (two miles for the under eight, three miles for the over eights), those children who are in receipt of free school meals, and excluded pupils required to attend a place other than their registered school) for whom no (or no suitable) free travel arrangements are provided (section 508B, EA 1996);
- d) prepare for each academic year a "sustainable modes of travel strategy" (section 508A, EA 1996) (see below, Travel strategies); and
- e) prepare for each academic year a transport policy statement specifying travel arrangements for persons of sixth form age and secure that effect is given to such arrangements (section 509AA, EA 1996).

- 16.2. Any change to the pre-existing provision must be consulted upon and must be made with a full consideration of the public sector equality duty - outlined below.

'The Equalities Act 2010 imposes a duty on the Council to have due regard to the need to:

- a) *Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.*
- b) *Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it*
- c) *Foster good relations between persons who share a relevant protected characteristic^[1] and persons who do not share it.*

In order to have due regard, the decision-maker should consider in making this decision whether the proposals disadvantage people with particular protected characteristics or discourages their participation in activities, and to consider how their needs may be met. Where a decision may result in disadvantages, it is important to consider how that disadvantage may be mitigated'

17. Head of Finance Comments

- 17.1. The budget provided for transport support has been overspent in the past few years and is predicted to overspend again in 2013/14. The underlying pupil data suggests that the number of support packages awarded to new year groups have been reducing following an earlier review of arrangements. Consequently, as existing children move beyond education age and are replaced by a new year group with reduced numbers, the total numbers supported should begin to show a reduction. Assuming this is not offset by increased package costs this should lead to reduced spending in future years.
- 17.2. Additional government grant funding for 'Extended Right to Free School Travel' has been provided to the authority and, as part of the budget for 2014/15, Children's Services received a funding allocation for identified pressures, inclusive of new statutory duty requirements.
- 17.3. Substantial assumptions are involved in any predictive financial figures for the provision of transport packages to individual clients, which inevitably means that figures incorporated within this report need to be treated with caution. Figures contained within the report represent a full year position. Implementation is intended from September 2014 and so only part year savings will be applicable for 2014/15.

.....
Signed by: Julian Wooster, Director of Children's and Adults' Services

^[1] The protected characteristics include: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

Appendices:

Appendix A	Current PCC Policy on Home to School/College Travel Assistance
Appendix B	Supporting Data
Appendix C	Consultation Document
Appendix D	Consultation Feedback
Appendix E	Summary of Full Equalities Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972
 The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Home-to-school Transport Policy	PCC Website
Home-to-college Transport Policy	PCC Website
Guidance on home to school travel and transport	DfE, March 2013
Post-16 transport to education and training	DfE, February 2014
Support and aspiration: a new approach to special educational needs and disability - progress and next steps	Online
Full Equalities Impact Assessment	Available on request
Verbatim consultation responses	Available on request

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APPENDICES

Appendix A - Current PCC Policy on Home to School/College Travel Assistance

The Council has a statutory duty¹ to arrange suitable and free travel to:

- children in Year R to 8 years old who live at least 2 miles from the school and attend their catchment school;
- children aged over 8 years old to Year 11 who live at least 3 miles from the school, and attend their catchment school;
- children aged 8 years old to Year 6 who live at least 2 miles from the school, attend their catchment school and meet means testing criteria;
- children in Year 7 to Year 11 who live at least 2 miles and under 6 miles from the school and attend one of their three nearest schools and who meet means testing criteria;
- children with a Statement of Special Educational Needs in Year R to 8 years old who live at least 2 miles from the school and attend their nearest qualifying school;
- children with a Statement of Special Educational Needs aged over 8 years old to Year 11 who live over 3 miles from the school and attend their nearest qualifying school;
- children with a Statement of Special Educational Needs who attend their nearest qualifying school (or designated school if not nearest) which is within walking distance, but who are unable to walk to that establishment (accompanied as necessary) by reason of their SEN and/or disability and;
- children who live under the statutory walking distance but whose route to school is considered unsafe.

Portsmouth City Council also currently provides free transport over and above these legal requirements to children and young people:

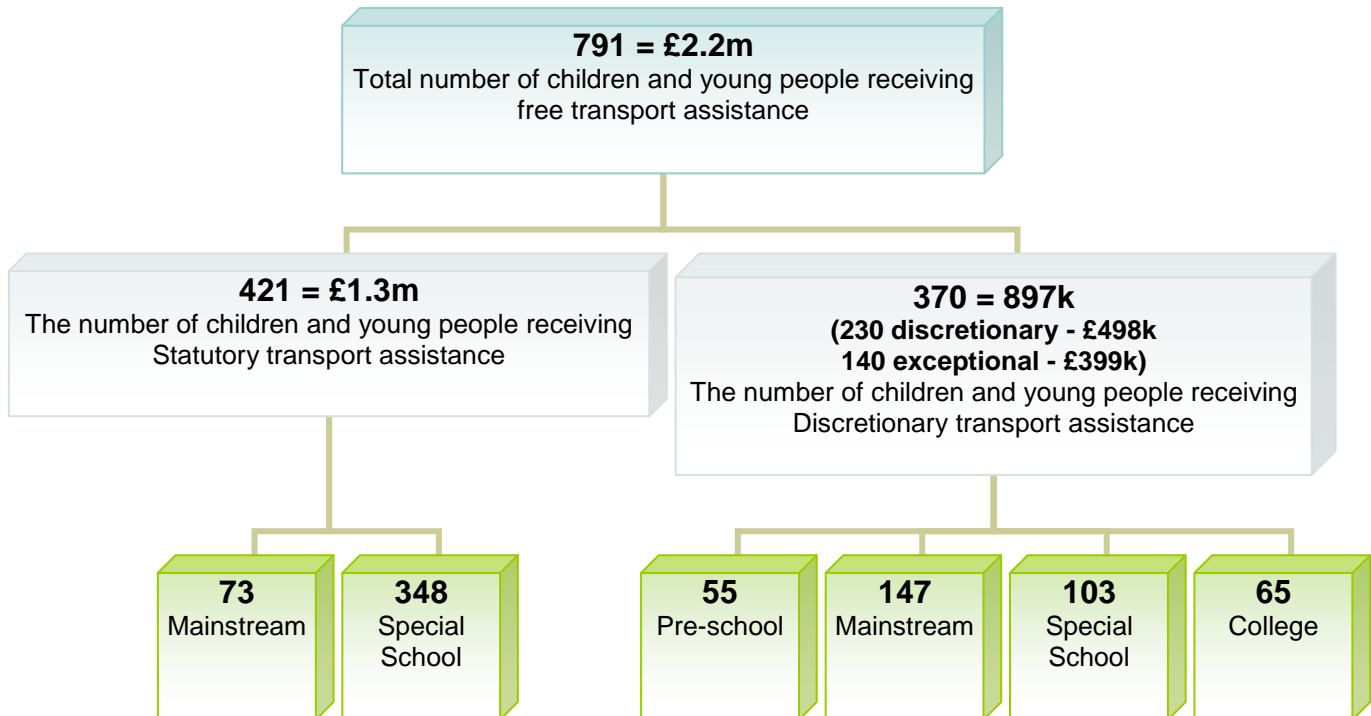
- who attend a specialist nursery, and live more than 1 mile from that nursery
- who have been permanently excluded from a school and need to attend a different school allocated through the Inclusion Support Panel.
- who change their home address during Years 10 and 11
- with special educational needs attending specialist provisions and who live over 2 miles for primary aged children and 3 miles for secondary aged children
- who has a statement of special educational needs and attends after-school activities
- over statutory school age, with special educational needs in the opinion of the Local Authority attend the nearest college to offer an appropriate course, but live over 3 miles from the college
- who attend the nearest post 16 college, which in the opinion of the Local Authority offers an appropriate course, who live over 3 miles from the college and who meet means tested criteria
- who are Looked After and have a statement of special educational needs when they move out of the area for the first two weeks

Portsmouth City Council's Home-to-school Transport Policy sets out the eligibility criteria for transport assistance, and comprises of both statutory and non-statutory elements. A separate, entirely discretionary policy applies to post-16 pupils. In addition to the above discretionary criteria, Portsmouth City Council offers free transport assistance to children and young people in exceptional circumstances. There is no policy on what constitutes an exceptional circumstance and applications are considered on a case by case basis by the Special Educational Needs team depending on the need of the child and their parent/carer.

¹ Set out in Schedule 35B of the Education Act 1996

Appendix B - Supporting Data

Figure 1 - Breakdown of Numbers of Children and Young People Receiving Statutory/Discretionary Transport Assistance



NOTE: A detailed breakdown of expenditure by eligibility criteria can be found on pages 6-10 below. Figures correct at the end of January 2014.

Figure 2 - Where Children and Young People Receiving Transport Assistance Live

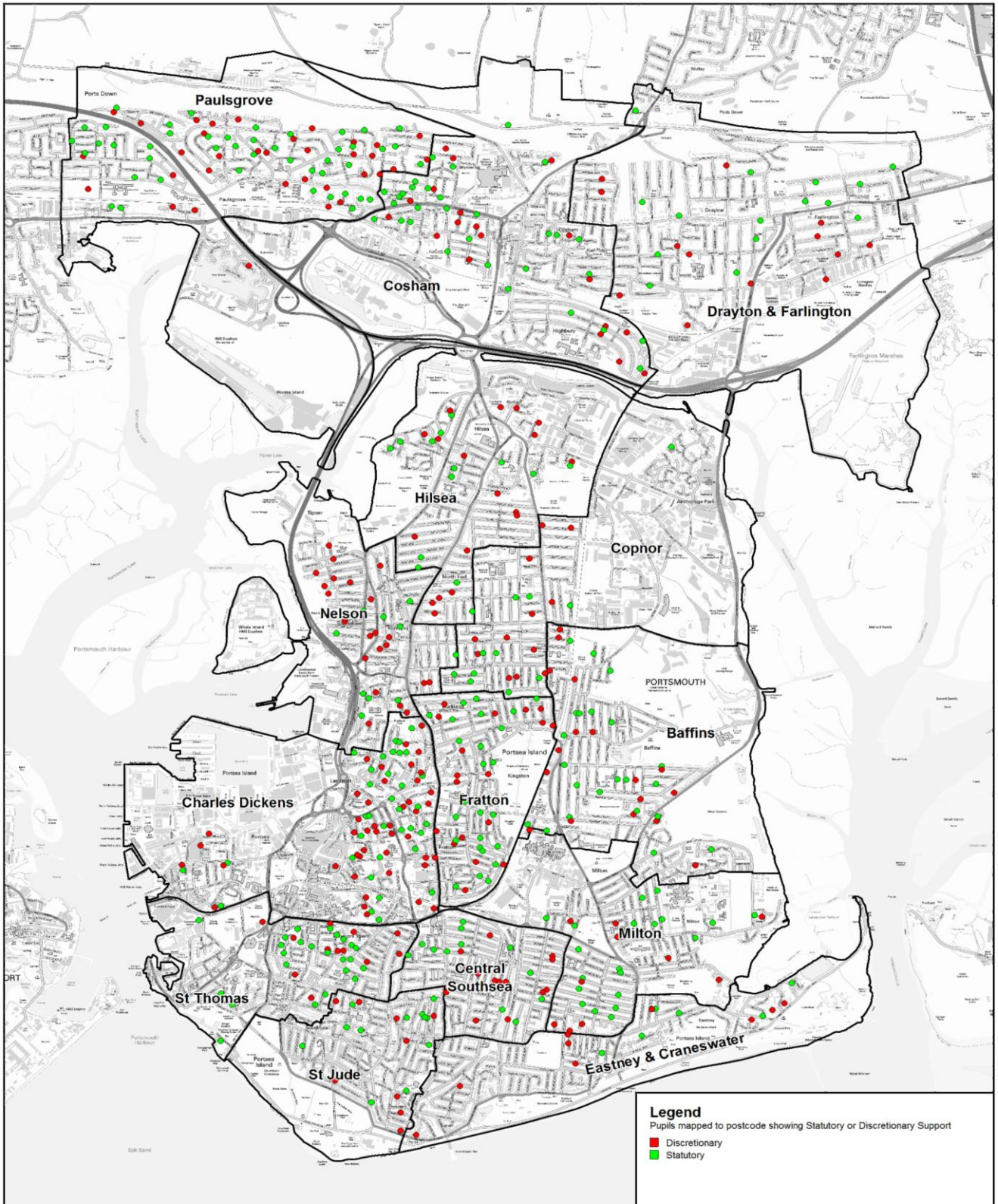


Figure 3 - Where Children and Young People Receiving Transport Assistance are Travelling to

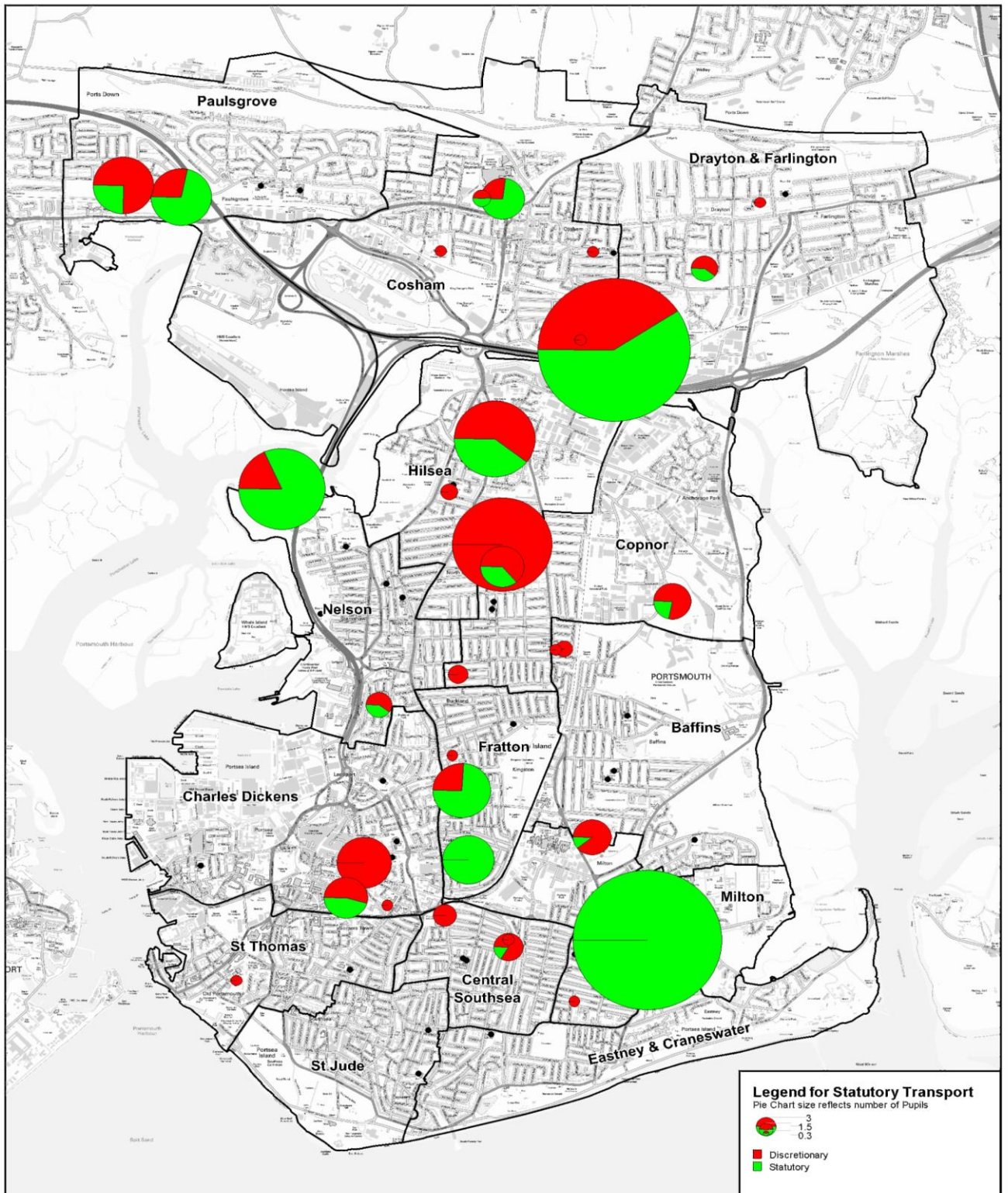


Figure 4 - Expenditure between 2008/09 and 2013/14

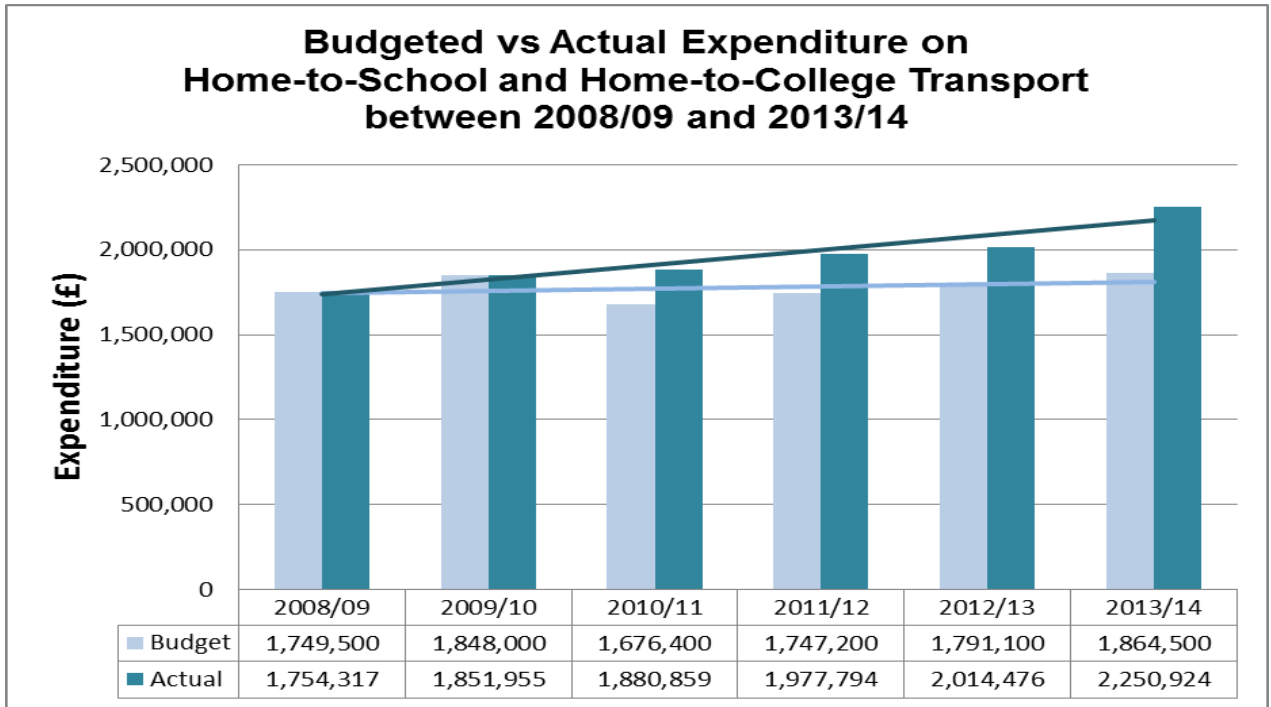
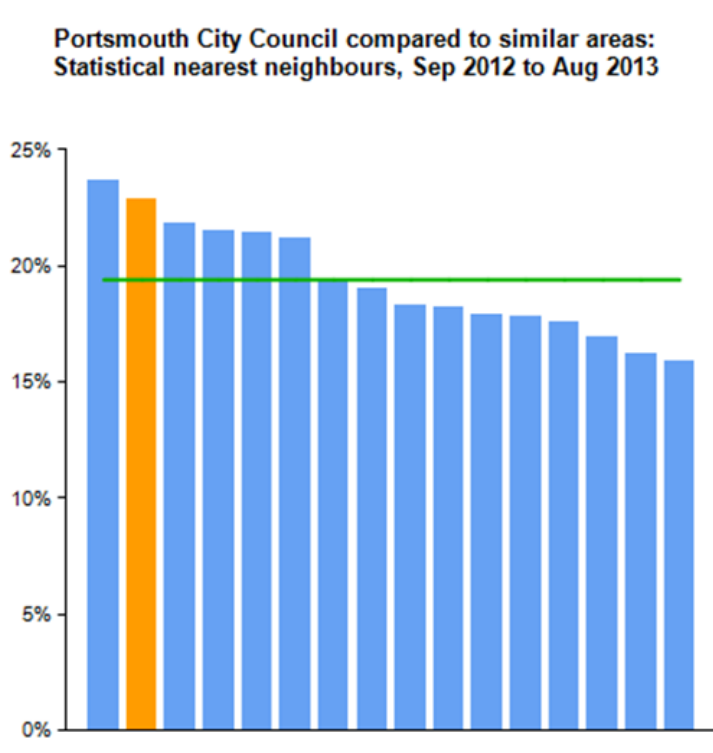


Figure 5 - Audit Commission's Value for Money Profile Chart Comparing the Number of Children and Young People with Special Educational Needs in Portsmouth Primary and Secondary Schools with Statistical Nearest Neighbours



NOTE: Figures correct at the end of January 2014.

Expenditure on Statutory Transport Assistance

Table 1- Expenditure on Criteria 1

Criteria 1 - Statutory	Distance: For those who live over the statutory walking distance from their school and catchment school
Number of primary school aged pupils	8
Number of secondary school aged pupils	60
Current budget % or cost	£70k
Example: Typically this is where a child's nearest school is over the statutory walking distance.	

Table 2- Expenditure on Criteria 2

Criteria 2 - Statutory	Distance/ Low Income : For those who live over the statutory walking distance from their school and catchment school and meet the means testing criteria
Number of primary school aged pupils	0
Number of secondary school aged pupils	37
Current budget % or cost	£32k
Example: Typically all primary aged pupils are within walking distance so eligibility is rare. Transport assistance for secondary school age is provided to one of the three nearest schools	

Table 3- Expenditure on Criteria 3

Criteria 3 - Statutory	Distance/SEN: Children who live over the statutory walking distance from the school and attend their nearest qualifying special school
Number of primary school aged pupils	100
Number of secondary school aged pupils	108
Current budget % or cost	£589k
Example: Typically this is where a child with a statement of special educational needs are met in a special school.	

Table 4- Expenditure on Criteria 4

Criteria 4 - Statutory	Eligible Child /SEN: Children who attend their nearest qualifying school which is over statutory walking distance but are unable to walk by reasons of their SEN and /or disability
Number of primary school aged pupils	50
Number of secondary school aged pupils	33 + 25 Post 16 with statements which have not ceased
Current budget % or cost	£662k
Example: Typically this is where a child will need to be accompanied because of their SEN or disability, usually by a Passenger Assistant (often trained nurse) . For example a child who has a tracheotomy or is a wheel chair user and attends the Mary Rose School. These are low in number but high cost.	

Table 5- Expenditure on Criteria 5

Criteria 5 - Statutory	Safe Route: Children who live under the statutory walking distance but whose route to school is considered unsafe
Number of primary school aged pupils	0
Number of secondary school aged pupils	0
Current budget % or cost	0
Example: Rare for this to be provided but transport assistance would be provided where a risk assessment has shown that the route to school has become unsafe because of road works.	

Expenditure on Discretionary Transport Assistance

Table 6- Expenditure on Criteria 6

Criteria 6 - Discretionary	Specialist Nurseries: Children who attend a specialist nursery and live more than 1 mile from that nursery
Number of children	55
Current budget % or cost	£124k
Example: Typically this is where a placement at the Willows Nursery has been identified as the appropriate placement and on occasions the Mary Rose Nursery (these children would be highly likely to meet the eligible child statutory criteria when they reach statutory school age).	

Table 7- Expenditure on Criteria 7

Criteria 7 - Discretionary	Permanent exclusion : Children and young people excluded from a school and who are allocated a different school through the Inclusion Support Panel
Number of primary school aged pupils	0
Number of secondary school aged pupils	Less than 5 (details available to Members on request)
Current budget % or cost	£7k
Example: Typically this is where the Inclusion Support Panel has placed an excluded pupil at a new school and they do not meet all of the eligibility criteria for transport (i.e. distance and designated catchment school). This may include families on low income who do not meet the eligibility criteria for low income.	

Table 8- Expenditure on Criteria 8

Criteria 8 - Discretionary	Change of home address in year 10 and year 11
Number of secondary school aged pupils	13
Current budget % or cost	£5k
Example: Typically this is where a child moves home or events outside of the young person's control such as family breakdown means that they have to move home. It is only provided in Years 10 or 11 because the young person will need to complete their GCSE syllabus and course work. Often these children move into Portsmouth from other LAs and need to complete their studies at schools outside of Portsmouth e.g. Crookhorn or Warblington.	

Table 9- Expenditure on Criteria 9

Criteria 9- Discretionary	Specialist SEN provision A child who needs to attend SEN Specialist provision and meets the distance criteria
Number of primary school aged pupils	44
Number of secondary school aged pupils	51
Current budget % or cost	£196k
Example: Typically this is where it has been agreed that a child or young person needs would be best met in a resourced provision such as Speech and Language Unit based in the Victory School in Paulsgrove and the home address is over 2 miles for a primary child and 3 miles for a secondary school.	

Table 10- Expenditure on Criteria 10

Criteria 10 - Discretionary	After school activities : Where a child who has statement of SEN requests to attend after school activities
Number of primary school aged pupils	0
Number of secondary school aged pupils	0
Current budget % or cost	0
Example: Typically this is where there is a request for a child to attend an after school activity as part of a Short Break. This is only provided when there is no cost to the local authority i.e. that is it is already on route.	

Table 11- Expenditure on Criteria 11

Criteria 11 - Discretionary	Post 16/SEN - Where in the opinion of the Local Authority the nearest appropriate college course is over 3 miles from the college
Number of young people	57
Current budget % or cost	£156k
Example: Typically this is where a request for a young person with SEND (has Moving On Plan) to attend and Independent Living Course at either Highbury College or Southdown's and where the journey is over the distance criteria.	

Table 12- Expenditure on Criteria 12

Criteria 12 - Discretionary	Post 16/Low Income - Where in the opinion of the Local Authority the nearest post 16 college course is over 3 miles from the where the young person lives.
Number of young people	Less than 5 (details available to Members on request)
Current budget % or cost	£2k
Example: Typically this is where there is a request for a pupil to attend a course not available locally and evidence is presented that they meet the qualifying benefits e.g. Parents on maximum working credit.	

Table 13- Expenditure on Criteria 13

Criteria 13 - Discretionary	Looked After Children/SEN : Who move out of area for the first two weeks
Number of primary school aged pupils	0
Number of secondary school aged pupils	0
Current budget % or cost	0
Example: Typically this is where a child is placed with a foster carer in Hampshire and given transport assistance to maintain the child's education on a temporary basis until they return to their home address.	

Table 14- Expenditure on Criteria 14

Criteria 14 - Discretionary	Medical Grounds of parent
Number of primary school aged pupils	Less than 5 (details available to Members on request)
Number of secondary school aged pupils	Less than 5 (details available to Members on request)
Current budget % or cost	£8k
Example: Typically where a parent of a primary school child lives within the statutory walking distance and is unable to accompany the child due to short term medical issues. This is also provided when one of the adults is an adult carer and it would be unreasonable to expect the child to walk to school unaccompanied.	

Expenditure on Transport Assistance Due to Exceptional Circumstances

In addition to the transport assistance provided to the 230 children and young people who meet the discretionary transport eligibility criteria above, the Council provides 140 children and young people with transport assistance in exceptional circumstances due to a large range of reasons. The spending on transport assistance to children and young people who have exceptional circumstances was estimated in January 2014 to be £399k for 2013/14.

Appendix C - Consultation Document

The current approach

Before we talk about how transport assistance could be provided, we thought it would be helpful to remind you of the current arrangements.

At the moment parents and carers who want to be assessed for transport assistance for their child are asked to fill in one of three application forms (depending on their circumstances). Children who are offered a place at a specialist school are automatically assessed for free transport assistance.

Like all councils, Portsmouth City Council has a **statutory** responsibility to provide free travel assistance to:

- Children in Year R to 8 years old who live over 2 miles from the school and attend their catchment school
- Children aged 9 years old to Year 6 who live over 3 miles from the school, and attend their catchment school
- Children aged 9 years old to Year 6 who live between 2 and 3 miles from the school, attend their catchment school and meet means testing criteria.
- Children in Year 7 to Year 11 who live over 3 miles from the school and attend their catchment school
- Children in Year 7 to Year 11 who live over 2 miles and under 6 miles from the school and attend one of their three nearest schools and who meet means testing criteria.
- Children with a Statement of Special Educational Needs in Year R to 8 years old who live over 2 miles from the school and attend their nearest qualifying school.
- Children with a Statement of Special Educational Needs aged 9 years old to Year 11 who live over 3 miles from the school and attend their nearest qualifying school.
- Children with a Statement of Special Educational Needs who attend their nearest qualifying school (or designated school if not nearest) which is within walking distance, but who are unable to walk to that establishment (accompanied as necessary) by reason of their SEN and/or disability. (As set out in Section 35B of the Education Act)
- Children who live under the statutory walking distance but whose route to school is considered unsafe

There is no legal requirement to provide school transport for nursery aged children or post 16 children. However, Councils can provide **discretionary** transport assistance, over and above the statutory requirements set out above. We currently fund transport for children and young people:

- who attend a specialist nursery, and live more than 1 mile from that nursery
- who have been permanently excluded from a school and need to attend a different school allocated through the Inclusion Support Panel.
- who change their home address during Years 10 and 11
- with special educational needs attending specialist provisions and who live over 2 miles for primary aged children and 3 miles for secondary aged children
- who has a statement of special educational needs and attends after-school activities
- over statutory school age, with special educational needs in the opinion of the Local Authority attend the nearest college to offer an appropriate course, but live over 3 miles from the college
- who attend the nearest post 16 college, which in the opinion of the Local Authority offers an appropriate course, who live over 3 miles from the college and who meet means tested criteria
- who are Looked After and have a statement of special educational needs when they move out of the area for the first two weeks

Requests for transport assistance which do not meet the above criteria can be considered by a panel of council officers. If a request is refused it can be considered by an appeal panel of councillors. Free transport assistance above the current policy is only awarded in **exceptional circumstances**, when there is evidence of need.

Schools and colleges may make their own arrangements to provide transport. These arrangements are outside the council's provision and will not be affected following this consultation.

A new approach

We are suggesting a new approach to transport assistance, which affects everyone receiving assistance now and anyone who applies in the future.

Summary of suggested changes

We would only provide free transport assistance over and above the statutory requirement if there were exceptional circumstances.

Applicants who wish to be considered under exceptional circumstances would need to provide a recent summary of the child and family's history and information about their needs on a new form called a Common Assessment Framework (CAF). A medical, educational or social care professional could help the family complete the CAF.

Any transport assistance offered would always be the most suitable lowest-cost option.

All applicants would need to go through the same process, using the same single application form.

Applications would need to be made annually, and would need to include an up-to-date assessment of need that considered the child and the family's circumstances.

Free transport assistance would be offered according to these principles.

1. Generally, parents/carers are expected to transport their child to/from school children.
2. Transport assistance is only offered to pupils who live in Portsmouth and who attend a school designated by Portsmouth City Council.
3. Transport assistance will only be provided if the child/young person is eligible against the statutory criteria or in exceptional circumstances where there is evidence of need.
4. For young people over 16 at the start of their proposed programme of study, transport will only be provided outside of Portsmouth if the course or suitable equivalent is not available in Portsmouth.
5. If an applicant has mobility allowance or a mobility car, this should be used for transport to school or education placement.
6. Transport assistance offered will always be the most suitable lowest-cost option.
7. Parents and carers must accept the terms and conditions on which the transport assistance is offered (set out on pages 10-13 of the current home to school transport policy. Search 'school transport policy' at www.portsmouth.gov.uk)

Implementation timeframe and impact

Families who wish to be considered for free transport assistance from September 2014 would need to submit an application form between April and June 2014.

The suggested changes mean that that transport assistance would continue to be provided if families meet the statutory criteria above, but would not automatically be provided otherwise. However, applications for assistance would continue to be considered in exceptional circumstances where recent, relevant and robust evidence of need had been submitted.

If new applicants were not eligible for free transport assistance, parents and carers would need to make their own arrangements.

If a child had been getting free transport assistance but was no longer eligible under the new policy the council would continue to provide free assistance until the child or young person reached the end of their current key stage phase, summarised below.

Current key stage phase	Child's current year	When will transport assistance end if my child is no longer considered eligible?
Pre-School	At Pre-school	At the end of their current pre-school
Early Years Foundation Stage	Year R	At the end of Year R
Key Stage 1	Year 1	At the end of Year 2
	Year 2	
Key Stage 2	Year 3	At the end of Year 6
	Year 4	
	Year 5	
	Year 6	
Key Stage 3	Year 7	At the end of Year 9
	Year 8	
	Year 9	
Key Stage 4	Year 10	At the end of Year 11
	Year 11	
Post-16	At College	At the end their current post-16 course

We think the suggested changes would enable the council to:

- achieve better control of the budget by applying a fair and consistent application and assessment process
- ensure the children and young people who are most in need receive assistance
- ensure a reasonable, realistic and sustainable approach

However, before any decisions are made, we need your views to get a better understanding of how the suggested changes may impact on your child and your family.

Have your say

We hope you will tell us what you think of our proposals. You can do this by:

- completing a survey at www.surveymonkey.com/s/home-to-school-transport-consultation
- filling in the form on the next page and posting it to: School Transport Consultation, FREEPOST PT705, PO1 2YX or
- filling in the form, and emailing it as an attachment to: school-transport-consultation@portsmouthcc.gov.uk

Please let us have your responses by Friday 24 January 2014.

You can also come along to one of the following drop-in sessions:

- 12 December Banqueting Suite, Guildhall, Guildhall Square, 10am-12pm
- 15 January, Willows Centre for Children, Battenburg Avenue, North End 1.30pm- 3pm

Please email us or write if Please email us or write if you have any queries.

Consultation survey

Q1. What support would your family need to ensure your child/ren get to/from school/college?

Q2. Our proposal is that *exceptional cases* for transport support would be decided by a transport appeal panel. Who do you think should sit on the appeal panel? We would suggest that it should include mixed representation. Examples might include: parents, carers, school staff, and council staff. Please also explain why you think they should sit on the panel.

Q3. What do you consider *exceptional circumstances* should include?

Q4. Please use the following box for any additional comments, or suggestions as to alternative arrangements, or to describe any ways in which you consider the proposals will have a particular impact on you?

Q5. In what capacity are you completing this survey?

- Parent/Carer Governor
 School Staff Transport Provider
 Post-16 Staff Other (please specify)

***Please continue on another sheet if necessary.
Thank you for taking part in this consultation.***

Frequently asked questions

Q1. Where can I find more information about the council's statutory duties to provide transport assistance?

These are set out in schedule 35B of the Education Act 1996. See:
<http://dera.ioe.ac.uk/17400/1/DFE%20home%20to%20school%20transport.pdf>

Q2. Where can I find a copy of the council's current policies?

Search 'school transport policy' at www.portsmouth.gov.uk

Q3. What will happen to the existing policies if any of the proposals are put into effect?

The policies will need to be updated to reflect any changes.

Q4. Is there a legal obligation to consult on changes to the provision of free home-to-school transport assistance?

Yes. Councils are required to consult widely on any changes and consultations should run for at least 28 days during term time. We are going further, and will be consulting for 54 days, 40 in term-time.

Q5. When would the changes come into effect?

From September 2014. Application forms would be available from April 2014 and would need to be returned by the end of June 2014.

Q6. What is the Common Assessment Framework (CAF)?

This would provide a recent summary of the child and family's history and information about their current needs. It is important that the family's needs are fully understood and assessed in order to understand if there are exceptional circumstances that need funded transport assistance.

Please note this information has also been made available online at:
<http://www.portsmouth.gov.uk/yourcouncil/24793.html>

Appendix D - Consultation Responses

Figure 6 - Responses to Question 1 - What support would your family need to ensure your child/ren get to/from school/college?

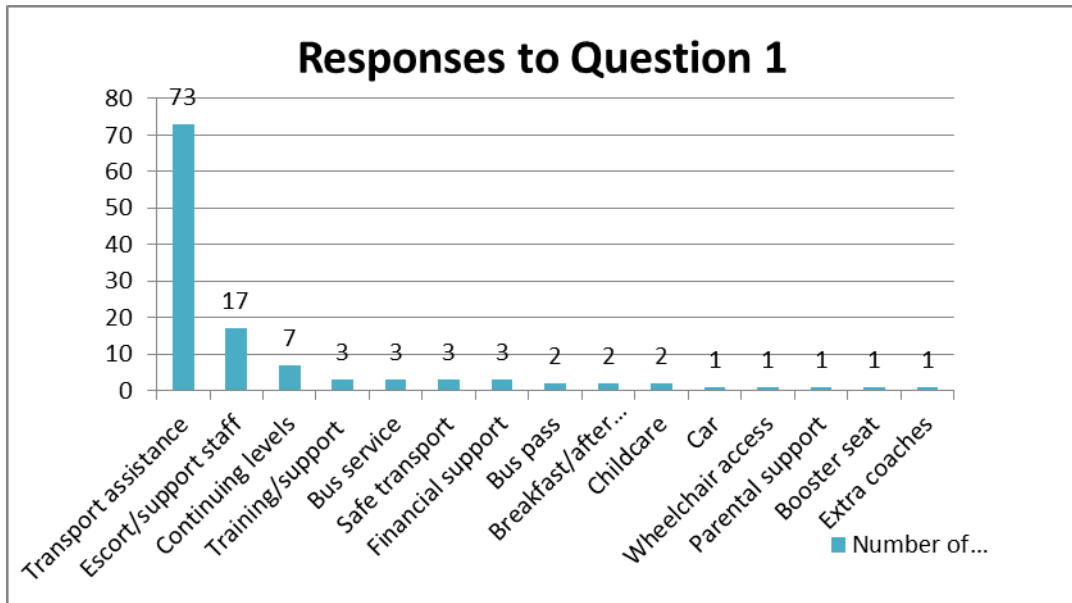


Figure 7 - Responses to Question 2 - Our proposal is that exceptional cases for transport support would be decided by a transport appeal panel. Who do you think should sit on the appeal panel?

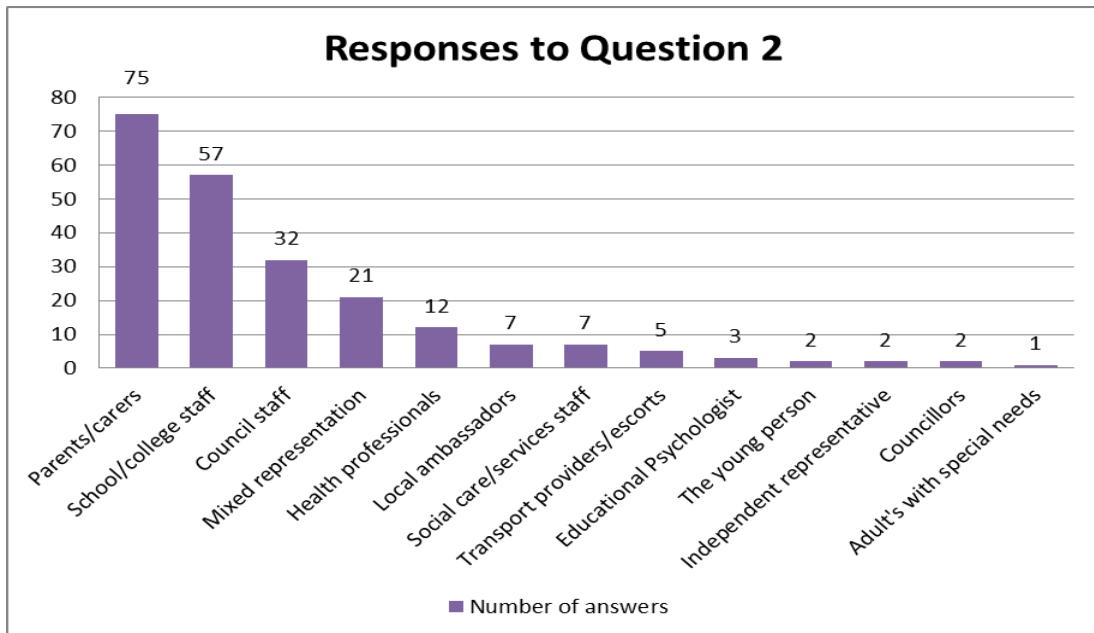


Figure 8 - Responses to Question 3 - What do you consider exceptional circumstances should include?

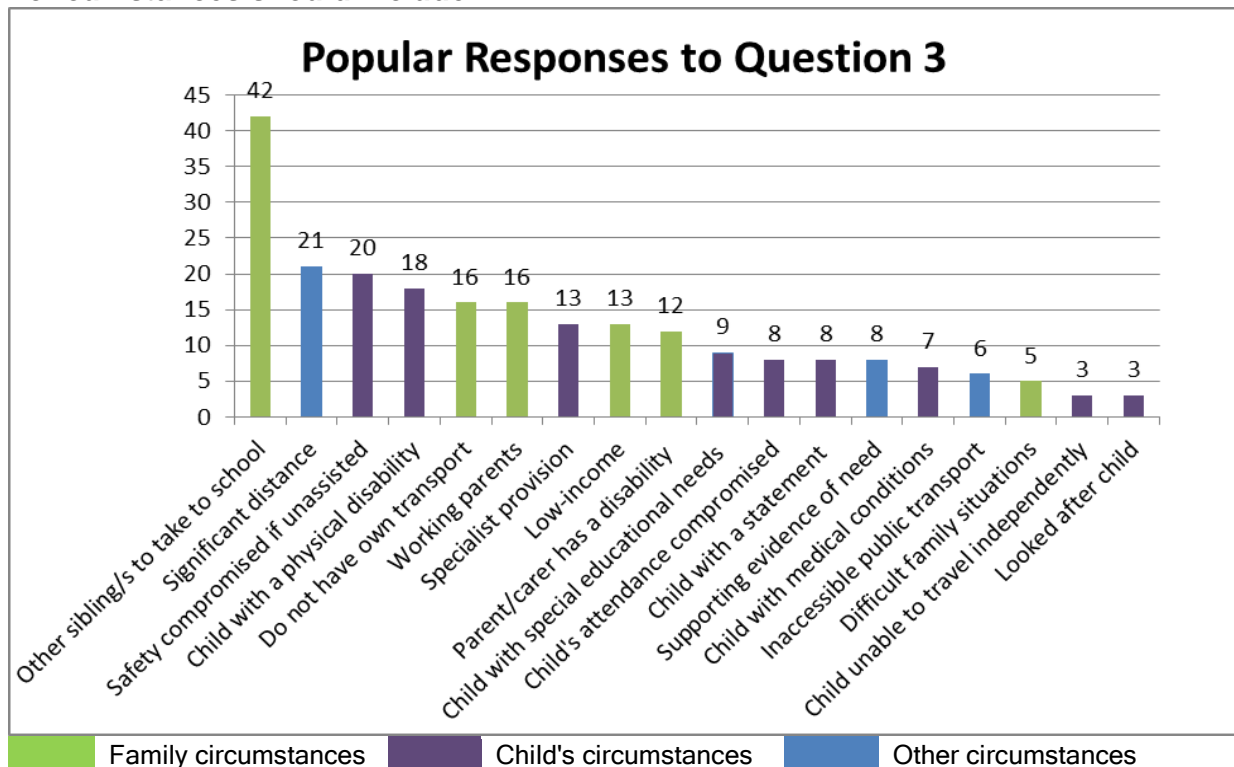


Table 15 - Common Themes Emerging from the Consultation Responses

Theme	Examples
Safe travel	'By far the most important consideration is the welfare and safety of children with special needs'. 'HEALTH AND SAFETY is the biggest issue for all kinds of reasons: - children's lack of road safety awareness - getting out of cars in the road - current state of public walk ways for children with a wide range of physical disabilities (including unsteady walkers) poor gross motor skills, multi-sensory impairment. - no pedestrian crossing at some of the schools'.
Independence	'As a vulnerable young adult, our son will need training and support to travel from our house to college'. 'Our son is physically disabled and cannot independently use public transport. In using a taxi or minibus he feels at least he is being independent as possible by not having to rely on his parents'.
Conflicting parent/carer demands	'Without receiving transport, this would mean that either one of our children would be late for school and I would be late for work. My husband works unsociable hours so is unable to do the school run'. 'We currently benefit from school transport due to exceptional circumstances - we have children at three schools in the city and both teach ourselves, which means we have to be in school by 8.30am'.
Restrictive factors	'My son and I would need to get 2 buses (public transport) one I am reliably told goes passed at 8.20am as full up and other every 1/2 hour. I don't think my son would be able to get to school on time'. 'The school is not big enough to accept that amount of cars alone and there is no parking'.
Affordability	'I would be happy to pay if it meant I got to keep transport. Why not charge a fee to go towards the cost of transport'. '[if removed] we would have reduced income and would struggle to get him to school'.

Appendix E

Summary of Full Equalities Impact Assessment (copies of the full EIA are available on request)

- 1.1. The proposed changes to home to school and home to college transport assistance are not envisaged to discriminate against any of the protected groups under the Equality Act 2010. They aim to bring about a reduction in expenditure whilst ensuring that families who are most in need / most vulnerable are provided with necessary transport support.
- 1.2. The proposals have been consulted on with the families who currently receive home to school / college transport assistance as well as schools, colleges and groups in the city (including disability groups and organisations). The council has listened to the views of the parents / carers and others who took part in the consultation and has developed the exceptional circumstances criteria on the basis of what many parents and carers have said is important to them. The new exceptional circumstances criteria are fairly wide and could therefore include a variety of circumstances. Whilst this should ensure that the families with the highest need / who are most vulnerable continue to be supported, some may be negatively affected. Children and young people with disabilities and parents / carers have been identified as groups of people possessing 'protected characteristics' who may experience a particular detrimental impact.
- 1.3. It is important to note that the Equality Act 2010 explicitly recognises that disabled people's needs may be different from those on non-disabled people. Therefore, public bodies need to take account of disabled people's impairments when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people more favourably than non-disabled people in order to meet their needs.
- 1.4. A number of mitigating measures have been proposed to minimise any potential negative impact on persons who may not be eligible for home to school / college transport assistance under the new criteria, namely the supporting strategies to remove barriers to parents/carers taking their children to school, the introduction of the Education, Health and Care Plans and personal budgets under the SEND reforms, and a phased implementation of the changes to the transport provision. The Education team will conduct a review of the exceptional criteria within 6 months of the implementation to assess whether the new system is achieving its aims. This will assist in identifying and tackling any issues including any significant and / or disproportionate impact on disabled children / young persons and their parents / carers.

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NOTICE OF MEETING

CABINET

MONDAY, 3 MARCH 2014 AT 12.00 PM

EXECUTIVE MEETING ROOM - THE GUILDHALL

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

Membership

Councillor Gerald Vernon-Jackson (Chair)

Councillor Hugh Mason (Vice-Chair)

Councillor Jason Fazackarley

Councillor Lee Hunt

Councillor Leo Madden

Councillor Rob Wood

Councillor Darren Sanders

Councillor Terry Hall

Councillor Sandra Stockdale

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

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

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

SUPPLEMENTARY AGENDA ITEMS

12 **Appointments to Outside Bodies**

Following the recent changes to the Cabinet membership the Liberal Democrat Group is seeking to change their representatives on some of the outside bodies to reflect these changes.

RECOMMENDED that the following changes be made by the appropriate Cabinet Members:

Body	Portfolio	Previous Rep	New Rep
Project Integra Strategic Board	ECS	Cllr E Scott	Cllr S Stockdale
Safer Portsmouth Partnership	ECS	Cllr E Scott (ex officio when Cabinet Member for ECS)	Cllr S Stockdale
Trading Standards South East Ltd	ECS	Cllr E Scott (ex officio when Cabinet Member for ECS)	Cllr S Stockdale
Port Advisory Board	Leader	Cllr M Hancock (ex officio when Cabinet member for PRED)	Cllr T Hall
Portsmouth Naval Base Property Trust Ltd	Leader	Cllr T Hall	Ms D Moody

13. **TRO 1/2014 : Traffic Regulation Order 1/2014: The Portsmouth City Council (MC Zone and MB Zone Permit Amendments) (Residents' Parking Place and Waiting Restrictions) (No.1) Order 2014**

A report by the Head of Transport and Environment is to follow.

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

Full Council and Cabinet meetings are digitally recorded, audio only.



Agenda item: **13**

Decision maker: Cabinet Members

Subject: Traffic Regulation Order 1/2014:
The Portsmouth City Council (MC Zone and MB Zone Permit Amendments) (Residents' Parking Place and Waiting Restrictions) (No.1) Order 2014

Report by: Head of Transport and Environment

Wards affected: Central Southsea

Key decision (over £250k): No

1. Purpose of the report

To consider the responses to the formal public consultation on proposals contained within this Traffic Regulation Order. There is a statutory requirement to take into consideration any comments from the public before determining whether to confirm or refuse an order whenever objections are received to advertised proposals.

2. Recommendations

In light of the response from the public and the information provided;

- 2.1 **Introduce a parking scheme that restricts parking to "MC Permit Holders Only" between 6pm-8pm.**
- 2.2 **That the proposal to include Jessie Road and the section of Francis Avenue between Jessie Road and Orchard Road in the MC zone, including the requirement to exchange existing MB permits, is deleted. The current parking arrangements to remain as they are.**
- 2.3 **Should TRO 1/2014 be approved, reduce the proposed double yellow lines on the junctions of Bramble Road / Shanklin Road and Bramble Road / Ventnor Road to 1 metre east and west of each junction.**

3. Background

More than 200 emails, petitions and letters received from residents prompted funding to be sought for a survey to be carried out in 2012. The results of that survey were useful, inconclusive in terms of the way forward and showed a small majority in favour of a residents' parking scheme. The results are available on the PCC website here: [http://www.portsmouth.gov.uk/media/Bramble Road Area Survey Results and Plan.pdf](http://www.portsmouth.gov.uk/media/Bramble_Road_Area_Survey_Results_and_Plan.pdf)

No action was taken at that stage, however a number of residents adjacent to the MB zone continued to campaign for a parking scheme. The options available to the Council were (a) to ignore those residents or (b) to propose a scheme, mindful of the concerns raised by residents without cars and those potentially affected by further displacement parking.

Cabinet Members took the decision in January 2014 for a new residents' parking scheme to be proposed for the area south of the existing MB zone, to be called MC zone. The minutes from the meeting can be found on the PCC website here: <http://democracy.portsmouth.gov.uk/ieListDocuments.aspx?CId=126&Mid=2438&Ver=4> (Item 4).

(This decision supersedes the one made in November 2014 to extend the existing MB zone. Legally, a new zone required a new decision to be recorded at a Cabinet Meeting).

Therefore the proposed MC zone responds to the several hundred requests by residents of that area, to counter the effects of displacement parking from the MB zone, and vehicles associated with housing in multiple-occupation.

The aim of the proposed parking scheme is to give permanent residents priority over parking at peak time and to prevent long-term parking by non-residents, whilst considering the needs of the local economy and residents without cars, efficient enforcement and minimising further displacement of vehicles.

The formal public consultation on the TRO 1/2014 proposal took place between 30th January - 20th February 2014 (the public notice is attached as Appendix A).

4. Reasons for the Recommendations.

4.1 The recommendations are influenced by the response to the public consultation: the information given by residents and local people. A full summary of the responses and comments made can be found in Appendix B to this report.

4.2 The proposed restricted time of 4pm-6pm aims to prevent vehicles being parked up on a long-term basis, to give others the opportunity to use the space and to give residents returning home from work before 6pm priority over the parking availability.

Residents have indicated via the consultation that many arrive home after work after 6pm, that parking in the evenings is the most difficult time and that parking between 4pm-6pm is not a particular problem. Concerns are also raised regarding the effect on local businesses during the working day, including doctors' surgeries and schools.

- 4.3** Whilst a number of residents support the proposed 2-hour restriction on parking, others would like to see a longer restricted period and others a 24-hour restriction on parking. However, it is clear that the majority of respondents want a scheme to restrict parking by non-registered vehicles:

No scheme:	46
Scheme as proposed:	55
Scheme operating evenings:	64
Scheme with extended hours (not specified):	23
Scheme operating 24 hours a day:	44

The causes of parking problems are regularly cited as displaced parking from the MB zone (including vehicles not entitled to permits there, residents not wishing to purchase permits for 2nd vehicles and commercial vehicles) and the extent of student and multiple-occupancy accommodation in the area resulting in several vehicles per household. The housing stock in this area is narrow and terraced with few off-street parking facilities, allowing less than 1 parking space per property frontage.

- 4.4** All residents of Jessie Road and the section of Francis Avenue between Jessie Road and Orchard Road who responded and currently hold permits for the MB zone (24) indicated they would like this arrangement to continue. Other residents of Jessie Road have indicated they do not wish to become part of the proposed MC zone.

The suggestion of incorporating Jessie Road into the MB zone would only reduce displaced parking if residents took up permits or were eligible for permits, which cannot be guaranteed. Therefore, additional empty spaces are likely to be added within the MB zone. It is likely that the take-up of MB zone permits by residents of Jessie Road may increase should the MC zone be implemented.

- 4.5** There is no parking scheme that can accommodate each individual's needs or views within an area. Therefore, whilst the proposed MC zone may not be the ideal solution for everyone, it aims to provide an improvement to the parking situation currently experienced by a large number of residents.

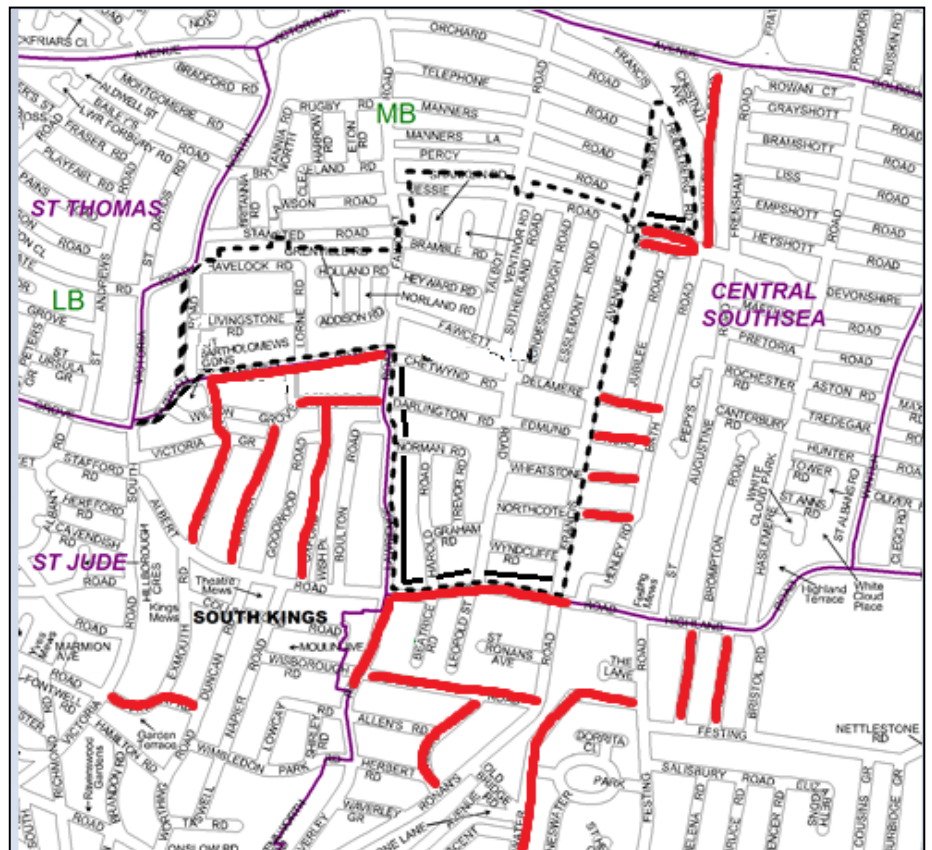


5. Issues raised during the formal public consultation.

5.1 Displacement parking into surrounding areas

Concerns about vehicle displacement from MC zone increasing parking problems in already congested residential roads have been raised by residents of the following roads (shown in red, in relation to the MC zone shown within the dotted line):

- Albert Grove
- Albert Rd
- Andover Rd
- Campbell Rd
- Chelsea Rd
- Craneswater Ave
- Delamere Rd (eastern half)
- Devonshire Square
- Edmund Rd (eastern half)
- Exeter Rd
- Fernhurst Rd
- Gains Rd
- Kimberley Rd
- Inglis Rd
- Northcote Rd (eastern half)
- Oxford Rd
- St Vincent Rd
- Waverley Rd
- Welch Rd
- Wheatstone Rd (eastern half)



Displacement into the surrounding area is likely to be significantly reduced with a scheme operating between 6pm-8pm, although it is recognised that the surrounding area has little or no capacity to accommodate overspill parking.

Consultation with residents living within the "North Kings" area has had mixed responses. Those who feel strongly about parking associated with Albert Road shops, restaurants, theatre and music venues either feel that it should be prevented in favour of residents or that it should be allowed in the interests of the local community and economy. There is no solution that would accommodate all needs of the area that the current unrestricted parking currently offers.

5.2 Permit costs

A number of residents suggest that the cost of permits for a 2-hour restriction on parking should be less than permits used within 24-hour restricted parking zones.

The costs associated with parking schemes include administration, permits, signage, road markings, enforcement and maintenance, and these costs are the

same regardless of a scheme's operating times. Residents are asked to contribute to the costs by way of second permits and visitor permits and therefore it is for them to decide whether the parking problems outweigh any financial impact.

Permits costs are the same across all parking schemes, whether they operate 24 hours a day, 12 hours a day or otherwise. A visitor using a permit allowing up to 12 hours' parking may only need to use 1 or 2 hours of that time: the permit cost is the same (95p).

The need to purchase Visitor permits is greatly reduced within a scheme in operation for 2 hours a day. For 22 hours a day no permits are required: only if a vehicle is present during the 2-hour restricted period would a vehicle be required to display a permit.

Portsmouth City Council is currently the only local authority in the south of England to provide the first Resident permit free of charge. Nationwide, the cost of the first permit ranges from £10 - £140.

5.3 Enforcement concerns

A common concern expressed by residents is how and if a scheme in operation for 2 hours a day can be enforced.

A restriction of "Permit Holders Only" during any period during the day can be more efficient to enforce, particularly for a scheme the size of the proposed MC zone. In schemes where there is a free parking period (1, 2 or 3 hours for example), 2 trips are required by officers from first seeing the vehicle then returning after 1, 2 or 3 hours to see if it is still present. With the proposed MC zone, a PCN could be issued to any vehicle not displaying the appropriate permit during a single visit, without the need for a return visit later on. Enforcement can be affected by shift patterns and staff change overs, so whilst resources are stretched "Permit Holders Only" can be enforced more efficiently.

5.4 The impact on temporary residents, for example University of Portsmouth students

The students who responded to the public consultation on the proposed MC zone expressed concern about not being entitled to apply for permits, as the majority have vehicles registered at a permanent address elsewhere or the vehicles are registered to others (family members, for example).

The University of Portsmouth discourages students from bringing cars with them to the city, due to the severe parking congestion that exists particularly in areas of terraced housing. It has its own Parking Strategy and provides free buses for students' use. In areas where students continue to bring cars, often several per property and often leaving them parked for long period of time without use, the permanent residents ask for a parking scheme to be introduced. As can be seen

from the MB zone, the number of parking spaces available increases significantly where student accommodation and housing in multiple-occupancy is prolific.

Whilst no parking scheme can satisfy the needs of everyone living in an area, it can focus on the demands and issues raised by the majority of permanent residents.

6. Equality impact assessment (EIA)

This report has undergone a preliminary equality impact assessment and there are no equality issues arising from this report.

7. Head of Legal Services' comments

7.1 Traffic regulation orders (TROs) can be made for a number of reasons, including avoiding danger to persons or other traffic using the road, for preventing damage to the road or any building on or near the road, for facilitating the passage on the road of traffic (including pedestrians) or preserving or improving the amenities of the area through which the road runs.

7.2 A TRO may make include provisions prohibiting or restricting the waiting of vehicles or the loading and unloading of vehicles. A TRO may also make a provision prohibiting, restricting or regulating the use of a road or any part of the width of a road by vehicular traffic of a particular class specified in the order subject to such exceptions as may be so specified or determined, either at all times or at times, on days or during periods so specified.

7.3 A proposed TRO must be advertised and the public given a 3 week consultation period where members of the public can register their support or objections. If objections are received to the proposed order the matter must go before the appropriate executive member for a decision whether or not to make the order, taking into account the comments received from the public during the consultation period.

8. Head of Finance's comments

The creation of the new MC zone will cost in the region of £65,000 initially, this will include all signing and lining work, the traffic regulation order and the commuted sum to pay for the on-going maintenance of the physical measures.

This will be funded from the On street cash limited budget and in effect will reduce the transfer of any operating surplus that would be transferred to the Off Street reserve.

The proposed recommendation to have a scheme of this size whose operating times are between 6pm and 8pm will have a negative financial impact. Any scheme that is introduced will need to be enforced effectively and so there will be an on

going administrative cost of the scheme. This cost is estimated to be in the region of £40,000 per annum. This additional cost will reduce the potential operating surplus generated by the On Street Parking operation.

As the scheme will only be operational for two hours per day it is not anticipated that the scheme will generate income sufficient to cover this additional cost. .

The financial effect of recommendations 2.2 and 2.3 are forecast to be minimal and any costs that relate to these measures will need to be met from the on street parking operational budget as with the first recommendation..

.....
Signed by Head of Transport & Environment Service

Appendices:

- Appendix A - Details of consultation responses.
- Appendix B - public notice of the proposed MC zone.

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
344 emails, 24 letters, 1 petition	Transport Planning, Transport & Environment Service, 4 th floor, Civic Offices

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



rejected by on

.....
Signed by Cabinet Member (Leader of the Council)

(End of document)

B) RESIDENTS' PARKING PLACES

All lengths of currently unrestricted on-street parking in the following roads:

1. **Addison Road**
2. **Bramble Road**
3. **Chetwynd Road**
4. **Darlington Road**
5. **Delamere Road (between Fawcett Road and Francis Avenue only)**
6. **Edmund Road (between Fawcett Road and Francis Avenue only)**
7. **Esslemont Road**
8. **Fawcett Road (between Bramble Road and Albert Road)**
9. **Francis Avenue (from Orchard Road to Albert Road)**
10. **Graham Road**
11. **Grenville Road**
12. **Harold Road**
13. **Havelock Road**
14. **Heidelberg Road**
15. **Heyward Road**
16. **Holland Road**
17. **Jessie Road**
18. **Lawrence Road (between Fawcett Road and Chetwynd Road only)**
23. **Livingstone Road**
24. **Londesborough Road**
25. **Lorne Road**
26. **Norland Road**
27. **Norman Road**
28. **Northcote Road (between Fawcett Road and Francis Avenue only)**
29. **Outram Road (between St Bartholomew's Gardens and Havelock Road)**
29. **Shanklin Road**
30. **Sutherland Road**
31. **Talbot Road (between Jessie Road and Fawcett Road)**
32. **Trevor Road**
33. **Ventnor Road**
34. **Wheatstone Road (between Fawcett Road and Francis Avenue only)**
35. **Wyndcliffe Road**

C) PERMIT ENTITLEMENT

Residential and business addresses that would be entitled to apply for permits, in addition to the roads listed in Part B:-

1. **Albert Road** Properties on the north side between Lawrence Road and Francis Avenue
2. **Campbell Road** Properties on the north side
3. **Devonshire Square** Properties on the north side of the northern section between Francis Avenue and Heidelberg Road
4. **Lawrence Road** Properties on the east side between Chetwynd Road and Albert Road

D) CHANGE OF PERMIT ENTITLEMENT FROM MB TO MC

Current MB zone permit holders of Jessie Road and Francis Avenue would be required to exchange the permits for MC zone permits to be able to use MC zone parking bays. Parking scheme permit holders can only have permits for one zone, within which the property address is located.

E) PARKING PLACES: CHANGE FROM MB ZONE TO MC ZONE

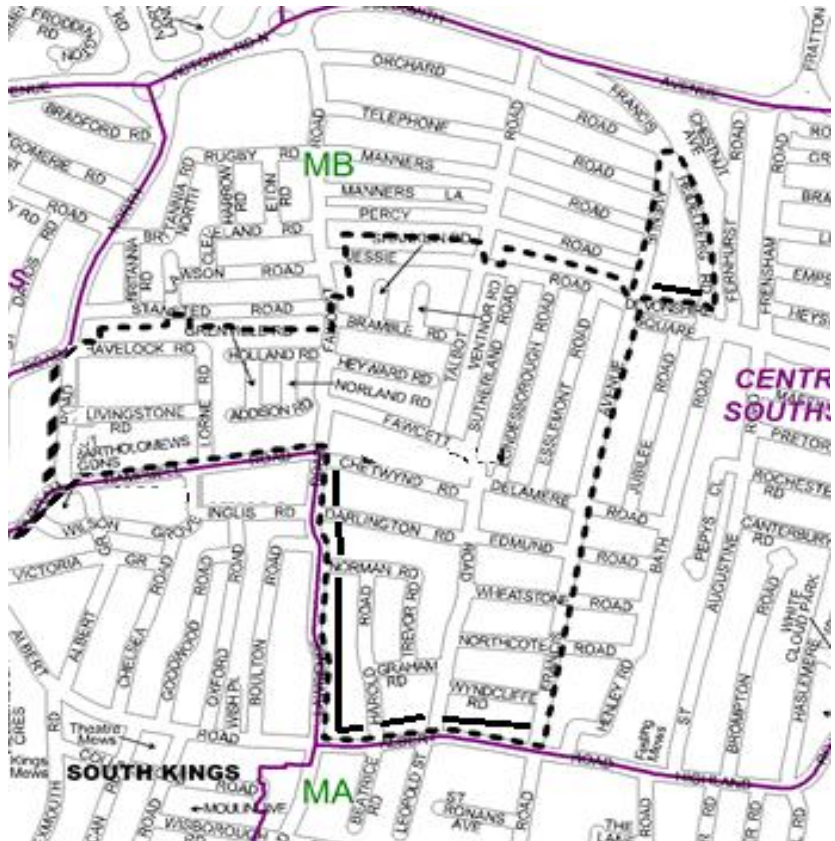
- 1. **Francis Avenue** The existing parking bays on the west side between the junctions of Orchard Road and Jessie Road

F) REASONS FOR ORDER

- Cabinet Members gave instruction in January 2014 for a new residents' parking scheme to be proposed for the area south of the existing MB zone, to be called MC zone.
 - The aim of the proposed parking scheme is to give permanent residents priority over parking at peak time and to prevent long-term parking by non-residents, whilst considering the needs of the local economy
 - New double yellow lines are proposed to prevent parking up to and across junctions, and to prevent parking on built-out pavement features
 - 200+ emails / petitions / letters received from residents prompted a survey to be carried out in 2012. The results of that survey are available on the PCC website here: http://www.portsmouth.gov.uk/media/Bramble_Road_Area_Survey_Results_and_Plan.pdf
- The proposed scheme is in response to requests by residents of the area immediately south of the MB zone have, to counter the effects of displacement parking from that scheme.

G) AREA AFFECTED BY THESE PROPOSALS

Shown within the dotted line:



Key to map:
- - - - - Zone boundary
- - - - - Properties of addresses outside Zone entitled to apply for permits
- - - - - Ward boundaries

SIMON MOON, Head of Transport and Environment
Portsmouth City Council, Civic Offices, Portsmouth PO1 2NE

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APPENDIX B

From residents living within the proposed MC Zone:

Page 1 - 2 Summary of response

Page 3 - 10 Overall responses by road

Page 11 - 22 Summary of comments by road

From residents living outside the proposed MC Zone:

Page 23 Summary of response from residents living outside the proposed MC Zone

Page 24- 29 Summary of comments by road

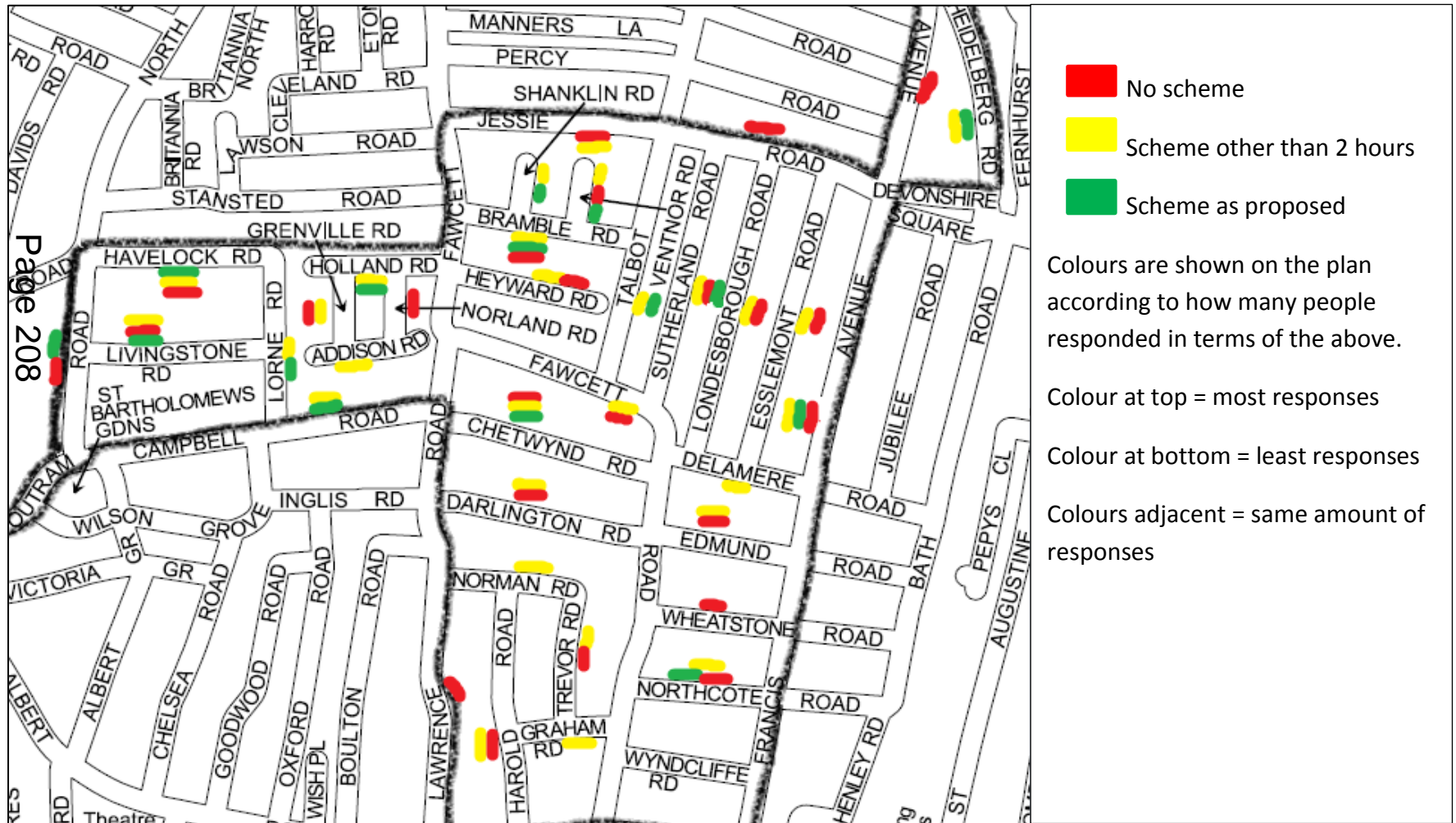
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From residents affected by Jessie Road and Francis Avenue (between Jessie Rd and Orchard Rd) permit /zone proposals:

Stay within MB zone		Move into MC Zone	
Jessie Rd	Francis Ave	Jessie Rd	Francis Ave
18	8	0	0

From residents within the proposed MC Zone area

Road	No scheme	Scheme as proposed	Scheme with extended time of operation				Concerns commonly raised			
			4pm-7pm	4pm-8pm	4pm-10pm	Other / Not specified	Amend MB zone	Student / HMO / MB overspill	Permit costs	Enforce - ment
Totals	46	55	11	10	9	101	8	46	26	17



Overall responses by road (from residents within the proposed MC zone):

Road	No scheme	Scheme as proposed	Scheme with extended time of operation				Concerns commonly raised			
			4pm-7pm	4pm-8pm	4pm-10pm	Other / Not specified	Amend MB zone	Student / HMO / MB overspill	Permit costs	Enforcement
Addison Rd						5pm-8am		1		
Bramble Rd						All day long		1		
Bramble Rd						All day				
Bramble Rd		1								
Bramble Rd		1						1		
Bramble Rd						24/7		1		
Bramble Rd	1									
Bramble Rd						4pm-midngt				
Bramble Rd						24/7				1
Campbell Rd						9pm-midngt	1			
Campbell Rd		1						1		
Campbell Rd						24/7				
Chetwynd Rd				1					1	
Chetwynd Rd		1								
Chetwynd Rd			1							
Chetwynd Rd						8pm +				
Chetwynd Rd								1		
Chetwynd Rd	1								1	
Chetwynd Rd	1									
Chetwynd Rd	1									
Chetwynd Rd	1									

Chetwynd Rd	1								
Chetwynd Rd	1								
Chetwynd Rd					1		1		
Darlington Rd					24/7		1		
Darlington Rd	1								
Darlington Rd				1					
Darlington Rd					5pm-11pm				
Darlington Rd	1					1		1	1
Darlington Rd					5pm-8pm				1
Darlington Rd					4pm-6am				1
Darlington Rd							1		
Darlington Rd					Overnight				
Delamere Rd			1				1		
Edmund Rd		1							
Edmund Rd		1					1		
Edmund Rd	1								
Esslemont Rd					1				
Esslemont Rd					24/7				
Esslemont Rd	1								
Esslemont Rd					24/7				
Esslemont Rd					At least 3 hrs		1		
Esslemont Rd					24/7				
Esslemont Rd					24/7				
Esslemont Rd					24/7				
Esslemont Rd					24/7				
Esslemont Rd					24/7	1			
Esslemont Rd					24/7				1
Esslemont Rd					24/7		1		
Esslemont Rd					24/7			1	

Esslemont Rd	1						1		
Esslemont Rd						24/7			
Esslemont Rd	1								
Esslemont Rd	1								1
Esslemont Rd						7pm +			
Fawcett Rd		1							
Fawcett Rd			1						
Fawcett Rd	1						1	1	
Fawcett Rd						1		1	
Fawcett Rd						1			
Fawcett Rd						24/7			
Fawcett Rd		1							
Fawcett Rd						7pm-9pm			
Francis Ave					1			1	
Francis Ave						6pm-midngt	1		1
Francis Ave		1							
Francis Ave						1		1	1
Francis Ave		1							
Francis Ave		1							1
Francis Ave	1							1	
Francis Ave					1			1	
Francis Ave						24/7			
Francis Ave	1								1
Francis Ave						8pm +		1	
Francis Ave					1				
Francis Ave	1							1	1
Francis Ave								1	
Francis Ave			1					1	
Francis Ave						1			
Francis Ave						9pm+		1	
Francis Ave								1	

Francis Ave	1								
Francis Ave						1			
Francis Ave	1								
Graham Rd		1						1	
Grenville Rd						24/7			
Grenville Rd	1								
Grenville Rd	1								
Harold Rd						1		1	
Harold Rd						1			
Harold Rd						1		1	
Harold Rd	1								
Havelock Rd		1							
Havelock Rd						1			
Havelock Rd	1								1
Havelock Rd		1							
Havelock Rd		1							
Havelock Rd				1					
Havelock Rd						3hr slot			
Havelock Rd				1					
Havelock Rd						5pm+			
Havelock Rd		1							
Havelock Rd		1					1		1
Havelock Rd		1							
Havelock Rd		14							
Havelock Rd		1							
Havelock Rd						24/7			
Havelock Rd		1							
Havelock Rd	1								
Heidelberg Rd		1							
Heidelberg Rd						1		1	
Heidelberg Rd		1							

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Heidelberg Rd						Later eve			1
Heidelberg Rd			1						
Heyward Rd	1								
Heyward Rd						1hr max stay			
Holland Rd						6pm-8am			
Holland Rd						5pm - morn			1
Holland Rd		1							
Holland Rd						6pm-8am		1	
Jessie Rd						24/7			1
Jessie Rd	1								
Jessie Rd	1								
Jessie Rd						Part of MB	1		
Jessie Rd	1								
Jessie Rd						1			
Jessie Rd	1								
Lawrence Rd	1								
Livingstone Rd					1			1	
Livingstone Rd					1				1
Livingstone Rd						1			
Livingstone Rd					1				1
Livingstone Rd	1								
Livingstone Rd			1						
Livingstone Rd						4pm-11pm		1	
Livingstone Rd				1					
Livingstone Rd	1								
Livingstone Rd			1						
Livingstone Rd		1							
Livingstone Rd						24/7			
Londesborough Rd						1		1	
Londesborough Rd						1			1

Londesborough Rd			1					
Londesborough Rd					24/7			
Londesborough Rd					5pm-7pm			
Londesborough Rd					5pm-9pm		1	
Londesborough Rd	1							
Londesborough Rd					4pm-midngt			
Londesborough Rd					24/7		1	1
Londesborough Rd					24/7	1		1
Londesborough Rd					24/7			
Londesborough Rd			1					
Londesborough Rd					6pm-6am		1	
Londesborough Rd					1		1	
Londesborough Rd					1		1	
Londesborough Rd					4pm-8am			
Londesborough Rd					1			
Londesborough Rd								
Londesborough Rd					24/7			
Londesborough Rd					6pm-6am			1
Londesborough Rd					24/7			
Londesborough Rd					5pm-7pm			
Londesborough Rd					24/7			
Lorne Rd		1						
Lorne Rd				1				
Lorne Rd					4pm-midngt			
Lorne Rd					Later in eve			1
Lorne Rd					24/7			
Lorne Rd					7pm +			
Lorne Rd		1						
Lorne Rd					24/7			1
Lorne Rd					24/7			
Lorne Rd		3						

Norland Rd	1								
Norman Rd						24/7		1	1
Northcote Rd	1						1		
Northcote Rd						Evenings			
Northcote Rd		1							
Northcote Rd						5pm-7pm			
Northcote Rd						9pm-11pm	1		
Outram Rd		1							
Outram Rd	1							1	1
Outram Rd		1							
Outram Rd		1							
Outram Rd	1								
Outram Rd	1							1	
Shanklin Rd		1							
Shanklin Rd						1	1		
Sutherland Rd		1					1		
Sutherland Rd						1			
Sutherland Rd						1	1		
Sutherland Rd				1					
Sutherland Rd	1								
Sutherland Rd						24/7	1		
Sutherland Rd						1	1		
Sutherland Rd						24/7	1		
Sutherland Rd	1						1		
Talbot Rd					1				
Talbot Rd									1
Talbot Rd						1			
Talbot Rd			1						
Talbot Rd		1							
Talbot Rd						1			
Talbot Rd		1							

Talbot Rd		1								
Talbot Rd						24/7				
Talbot Rd			1							
Talbot Rd						24/7		1		
Trevor Rd	1					Late eve			1	
Trevor Rd						24/7				
Ventnor Rd		1								
Ventnor Rd	1									
Ventnor Rd				1						
Wheatstone Rd	1									
Wheatstone Rd						1				
<i>Address requested</i>										
	1								1	
	1									
		1				24/7				1
						24/7			1	
						24/7				1
Totals	46	55	11	10	9	101	8	46	26	17

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Summary of comments by road (from residents within the proposed MC zone):

Addison Road

Most residents come home after 6pm, when it will be unrestricted. MB vans can park after 6pm

Bramble Road

Totally in agreement with parking zone, but needs to operate for longer. Nearby roads use our roads as car park
Times may not be sufficient; parking a problem much of the day. DYs in Bramble Rd unnecessary on cul-de-sacs.

I am sure this will benefit the residents of the zone.

Cannot park in Bramble Rd, often near Albert Rd - more than a mild inconvenience. We bear the brunt of nearby schemes.

Angry + upset: 4pm-6pm won't help residents in any way. Dare not go out in evenings for fear of having to park roads away on return. Please can we have 24/7 with 2-3 hours for non-residents?

The nursery, children's centre and Goldsmith Infant school have children and staff on site until 6pm daily. Would staff on site between 4pm-6pm be issued with permits?

We do not want permits in our road.

Same restrictions as MB zone, but operating 4pm-midnight. 4pm-6pm will have no effect on commercial vehicles; most arrive after 6pm. MB zone is deserted during daytime hours; these restrictions would not limit the displaced parking.

Hopefully the scheme will stop: long-term parking from MB zone vehicles without permits, commercial vehicles, commuters enjoying the free parking here when catching the train to London etc., anyone else who wants a permanent free parking space outside my house!

Campbell Road

No chance of parking close to home after an evening out. MB zone empty!

Since other parking schemes have been introduced, long-term parking by non-residents has become a problem for us. 4pm-6pm is our main problem time for parking, and will stop vehicles being parked for days / weeks on end.

Need to be able to go out in evenings with the fear of not being able to park on our return. Other towns are not the same.

Chetwynd Road

Operation time is too narrow: many people arrive home after 6pm. City is crowded; acceptable to park away from home.

Clearly a lot of thought has gone into the new scheme to try and control parking. It will only be successful if managed effectively. An annual fee should be charged for permits, used to pay for an adequate number of traffic patrols (not swallowed up in the general budget)

4pm-6pm is not the busiest time for parking, 4pm-7pm is the most difficult time to find a space. No desire to prevent parking during the day and don't want to make life difficult for local businesses to operate.

Not required 4pm-6pm. After 8pm drivers can spend up to 45 mins trying to find a parking space and 15 min walk home.

Chetwynd Road continued

There are occasionally problems with parking, the biggest issue is with student houses as parking is better in holiday periods

No car - 2 cycles or hire a car when on holiday. Cost of permits for visiting family (regular). Car owners are being given priority over those using greener forms of transport. The scheme is not needed. Portsmouth FC no longer in Premiership, when parking was a nightmare on match days.

Scheme not needed, and other residents feel the same, hence the results of the 2012 survey. Previous schemes have only exacerbated the situation in nearby areas. I arrive home at 6.30pm, so ridiculous scheme no good to me. I'm well aware that the football, Kings Theatre and Wedgewood Rooms can cause temporary parking problems, but I've always been able to park.

I do not agree with the proposal. I do not wish the residents' parking permits to go ahead.

I pay road tax and do not want to pay more to park in a certain zone. We have 3 cars and all need transport for work. I do not agree with this money-making proposal.

Scheme doesn't work, others will pay for more permits. Noisy extension of the University campus.

No guaranteed parking, visitors charged, further displacement. Remove other schemes to stop displacement. Make it Mon-Fri only.

Why not a longer period of time? Problems with households with works vans, taxis and student vehicles.

Darlington Road

Always parking during the day. After 6pm is the problem, when many return home from work.

Enjoy the freedom to park where ever necessary to suit my lifestyle. Consultation was inconclusive - not worth the hassle.

Proposed scheme is considered, but should operate until 8pm (or 24 hours) as some people get home after 6pm.

4-8pm ridiculous, no benefit to residents. Most return from work after 6pm. No problems outside student term times.

Complete farce and waste of money; won't help residents at all. Will remain a car park for people of surrounding zones without permits. MB zone 1/3 empty!

There is no advantage to the proposed 2-hour slot. To gain any advantage residents would need it to run from 5pm-8pm to allow those working out of town to return home.

MB zone not enforced, so this won't be either. 2-hour restriction alarming and useless - problems are after 6pm.

Whole issue is down to 20,000 students bringing cars and not using them for days or weeks on end. From June-Sept parking is not a problem. Why should residents have to pay for permits - students should park in Uni grounds.

Parking is a very big problem and I support the proposed scheme. It should run overnight, not just 2 hours, but something is better than nothing.

Delamere Road

Would prefer 24/7 but happy to opt for proposed scheme. Commercial garages continually dump vehicles in surrounding roads for months, often using them for storage. Scheme should operate 4pm-7pm to prevent them doing this after 6pm to give residents a chance to park after work.

Edmund Road

Some neighbours have several vehicles, making parking for others very difficult.

Neighbours have 8 vehicles including children's + business vans. Student accommodation, football matches cause probs.

Why are we included when we voted 2-1 against RP? 4pm-6pm is good, but relies on friends and family for support: no car.

Esslemont Road

Different rules for neighbouring zones could cause confusion for people.

Parking problems occur after 7pm at all day at weekends. Going out in the evening results in parking 1/4 mile away on return.

No parking scheme, it's a lot of hassle, problematic for guests and extra fees. No problems finding a space, in rare cases we can park in surrounding areas. Implement same scheme as those around us is only fair. 4pm-6pm is a non-starter. Others will still avail themselves of the parking here. Can't leave space on football match days.

The MC zone will still be a free-for all after 6pm, but residents of that zone cannot overspill into MB zone for more than 2 hours. Very little will change for residents in MC zone. Restricted period should be extended to more than the MB zone's 2 hours by at least 1 hour.

2 hours restricted parking is not enough - should be 24 hours.

Parking down this road is terrible any time of the day but is really bad at night so 4pm-6pm just won't work. We need a 24 hour zone.

We welcome the move to introduce restrictions, but 4pm-6pm is simply not enough. Parking is difficult during the evenings. We hold the overflow from the MB zone, which has a 24-hour restriction with 2 hrs for visitors. We should have the same.

I object that the scheme would only be for 2 hours. It does not allow for the large number of contractor vans from other roads, who park daily. For women on their own, arriving home after 8pm and having a long walk from the car risks their safety.

2-hour parking will not work, my partner works shifts. Our road should have a 24-hour parking scheme in place.

Only 2 hours restricted parking discriminates against residents here. Most don't get home until after 6pm from work. What about concerns for the elderly struggling to walk long distances and feeling vulnerable on the streets at night? The issue of the free spaces in MB zone has not been addressed. This is not a solution.

2 hours parking is not sufficient. It has to be a 24-hour zone. People get home from work at different times.

Same scheme as MB zone or no scheme at all. We get a lot of cars from the Orchard Rd scheme because they don't have permits. At 7am on Saturday in MB zone you will find lots of parking.

Would prefer not to pay for a permit outside my home at all, so a 2-hour zone is ridiculous in terms of value for money. It will have to be an all-day scheme.

We are pensioners and need visits from our family. The problems would not exist if students lived on campus and the houses were family homes again.

Students park for weeks, only using their cars for home visits. At end of term there is plenty of parking.

Restricted parking for 2 hours a day is a silly idea. Either enforce it for 24 hours or not at all, or residents will be paying for permits without seeing spaces available closer to home.

I do not mind finding parking near my house. This scheme will be a cost to us in the long term and I altogether oppose any restriction in this area.

We don't need a restricted parking zone in this area. Shouldn't have to pay for having 2 or more cars per household.

Include us in the MB zone, which does work. Restricting parking between 4pm-6pm will have no effect whatsoever, as there is plenty of space then.

Fawcett Road

Not sure how scheme would operate between 4pm-6pm, but fully support any proposal to make parking easier for residents.

Wanted reassurance that he would be entitled to a permit, as lives by MB zone but cannot park there. This was confirmed.

Support scheme in principle, as long as provision is made for visitors.

Fawcett Road continued

Anyone can park outside 4pm-6pm. New zone means people still unable to use the 300 empty spaces in MB zone. How can PCC spend money on a scheme "voted" for by a majority of 28 people?

Allowing 22000+ students and their vehicles to enter an already congested city is a farce. Too little too late.

As a restaurant open 5pm-midnight, 5pm-6.30pm is our busiest time. Unless a 15-20 min dispensation period is included, our small business will not survive.

Fully in support, but should operate exactly the same as LA, LB or MB zone.

As long as company cars are included - we only have the 1 car.

Main problems are later in the evening when arriving home between 7pm-9pm, when it is necessary to park several streets away. This is intimidating for me.

Volunteer rescuers are often called out late at night and can find no space to park on their return.

Francis Avenue

We arrive home after 6pm and often go out and return about 8pm - no spaces.

MB zone undersubscribed. Should be addressed to resolve some of the displacement issues.

Discouraging commuters from parking in MC zone would ease congestion + illegal parking around Devonshire Infant and Fernhurst Junior schools. There is a danger to children when parents cannot drop them off safely due to all-day commuter parking.

No real problems parking in Francis Ave at these times, so scheme would do nothing for the costs involved.

Scheme is excellent. Cars are left for days on end - it's maddening.

Scheme welcomed by council tax payers, due to student bedsits (up to 4 cars per house) and 2 x garages (up to 10 vehicles parked in the roads).

Occasionally have parking problems but do not want a scheme set up. Unfair to buy 12-hour permit for 2-hour visit.

Not ideal but would rather have something that can be altered later if necessary. Asap please. No spaces after work after 8pm.

4pm-6pm will be of help, but not for using the spaces in the MB zone or when football matches are on.

Don't think 4pm-6pm will help because parking is worst from 9pm onwards. Already has to use Visitor permits when visiting boyfriend: both live in Southsea

Not difficult to find parking 4pm-6pm, it's more difficult from 8pm onwards. Scheme will make no difference.

4pm-6pm is totally inadequate; it should be 4pm-8pm at least or even longer. The increase of car numbers parking here is not due to commuters but vehicles from MB zone parking for the night. Student parking and HMO parking is the main cause of reduced parking space, but PCC is in denial on this and should talk to university about banning students from bringing cars to the city. During holiday times the benefits to the parking situation can be clearly observed.

I am against any parking scheme. My family visit on a regular basis and should not have to pay, The consultation needs better coverage - the notice in the news was in small print among the classified ads.

Giving residents a 2-hour priority is a joke. It needs to be extended to 4pm-7pm if it is implemented. Permits don't guarantee a space so why have them.

Some households have more than 2 cars, particularly if children can't afford to move out. Students should not be allowed to bring cars into the city; they are badly parked and not moved for days. It is unfair that businesses can purchase as many permits as they like.

No benefit to most residents and not equitable to charge residents who need to park between 4pm-6pm. Even 24-hour schemes do little to help with traffic problems when sporting events take place.

Francis Avenue continued

No benefit to restricting parking between 4pm-6pm. Roads are busy from 9pm onwards due to student parking and those visiting Albert Rd and Kings Theatre.

I would like the proposals increased to 4pm-7pm as not everybody gets home from work before 6pm.

Scheme will create a problem where currently there is not one, causing disruption to otherwise happy residents.

Tend to travel to work by bicycle and work different shifts. Nearby business owner leaves a trailer and many vehicles on the road.

As a student I am concerned about the proposal as the current areas without zones are very useful to me. Unable to have a permit - could there be changes so that people such as myself could be allocated permits?

Graham Road

Parking opportunities are dire. The road has 56% student homes. Students park after studies but before rush hour, meaning all the spaces are taken before residents get home. I often have to park near Canoe Lake and walk half a mile home. A RPS here would encourage students to reduce their carbon footprint and reduce the parking pressure for those needing cars for work, mobility etc. Students don't need cars here as the campuses are easily reached on foot, cycle or public transport and they all catch taxis when going out drinking in the evening.

Grenville Road

Scheme should operate when residents return home in the evening. Anyone can park overnight if restriction ends at 6pm.

Scheme will be of no benefit to residents. The houses were built a long time before cars became popular, and therefore not built to accommodate the number of cars seen today. Parking will always be a problem and a scheme will not help, only create more expense for residents.

Scheme will be of no benefit to residents. The houses were built a long time before cars became popular, and therefore not built to accommodate the number of cars seen today. Parking will always be a problem and a scheme will not help, only create more expense for residents.

Harold Road

Cannot park on return from evenings out.

Particularly difficult to park in the evenings, especially after 7pm

Albert Rd has a range of shops and a community feel. Shop owners park in nearby streets for free; if they have to pay shops could close at 4pm, impacting on local amenities. There are only problems when the Wedgewood Rooms or Kings Theatre have events, and people generally arrive after 7pm. Schemes just push the problems elsewhere.

The only problems are during university term time as too many student lets and HMOs have been allowed. The problem disappears completely after each term finishes. Proposed operating time would be ineffectual; people arrive home after 6pm and 4pm will affect local traders. Agreement should be made with University to reduce the number of cars student households can park in the road.

Havelock Road

In favour, and understand it can be reviewed at a later date.

Delighted that the scheme is proposed, but wishes the restrictions were as robust as the nearby roads.

It is a tax on residents as well as visitors, with no indication of how monies raised will be spent.

I'm against any kind of scheme, being elderly and relying on visitors.

Please register my support. It's a pity it won't be the same type of scheme as in the rest of the city.

Wholly in favour of proposed scheme. 4pm-6pm may temper those with helpers and regular visitors. A very considered approach.

Only reservation is that 4pm-6pm is too short. Can it be extended to 7pm?

In full support of parking permits. Ideally a 3-hour slot would be better than the proposed 2 hours, but better than current situation.

4pm-6pm is too short as residents return from work between 6pm-7pm. Can it be extended to 7pm?

Not equitable service compared to other areas, parking always difficult but virtually impossible after 5pm. Residents not inclined to go out, missing out on seeing friends and taking part in activities / sports. Those working shifts are unable to park safely on their return. This is an unfair proposal.

Delighted to see the yellow notices displayed in our area. All residents find it difficult to find a slot in the road; situation is worsening.

If not effective, adjustments should be made to rectify the situation. Allowing people outside MC to have permits could negate any advantages residents of the new zone might enjoy. Why not allow MC permits to parking in MB zone?

We support the scheme, though the "light touch" may not solve the problems. No doubt residents will raise the issue again in future if the strategy doesn't work.

Petition to support the proposed parking Zone MC, signed by 14 residents of Havelock Rd.

In support the scheme and understand that, once established, it is possible for a scheme to be reviewed.

Would much rather the same as MB zone, but this is better than nothing. Without warden supervision, cars will arrive just after 5pm and stay. Proposal falls short of expectations for this area.

We are in favour as the parking is a complete nightmare in this street.

Heidelberg Road

Full support for the proposal - it's essential.

In favour due to MB zone overflow, students, foreign-registered cars, works vans, car sales, commuters.

Commuters take up the daytime spaces. Residents-only parking 4pm-6pm would greatly alleviate the issue.

Disappointed with proposed 4pm-6pm. Car sales may find it inconvenient, but residents would pay for no guaranteed space and 2 hours parking a day.

I would prefer the restriction to be from 4pm-7pm as I often work later, but any improvement will be welcome. This road is constantly congested with students vehicles, commercial vehicles and 2nd vehicles without permits from the MB zone.

Heyward Road

Would impact on doctors surgery and 4000 registered patients in terms of appointments and doctor parking.

Sick and tired of parking difficulties due to cars owned by residents of other zones. Only concern is 4pm-6pm is inadequate. 1 hr should be allowed at any time of day, particularly for people attending the local GP surgery.

Holland Road

I am supportive of parking restrictions as I often struggle to parking my car in the evening, but do not believe 4pm-6pm will solve this problem. I arrive home after 7pm and we only have problems later on. For us to benefit, 6pm-8am would be better.

4pm-6pm is pointless as nobody in our household is home before 6pm. 5pm until the following morning would be more suitable, to cater for coming home and evening socialising.

Many works vans park here. The 2-hour block will help many people park after work rather than drive round. Visitor permits are very reasonably priced. We need restricted parking between 6pm-8am, allowing school workers and businesses to move before restrictions apply. 4pm-6pm is of no benefit to anyone. It's clear that people are driving home between 5-6pm, so this will just delay them parking and cause bottleneck in Fawcett Rd. Main difficulty parking is in the evenings.

Jessie Road

Problem starts from 5pm, should be 24 hours. MB zone not controlled - Percy Rd / Manners Rd full of cars without permits.

We are students and never have trouble parking in this road. We don't have large incomes so a subsidised plan would be a nice idea.

The proposal is lunacy - no scheme here! Nobody (except residents) can use a large chunk of Central Southsea for business, shopping etc for 2 hours.

There are 348 empty spaces in MB zone, with the relative number displaced into the adjoining area. Jessie Rd has less parking than housing, which could be accommodated if included in the MB zone, reducing displacement by 24%. MB zone has caused such a problem because it has more spaces than eligible housing.

My only comment is that the operational time is a bit tight, especially for people working away from the area and arriving home after 6pm.

The parking works very well as it is. The proposal would make it very difficult for staff at the Co-op who work shifts 5pm-11pm. Please consider this.

Lawrence Road

If the MC zone is to counter the displacement from MB zone, then surely it will create a new area affected by displaced parking. Either cover the whole of Southsea or scrap the existing schemes.

Livingstone Road

Something needed to stop overnight parking here by people from other zones.

Road is clogged up all evening, every evening - parking not easier after 7pm. No benefit to residents. Have to buy permits for visitors.

In favour of scheme, but unconvinced 2-hour slot is sufficient. Could it be lengthened if the parking situation is unrelieved?

Permit costs for no benefit whatsoever. Visitors to Albert Rd are the problem in this area. 4pm-6pm parking no problem.

Why should I pay when a space is not guaranteed? Having priority is not the same as being guaranteed a space.

Livingstone Road continued

4pm-6pm may dissuade commuter parking but will not prevent displaced vehicles from other zones or encourage them to buy permits for their own zones. All parking schemes should be the same, to avoid displacement.

The 2 hours restriction will not solve the problem of displacement parking from other zones, which is most acute in the evening between 7pm-11pm. There is nowhere to park after an evening out to the cinema, visiting friends, hospital visits etc.

4pm-8pm would be a better option as 4pm-6pm will make no difference. Many parents go out for meals or take children to Brownies etc. When residents return there is nowhere to park, especially when Kings Theatre patrons have taken all the spaces.

There are more cars than parking spaces and no scheme will change that. It will do nothing and put more financial strain on those with meagre budgets. Paying £53 a year makes no economic or social sense.

Restricted time needs to be extended by at least 1 hour. I rarely return home before 6pm. The more inconvenient it is for non-residents, the less likely they are to return later. An extended restricted period would also be easier to enforce. Our road is always congested, particularly with the nursery and doctor's surgery nearby.

It's necessary to get the ball rolling on a parking scheme. We often struggle to find a space, and the scheme should make parking fairer for those who need it the most.

Support the scheme as long as it's 24 hours. Proposed 4pm-6pm will make no difference at any time because of the closeness to Albert Rd.

Londesborough Road

Commuters are not the problem, they're gone by 6pm and parking issues continue.

No parking problems between 4pm-6pm. Would have to pay for permits for something that doesn't affect us.

I don't get home from work until 7pm, so the hours should be extended. Local car garage causes problems.

This will not solve parking problems in Londesborough Rd, which requires a 24-hour zone, much like the adjacent MB zone. I rarely move my car in the evenings for fear of not finding anywhere to park on my return.

Many people don't finish work until 5.30pm - 6pm and therefore may return after 6pm. Could it be from 5pm-7pm?

Local garages leave cars in the road waiting to be fixed; 6pm may not deter them. Most problems occur after 6pm.

As a student I only use my car once a fortnight. Cost to register car here is £300. Consider student discount, as only stay for 9 months of the year. Not fair for residents to pay to park.

4pm-6pm ridiculous, no help at all. Waited for scheme for a long time, parking is a big problem. Coming home in evening, spending 20 mins trying to find a space, finally parking near Albert Rd is unacceptable.

Road is half empty 4pm-6pm. MB zone residents park vans etc in our roads after 6pm - we cannot use their spaces. Cannot park when returning home after 7pm. After visiting sick relative, the 15 min walk is added stress.

Always spaces in MB zone. If they don't pay for 2nd permits they still won't because they can park in our roads after 6pm. Problems occur after 6pm.

Has to have same hours as neighbouring schemes. Our road is an overflow for MB zone and the number of business vans from there keeps increasing. A 2-hour zone will cause more issues for the residents on our road.

Lorne Road continued

Non residents can clog up our roads for 22 hrs. Unless religiously enforced, people will take risks and park between 4pm-6pm. Not fair compared to neighbouring schemes. No-one outside MC should be entitled to permits. Will make things worse and cost money!

Non residents can clog up our roads for 22 hrs. Unless religiously enforced, people will take risks and park between 4pm-6pm. Not fair compared to neighbouring schemes. No-one outside MC should be entitled to permits. Will make things worse and cost money!

Petition to support the proposed parking Zone MC, signed by 3 residents of Lorne Rd.

Norland Road

No car personally, but uses car registered to family member and relies on it. No problems with parking 4pm-6pm. Objects due to non-permit entitlement.

Norman Road

24 hour scheme as in other areas would be fairer. 4pm-6pm no use as many residents return from work outside these hours. No more double yellow lines. Operating MC zone at different times to other zones would only encourage displacement parking into the less restricted area.

Northcote Road

Top landlords housing 5-7 students in 1 house or put all students in accommodation on University ground. Only 3 people in this road wanted RP anyway.

4pm-6pm of little benefit to me, rarely returning home before 6pm. Difficult to park later in the evening, so would welcome a scheme at that time.

Scheme of any sort welcomed, due to parking by student houses (cars don't move for months), residents of nearby schemes not having permits and Albert Rd shoppers.

Scheme will affect our business. However, it closes at 5pm, so if the restriction operated 5pm-7pm it would make a lot of difference to us - and to residents who don't finish work until 5pm.

Outram Road

Sometimes vehicles park in the small gap to the right of our forecourt, making it difficult to exit or use driveway next door.

4pm-6pm is ridiculous, provides no benefit to residents. Effective enforcement needed - more officers. Commercial vehicles?

If I come home before 4pm I can't find a space. If I come home before 6pm I can never find a space either, due to numerous cars and large vans belonging to residents parking all day.

There are times when the parking here is impacted by the long-term parking of business or other non-local vehicles. Other problems are caused by busy events; Great South Run and popular shows at the Kings Theatre.

Schemes exacerbate the problems and cost money. Setting up a scheme is an unnecessary luxury in times of austerity. More restrictions will make Portsmouth less accessible, and it relies on business, retail and leisure facilities. The parking difficulties just creep through the city with these schemes.

Lack of discussion with residents prior to this proposal. The proposed scheme achieves next to nothing other than place a financial burden on residents.

Shanklin Road

MC zone is the best option for the area. Residents must be given priority over parking each day between 4pm-6pm, and I agree with the proposal. Welcome the proposal, but doesn't go far enough. Same rules as MB zone should apply.

Sutherland Road

Train commuters replace residents who leave early, and stay all day. Visitor permits reasonable.

Cannot go out after 6pm due to parking: walks the streets with 2 children. Permit prices fair.

Increasingly frustrated at driving round the streets trying to find a parking space.

I would have preferred a longer parking window (4pm-8pm) but anything is acceptable to give us a better chance of parking.

Neither of us owns a car, but we have visitors and would need to purchase visitor permits.

Often work 7pm-2am, cannot find a parking space after 6pm so dare not go out. Students leave cars overnight.

2-hr time slot totally inadequate. A large number of residents do not arrive home until after 6pm. The people who park in our roads will still have 22 hours to do the same, leaving us with the same parking problems.

It is imperative that a scheme is implemented to match MB zone; the 4pm-6pm won't work if they can still park here 22 hours a day.

Only problem is in the evening, caused by displaced vehicles in MB zone. The parking zone around Orchard Rd should be disbanded and rejected here.

Talbot Road

Often don't get home from work until after 8pm; finding a space is always a worry. Should cover the evening.

PLs are supported on safety grounds, but 4pm-6pm will have nil effect = more pressure on available parking. Moving Jessie Rd + Francis Ave will put more pressure on MC zone and increase wasted space in MB zone

4pm-6pm is a start but not long enough. Often cannot take out young children due to being unable to park on our return. Zones should be the same.

Should be the same as MB zone. I don't get home much before 7pm, so the scheme will be of no use and will not help me find a space.

Congratulations on the MC zone plan, which is more than necessary.

Fully support the proposal, but it may not be sufficient to ease the parking issues. Should be the same as MB.

Can see huge benefits of scheme, as it's hard to find space near the house at peak times. Struggles with toddler + shopping.

The scheme would mean I would park closer to my house more regularly.

Not convinced 4pm-6pm will make much difference, particularly when returning from work after 6pm. Effectiveness should be monitored and residents given an opportunity for feedback.

I don't finish work 'til 6pm and sometimes don't get back 'til 7pm. Please put the scheme in as I will be getting home later and would like to come home and just park.

Disappointed at 4pm-6pm proposal as parking here is a 24-7 problem. There are no free spaces due to displaced vehicles from the MB zone.

Trevor Road

Many residents return from work after 6pm, so proposed scheme of no benefit. Problems caused by Albert Rd customers, restaurants, Kings Theatre and Wedgewood rooms.

Should be an extension to the MB zone. 4pm-6pm is no good when you have people going to the Wedgewood Rooms and leaving their cars 'til the next day. Lots of people drive to Albert Rd and leave cars over the weekend. As a shift worker, this scheme won't help me anyway. More wardens will be needed as they're under immense pressure already.

Ventnor Road

Preference would be for 24-hour scheme, but 4pm-6pm should combat the significant displacement from MB zone. Keep Jessie Rd in MB zone or extra residents could make it worse in MC zone.

Totally opposed. Lack of demand for permits + most days you can park in the road. Congested city so parking is a problem.

Support the proposal to allow residents priority over parking, as those living outside currently park here. 4pm-6pm may be too narrow and not inconvenience MB zone residents parking after 6pm. Suggest time is extended to 4pm-7pm or 8pm.

Wheatstone Road

Having moved from within the KC zone we do not find it acceptable to pay to park our cars or for visitors.

Totally endorse the scheme, but 2-hour limit could be extended somewhat.

Exact address not indicated

Most days won't be home to gain an advantage from the over-priced permits. Scheme should be as others.

No more parking restrictions, they're just one big headache.

4pm-6pm no good as people's working patterns are not 9am-5pm. 1 hr max needed for non-residents. Students should be banned from bringing cars into the city, which is the cause of the parking pressure here.

I agree that a scheme that limits parking between 4pm-6pm is better than parking restrictions all day. Relatives and friends should be able to visit without having to pay for permits. The scheme will also deter people from dumping cars in the area for long periods.

2-hour parking is a bad move by the council. The only thing to do is make it 24-hour parking.

4pm-6pm is not a "peak time" and there is no reason for residents to have priority over parking then. There will be no benefit to people who work evenings, and no guarantee of a space.

The major problem here is parking between 9pm-11pm, especially when the students are in residence. You have to park half a mile away, after 15 mins looking for a space. This has so affected me that I no longer go out in the evening. I rarely get home before 6pm, but any advantage to residents would be helpful.

Summary of response from residents living outside the proposed MC Zone

Road	No scheme	Scheme as proposed	Scheme with extended time of operation				Concerns commonly raised				New displaced parking
			4pm-7pm	4pm-8pm	4pm-10pm	Other / Not specified	Amend MB zone	Student / HMO / MB overspill	Permit costs	Enforce - ment	
	52	5	2	0	0	1	7	3	2	1	47

Summary of comments by road (from residents living outside the proposed MC zone):

Albert Grove

Parking is already tough; it will become more difficult and residents risk PCNs when forgetting to move cars from zones having been forced to park there. We already park on top of each other.

The introduction of new schemes will cause further displacement into an area that is already difficult to park in, making it impossible. Councillors prioritise parking for the King's over local residents - how can they contemplate exacerbating an already difficult situation?

It's better than the last proposal, but still no solution to the displacement in the North Kings area. After 6pm non-residents will simply park in North Kings where there is already a serious problem with no proposed solution.

Albert Road

Parking proposal could affect trade on Albert Rd. One of the last attractions to this area is the unrestricted parking in adjacent roads. We don't need something that will keep customers away. I actually find it easier to park in the side roads now than in the last 20 years.

Living on the south side I cannot get permits for the MA zone, and if this scheme comes in I won't be able to park north of Albert Rd either!

U

Andover Road

This road is now close to schemes to the north and west. The impact of these schemes is increasingly apparent with more commercial vehicles being left here, making it difficult to find a space. Car use in the city is a major problem and needs to be tackled in other ways.

Do not create any more schemes in Portsmouth; we don't need them. A ticket should be issued to all Portsmouth residents, allowing parking everywhere free of charge. It's just another tax.

Bath Road

There will be nowhere to park near my house if the adjacent roads have restricted parking. It would be impossible to carry the heavy equipment used when supporting vulnerable people if unable to park near their homes or mine. The knock-on effect will be extended and make parking even worse. The church in Fawcett Rd has only a small car park, and has concerts, weddings, funerals etc. when a large number of people need to park.

Campbell Road

Campbell Rd is not included and so car owners will use Campbell Rd, using up spaces that are already at a premium. Other schemes have the effect of moving the parking problem onto the next area, which you think you can fix with another parking scheme.

It should include both sides of Campbell Rd and operate 4pm-9pm. There are particular problems when Kings Theatre has popular shows - surge of parking 6.30pm-7.15pm. Also problems when Portsmouth FC has home games, and events like Great South Run.

Chelsea Road

Our road is highly congested and already accommodates the mixed needs of residents and Albert Rd users. The proposed MC zone will simply add to the problems we experience. This is unfair without a more comprehensive consultation with residents of the adjacent area.

We border the new area and parking is already difficult here, so will become worse. 2 hrs restricted parking will not discourage overnight parking or deter theatre goers parking for the Kings Theatre (which cannot rely on free parking for its patrons).

My wife commutes and arrives back in Portsmouth to face a frustrating hunt for parking. The impact of the zone through displaced parking can only make that worse.

After the Cabinet decision in November we now find ourselves in an even worse situation. No proposal for our area, but a new scheme proposed immediately adjacent! The impact of displaced parking has not been properly assessed, no measures are incorporated to enable Chelsea Rd residents to park a reasonable distance from home and it is reasonable to expect Councillors to consider the best interests of ALL residents.

Displaced parking will lead to greater overcrowding in the North Kings streets. Between 4pm-6pm we are returning home, and the roads will be full of cars that have moved out of zoned roads. This area will become a car park. We need a solution for our area.

Craneswater Avenue

The proposed timeframe will ensure a significant number of vehicles are pushed into neighbouring roads outside the zone. These will include student and business vehicles and burden the already full adjacent roads. Remove the MB zone and free up the empty spaces there.

The scheme would mean cars being displaced onto neighbouring roads and causing more parking problems.

Delamere Road (east end)

MC zone will overwhelm the other halves of the roads split by Francis Ave, including Jubilee Rd, Henley Rd and Bath Rd. Vehicles will be dumped here without permits. No consideration of these parts of the roads: survey gave no indication this could happen. If there's a proven need for a scheme then all residents should be protected, not the problem moved to those who didn't want RP. Sensible boundaries are needed.

We are concerned that the proposed scheme will impact on our end of the road and Bath Rd. The cabinet has already noted that this decision would inevitably have a knock-on effect in the immediate surrounds. Parking restrictions are not needed.

Devonshire Square

MB zone has already impacted on us. MC will increase parking problems here and further out.

MC zone could seriously affect my ability to park; already difficult due to residents of MB zone. To be included would mean another financial burden on household (3 cars) and inconvenience for visitors though.

The introduction of MB zone has already had a detrimental effect on us. Excluding us from the MC zone will be to our severe detriment who currently struggle to park anywhere near their homes. I strongly request you include Devonshire Square.

When I used to arrive home after 6.30pm there were no spaces. Perhaps 4pm-7pm would be better. Student cars are a big problem, they are parked and don't move until the students go home again.

Edmund Road

Scheme could mean increased costs for staff and be detrimental to the businesses in times of hardship.

Deeply concerned that the east end of this road is not included. All cars will park here. The whole roads through to Bath Rd should be included - a natural divide.

Proposal is illogical given natural geographical constraint that Bath Rd is an obvious perimeter boundary. Displaced parking will occur into Jubilee Rd and Bath Rd. The scheme must include the whole of Delamere Rd, Edmund Rd, Wheatstone Rd, Northcote Rd and Henley Rd to avoid having to go through this exercise again once the 2nd wave of displacement is realised.

Displacement from: residents' 2nd + 3rd cars + business vehicles, students, rail users, football games, visitors.

Very much against the proposal, which will make parking in my road near impossible. It's bad enough through multiple-occupancy. What are we going to do if we can't find a parking space?

Eton Road

Had meetings with Parking on enforcement of MB zone. Often find non-permit holders parked around 6am. MC zone must be policed.

Exeter Road

We already suffer from overnight parking by commercial vehicles and pub drinkers. We can't find a space in our road between 5pm-7am. TRO 1/2014 will make our life hell, which councillors do not consider. All commercial vehicles and student cars will just move into our area. Residents' parking is not required in these areas and should be abandoned.

Fornhurst Road

No problems parking in 35 years until MB zone introduced. Now have to drive round looking for somewhere to park. New zone will simply push parking into next area.

Gains Road

Parking has steadily got worse over the last 3 years. This scheme will make it even worse. I often have to drive round for 15 mins after work trying to find a space.

Granada Road

I regularly visit family within the proposed MC zone during the 2-hour restricted time. I do not want to buy visitor permits for the 2-hour period. After 6pm there will be the same parking problem, so no benefit to anyone. Students should not be able to bring cars with them into the city.

Inglis Road

New scheme would have huge impact on my ability to park near my home, due to displaced parking, as it is surrounded by the proposed scheme. Another scheme to fix displaced parking problems with the MB zone will only cause more displaced parking and more complaints to PCC.

No consideration is being given to displacement effects, which will lead to even greater overcrowding of adjacent roads, particularly by commercial vehicles. This scheme is planned separately from, and in the absence of, any planned solution to the North Kings Ward problems.

Our adjacent area will be impacted by displaced parking, so the whole area should be included. Otherwise the reasons for the MC zone will be the same on the next TRO to extend it. If you changed the current MB zone to exclusive hours like MC you would free up around 400 parking spaces. If you don't change it, displaced parking will extend further.

No apparent consideration is being given to displacement parking effects, including by commercial vehicles. The scheme does not cater for the complex parking issues of the North Kings area.

No apparent consideration is being given to displacement parking effects, including by commercial vehicles. The scheme does not cater for the complex parking issues of the North Kings area.

Where will we park if this scheme is implemented?! 4pm-6pm restriction will result in displaced vehicles parking here, including evening and overnight parking for white vans and visitors to Albert Rd, the Kings Theatre etc. There is a huge "knock-on" effect with these zones; there must be a more sensible answer.

The MC zone ignores the complex parking issues here, and will lead to greater overcrowding of our adjacent streets, especially between 4pm-6pm when residents are likely to be returning home with their own vehicles.

No apparent consideration is being given to displacement parking effects, including by commercial vehicles and especially between 4pm-6pm when permanent residents are likely to be returning home. The scheme does not cater for the complex parking issues of the North Kings area.

Kimberley Road

Scheme won't create any more spaces - the city has as many as it has. Huge scheme will simply move traffic into surrounding area, causing problems where there are none. Make whole city a parking scheme, scrap all existing schemes, or ban commercial vehicles.

Londesborough Road

I am in favour of the proposed scheme, as I regularly visit a relative here and cannot park.

In favour of the proposed scheme - looking to buy a property here. Scheme would make the area more desirable.

Northcote Road

I cannot understand what your motivation is, I have looked at your data from your last 'consultation' and it does not stack up. The impact of your proposal will negatively impact on hard pressed family budgets, community cohesion and the fabric of neighbourliness. On a personal level I am very concerned with safety, when returning home late at night there will be no place to park due to an influx of cars from nearby roads, say second cars, visitors cars or students. It is tight now, but it is NOT BROKEN so leave well alone. Please do not upset the whole neighbourhood by pushing your plans forward.

Oxford Road

These schemes are unnecessary and penalise residents rather than benefit them. Postpone the proposal for 12 months for full consultation of the whole area to be undertaken. I live just outside and don't want parking restrictions here - but the scheme is designed to deliberately push people here as an overflow so we will accept a scheme later.

Percy Road

No scheme until MB has been reviewed. Spaces not taken up by 11pm should be available until 9am to alleviate women having to drive round late at night to find a space. No need for wardens during that time. More displaced parking. Disband all parking schemes in Portsmouth. Save the £120,000 loss to the Council on parking schemes. RPZs do not support local businesses.

St Vincent Road

The proposals for north of Albert Rd will only make parking in and around my street more impossible than it already is. Parking restrictions should cover the whole of Portsmouth.

South Parade

The proposed zone would generate considerable displacement parking and overload the road outside it. This is unfair. The MB zone has exacerbated the parking problems and wastes a considerable number of on-street spaces. No decision should be taken on MC zone until a plan to bring back those wasted spaces in MB zone is devised and implemented.

Waverley Road

Scheme doesn't make sense following poor turnout for the ballot - hardly representative. MB zone has obviously failed (850 permits for 1200 spaces) and caused significant displacement. The displacement will continue throughout Southsea. Car ownership should be restricted by pricing.

Welch Road

I am very concerned that the MC zone will have a very negative effect on parking in our road, which is already difficult. Either have a scheme citywide or none at all.

Wheatstone Road

I am concerned about the negative, domino effect the proposed scheme would cause, as this end of the road is left out. There is no consideration given to people living adjacent to that area who would take the overspill parking. It is already congested here. I need my car on a daily basis and myself, wife and young baby will not be able to rely on parking being available in the vicinity of our home.

Wheatstone Road continued

Proposed MC zone likely to cause a displacement effect into our area, which is at capacity (better out of university term-time). We question why the zone stops at Francis Ave and doesn't continue across to Bath Rd. RPZs are just pushing parking problems further across the city. It would seem a better solution to utilise the 300 wasted spaces in the MB zone and offer more permits.

Portsmouth Resident

Commutes to Hove via Fratton station, parks 7am - 6.30pm. No alternative, cannot cycle due to fear and time constraints.

St Peter's Grove

Full support - hope it will help.

Parking Champion

MB zone undemocratic + overkill for a commuter problem. 24/7 scheme incredibly expensive to operate. Goldsmith School is the problem in Bramble Rd but teachers can still park if scheme introduced. Overflow issues will not be solved by increasing the scheme and thus the number of roads affected by overflow parking. The transient population will not respond to the consultation, so a decision will be made on the views of a small minority. Permits should be valid in either zone.

London resident: visits relative in Jessie Road frequently

Need to park close when visiting, parking scheme well overdue for Jessie Rd, happy to apply for permits through relative, scheme works where we live.

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