



NOTICE OF MEETING

CABINET

THURSDAY, 6 NOVEMBER 2014 AT 1.00 PM

EXECUTIVE MEETING ROOM - THE GUILDHALL

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

Membership

Councillor Donna Jones (Chair)

Councillor Luke Stubbs
Councillor Ken Ellcome
Councillor Frank Jonas
Councillor Lee Mason

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

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

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

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

AGENDA

- 1 Apologies for Absence**
- 2 Declarations of Interests**
- 3 Record of Previous Decision Meeting - 25 September 2014 (Pages 1 - 6)**

The record of decisions of the Cabinet meeting of 25 September 2014 are attached.

RECOMMENDED that the record of decisions of the Cabinet meeting held on 25 September 2014 be approved as a correct record to be signed by the Chair.

4 Treasury Management Mid-Year Review for 2014/15 (Pages 7 - 30)

The purpose of the report, by the Head of Financial Services and Section 151 Officer, in Appendix A is to inform members and the wider community of the Council's Treasury Management position at 30 September 2014 and of the risks attached to that position. The report also seeks to vary the investment counter party limits for unrated building societies to reflect the 2014 Building Societies Database published by KPMG in September and to obtain approval to increase the variable interest rate exposure limit to reflect the increased level of short term investments.

The recommendations will be forwarded to Council for approval on 11 November 2014.

5 Youth Justice Strategic Plan (Pages 31 - 78)

The report by the Director of Children's Services and Strategic Director concerns the proposed Youth Justice Strategic Plan for 2012-2015.

RECOMMENDED that Council approves the Youth Justice Strategic Plan 2012 – 2015.

6 Joint business planning process across strategic partnerships and approval of latest partnership strategies (Pages 79 - 84)

The attached report by the Chief Executive seeks to:

- i. To briefly explain the background to the three key strategic partnerships and their strategy development processes.
- ii. To inform Cabinet of the joint business planning process that has been agreed across the Health and Wellbeing Board (HWB), the Safer Portsmouth Partnership (SPP) and the Children's Trust Board (CTB).
- iii. To seek Cabinet's endorsement of the associated strategies that have been agreed by those partnerships.

(Links to each of the separate plans are contained within the body of this report.)

RECOMMENDED that Cabinet

- (1) note the process that has been developed to ensure effective joint work between the three strategic partnerships (HWB, CTB and SPP)**
- (2) recommend to Full Council that they endorse the Joint Health and Wellbeing Strategy, Safer Portsmouth Plan and Children's Trust Plan as approved by the respective strategic partnerships.**

7 Forward Plan Omission items and notice of exempt information

The Forward Plan for November, published on 9 October 2014 did not include the reports for the following items which are key decisions:

- Future Commissioning of Youth Support Services

- Support for the provision of affordable finance

The latter report contains exempt information within the appendix.

A public notice has been published and the Chair of Scrutiny Management has been notified.

RECOMMENDED that the omissions of these key decision reports, one which contains exempt information, in the October Forward Plan be noted.

8 Future Commissioning of Youth Support Services (Pages 85 - 92)

The attached report by the Head of Children's Social Care and Safeguarding seeks agreement from Cabinet on the proposal to re-commission youth support services.

RECOMMENDED:

(1)That Cabinet approve the re-commissioning of the youth support arrangements as set out in paragraph 1.3;

(2)That Cabinet note that the externally provided part of the current ITYSS service configuration (currently provided by Motiv8) will not be renewed following the current contract termination date of the 31 December 2014, temporary extensions are to be agreed to ensure a managed transfer of young people to other services; and,

(3)That Cabinet delegate authority to the, Cabinet Member for Children & Education to approve, following consultation, proposals to meet the needs of vulnerable young people in the City.

9 Management and location of the Coroner's Service to within Portsmouth City Council (Pages 93 - 98)

The purpose of the attached report by the Head of Customer, Community and Democratic Services is to seek agreement to host the Coroners service within Portsmouth City Council.

At present the Portsmouth and SE Hampshire Coroners service is managed jointly by Hampshire Constabulary and Hampshire County Council with Portsmouth City Council contributing the main funding. HCC take the lead responsibility.

In order to protect PCC from unexpected costs and to ensure that a viable service continues at economic cost it is recommended that the service is hosted by PCC on behalf of Hampshire Constabulary and Hampshire County Council and that it moves from its' current location in the Guildhall to within the Civic Offices.

Staff would be transferred from their respective organisations to PCC.Joint

funding arrangements with HCC would continue at their present agreed level of 70/30 PCC/HCC.

RECOMMENDED that Cabinet:

1. Note the contents of this report;
2. Agree the hosting of the Coroners Service within PCC;
3. Agree to the movement of staff from their respective organisations to PCC employment directly;
4. Note the ring-fencing of budget with regard to the Coroner's Service.

10 Dunsbury Hill Farm (Pages 99 - 104)

The report by the Strategic Director for Regeneration seeks approval of the aims of the Dunsbury Hill Farm (DHF) project and to delegate authority to the Strategic Director Regeneration and Head of Financial Services and Section 151 Officer to carry out the highways works and commission the work needed to evaluate the next stage of the project.

RECOMMENDED:

1. **The aims of the Dunsbury Hill Farm Project as set out in this report are approved.**
2. **Subject to the City Council project governance arrangements and a prior financial appraisal approved by the Section 151 officer authority to commence the highways works and to commission the works needed to evaluate the next stage of the project is delegated to the Strategic Director Regeneration and Head of Financial Services and Section 151 Officer.**
3. **The revised financing for the scheme including the additional £2.163 million borrowing is approved and the Corporate Capital Programme is amended to reflect the revised capital budget.**
4. **Further authority will be sought from the City Council to approve the possible site development options and opportunities that will arise from the highways works.**

11 Exclusion of Press and Public

That in view of the contents of the following items on the agenda the Cabinet is RECOMMENDED to adopt the following motion:

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

The public interest in maintaining the exemption must outweigh the public interest in disclosing the information.

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed items is shown below.

Members of the public may make representation as to why the item should be held in open session. A statement of the Council's response to representations received will be given at the meeting so that this can be taken into account when members decide whether or not to deal with the item under exempt business.

(NB The exempt/confidential papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are reminded of standing order restrictions on the disclosure of exempt information and are invited to return their exempt documentation to the Local Democracy Officer at the conclusion of the meeting for shredding.)

<u>Item</u>	<u>Exemption Para No.*</u>
Support for the provision of affordable Finance (Appendix 1 only)	3

* Paragraph Numbers:

1. Information relating to any individual
2. Information that is likely to reveal the identity of an individual
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

12 Support for the provision of affordable finance (Pages 105 - 108)

The purpose of the report by the Head of Financial Services and Section 151 Officer is to set out the general responsibilities of both the City Council and the S151 Officer in relation to safeguarding public funds and, in that context, seek a decision from Cabinet in relation to entering into a loan facility agreement with United Savings and Loans (US&L), formerly known as the Hampshire Credit Union.

RECOMMENDED

- (1) That, taking into account the Council's obligations to safeguard public funds, the Cabinet consider:**
 - (i) Not providing a loan facility agreement to US&L**
 - (ii) Providing a loan facility agreement on the terms referred to in Appendix 1.**
- (2) In the event that a loan facility agreement is approved, the S151 Officer, in consultation with the Leader of the Council, be given delegated authority to determine whether to enter into a loan facility in accordance with the terms in exempt Appendix 1.**

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

27 October 2014

Agenda Item 3

CABINET

RECORD OF DECISIONS of the meeting of the Cabinet held on Thursday, 25 September 2014 at 1.00 pm at the Guildhall, Portsmouth

Present

Councillor Donna Jones (in the Chair)

Councillors Luke Stubbs
Ken Ellcome
Frank Jonas
Lee Mason
Linda Symes
Steve Wemyss
Neill Young

75. Apologies for Absence (AI 1)

Apologies were from Councillor Rob New and the Chief Executive, David Williams.

76. Declarations of Interests (AI 2)

There were no declarations of members' interests.

77. Record of the Previous Decision Meeting - 14 August 2014 (AI 3)

There were two matters that needed to be raised from the record of decisions.

- (i) Although the record of decisions from the Cabinet meeting of 10 July had been approved, it had since been brought to the attention of the Cabinet that there needed to be a point of clarification under minute 65 relating to the Hampshire Community Bank. The Leader read out the following statement:

"In the appendix to the Hampshire Community Bank report approved by Cabinet on 10th July (page 14 of the report) Parity Trust was stated as being a partner that was supporting the creation of a local bank. Parity Trust would like it on the public record that it is not and never has been a partner of the Hampshire Community Bank and does not support this organisation in its current form."

It was further reported that this information had been provided by Local First Community Interest Company and also quoted on the "Future Solent" website but it should be placed on record that the Parity Trust are not a partner.

- (ii) Relating to minute 74, page 59 of 14 August minutes relating to site allocations document for land in Milton within Councillor Wemyss' comments he wished it to be added that he had made reference to the

previous Leader rejecting a dementia home on this site rather than at Drayton & Farlington.

RESOLVED that with these amendments the record of decisions of the Cabinet meeting held on 14 August 2014 be approved as a correct record and signed by the chair.

78. Overlord Embroidery Liaison Committee Appointment (AI 4)

DECISION:

The Cabinet reappointed the three Culture, Leisure & Sport portfolio representatives for this municipal year, to include the Cabinet Member for Culture, Leisure & Sport Councillor Linda Symes, plus Councillors Frank Jonas and Simon Bosher.

79. Treasury Management Outturn 2013/14 (AI 5)

Chris Ward presented his report which set out how the authority was performing against its prudential indicators which they remained within and against its treasury management indicators which had been exceeded in a couple of places, with good reason, such as the securing of the City Deal funding.

Councillor Donna Jones asked questions regarding the maximum net borrowing ratio and how the authority compared to similar sized unitary authorities regarding HRA borrowing and she would discuss this further with the Head of Housing Management.

DECISIONS:

RECOMMENDED to Council that the following recommendations relating to Appendices A and B of this report be approved:

Appendix A - that the following actual prudential indicators based on the unaudited draft accounts be noted:

- (a) The actual ratio of non Housing Revenue Account (HRA) financing costs to the non HRA net revenue stream of 10.3%;**
- (b) The actual ratio of HRA financing costs to the HRA net revenue stream of 12.2%;**
- (c) Actual non HRA capital expenditure for 2013/14 of £61,687,000;**
- (d) Actual HRA capital expenditure for 2013/14 of £30,110,000;**
- (e) The actual non HRA capital financing requirement as at 31 March 2014 of £267,848,000;**
- (f) The actual HRA capital financing requirement as at 31 March 2014 of £143,557,000;**
- (g) Actual external debt as at 31 March 2014 was £441,970,134 compared with £450,283,442 at 31 March 2013.**

Appendix B - That the following actual Treasury Management indicators for 2013/14 be noted:

- (a) The council's gross debt less investments at 31 March 2014 was £145,209,000;**
- (b) The maturity structure of the council's borrowing was:**

	Under 1 Year	1-2 Years	3-5 Years	6-10 Years	11-20 Years	21-30 Years	31-50 Years	41-50 Years
Actual	4%	1%	3%	5%	9%	13%	16%	49%

- (c) The Council's sums invested for periods longer than 364 days at 31 March 2014 were:**

	Actual £m
31/3/2014	108
31/3/2015	66
31/3/2016	51

- (d) The council's fixed interest rate exposure at 31 March 2014 was £247m, i.e. the Council had net fixed interest rate borrowing of £247m**
- (e) The council's variable interest rate exposure at 31 March 2014 was (£189m), i.e. the council had net variable interest rate investments of £189m.**

80. Landlords Maintenance Capital Budget (AI 6)

Kathy Wadsworth, Strategic Director, presented this report which set out a strategic approach for sustaining the landlords maintenance capital budget. Councillor Jones as Leader was pleased that through the PUSH initiatives £0.5m funding had been secured for the Portsmouth Harbour area towards listed buildings and heritage assets, some of which would be available for Portsmouth City Council controlled heritage assets. There is an overlap here between the Planning, Regeneration & Economic Development and Housing portfolios so she would encourage dialogue to ensure the most is made from PCC's assets to help with the landlords maintenance capital budget.

Discussion then took place regarding the significant reserves held by schools and the maintenance needed for these buildings: Julian Wooster, Strategic Director for Childrens Services reported there is a formula for their maintenance contribution and there would soon be a paper taken to the Schools Forum to revise this. Councillor Wemyss pointed out that the Housing Revenue Account took a 30 year approach to its maintenance programme and the Housing Department undertook work when it was most prudent and needed - this was undertaken to a high standard, which was recognised nationally. It was suggested that this methodology could be applied to other buildings held by the city council.

With regard to schools transferring to academies Councillor Young wished to stress that any school building is for the benefit of the children there and PCC have a duty of care to maintain city council schools. Julian Wooster reported that resources for capital funding is reduced to the city council when a school becomes an academy; the Education Funding Agency is then responsible for their capital funding, although the issue is that these schools will take a significant capital resource with them when they transfer to academy status.

DECISION:

The Cabinet:

- 1. Noted the shortfall in funding required to fulfil the backlog of repairs required to Portsmouth City Council's operational assets and recognises the implications of not delivering the required Priority 1 repairs.**
- 2. Agreed to consider the content of this report, as part of the capital resource allocation process.**

81. Purchase of Equity Shares in Municipal Bonds Agency (AI 7)

Chris Ward presented his report which outlined an opportunity for the city council to reduce its borrowing costs by way of an investment in the Municipal Bonds Agency and to become a founding investor. This had been well received by other local authorities. The MBA were only requesting 40% until the end of the year which would limit the authority's risk. Councillor Jones as Leader would support this initiative and recommend the investment of the £150,000.

DECISIONS:

The Cabinet agreed

- (1) That the City Council subscribes for £150,000 of ordinary shares in the Local Capital Finance Company Limited which will operate the Municipal Bonds Agency.**
- (2) That the purchase of the shares be financed from a revenue contribution to capital outlay funded from the contingency provision in the revenue budget.**

82. Budget and Performance Monitoring 2014/15 1st Quarter (to end June 2014) (AI 8)

Councillor Hugh Mason made a deputation on this item to raise concern regarding the overspending by the Children & Education portfolio and asked what remedial action was being taken to deal with this? Chris Ward responded that this was the first quarterly report until the end of June and the forecast overspend of £3.1m was fairly typical for this time in the year. He

expected there to be some managing down of the overspends for Children & Education and Adult Social Care services for which officers were looking at bringing forward ways to reduce these overspends.

Councillor Jones as Leader stressed that she was also disappointed by the overspend in Children's Services but this had been going on for a long time and the report was for the first quarter only when the Administration had only come into power in June so she would hope to see a decrease in the next quarter. The Leader was regularly meeting with the Deputy Leader, Cabinet Members and Heads of Service to discuss the key areas and had an action plan looking particularly at Looked After Children. She had been pleased to attend an excellent fostering carer event at the Spinnaker Tower the previous week to encourage recruitment of foster carers for the authority rather than the use of more expensive private agencies. It was pleasing that Phase 2 of the Troubled Families Programme would commence soon and there had been good feedback on the work of James Hill's team. The Leader was also addressing Adult Social Care issues with Julian Wooster and Councillor Jonas as part of the budget process. Councillor Stubbs wished to reiterate that Children's Services had been under pressure financially for seven years in a row and the intention was to bring this within cash limits. Councillor Young wished to reiterate the importance of recruiting foster carers for the city council for which there is a spend to save plan to encourage more local authority foster care places.

RECOMMENDED to Council that:

- 1. The contents of this report be noted, in particular the overall forecast overspend of £3,073,600 representing a variance of 1.76% against the City Council Budget (as adjusted) of £175,029,925.**
- 2. Reports are prepared setting out the options for significantly reducing or eliminating the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios, including the associated impact of doing so.**
- 3. That the Council Leader works with the relevant portfolio holder to consider measures necessary to significantly reduce or eliminate the adverse budget position presently being forecast within Children & Education, Health & Social Care and Traffic & Transportation Portfolios and any necessary decisions presented to a future meeting of the relevant portfolio.**

The meeting concluded at 1.40 pm.

Councillor Donna Jones
Leader of the Council

Agenda Item 4

Decision maker:	Cabinet City Council
Subject:	Treasury Management Mid-Year Review for 2014/15
Date of decision:	6 November 2014 (Cabinet) 7 November 2014 (Governance, Audit & Standards Committee – Information only) 11 November 2014 (City Council)
Report by:	Chris Ward, Head of Financial Services and Section 151 Officer
Wards affected:	All
Key decision:	No
Budget & policy framework decision:	Yes

1. Purpose of report

The purpose of the report in Appendix A is to inform members and the wider community of the Council's Treasury Management position at 30 September 2014 and of the risks attached to that position. The report also seeks to vary the investment counter party limits for unrated building societies to reflect the 2014 Building Societies Database published by KPMG in September and to obtain approval to increase the variable interest rate exposure limit to reflect the increased level of short term investments.

2. Recommendations

1. That the following actual Treasury Management indicators for the second quarter of 2014/15 be noted:
 - (a) The Council's debt at 30 September was as follows:

Prudential Indicator 2014/15	Limit	Position at 30/9/14
	£M	£M
Authorised Limit	469	440
Operational Boundary	447	440

(b) The maturity structure of the Council's borrowing was:

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%
Upper Limit	20%	20%	30%	30%	40%	40%	60%	70%
Actual	4%	1%	3%	5%	9%	13%	16%	49%

(c) The Council's interest rate exposures at 30 September 2014 were:

	Limit	Actual
	£m	£m
Fixed Interest	332	266
Variable Interest	(196)	(218)

(d) Sums invested for periods longer than 364 days at 30 September 2014 were:

Maturing after	Original Limit	Actual
	£m	£m
31/3/2015	170	80
31/3/2016	158	64
31/3/2017	124	8

2. That the investment counter party limits of unrated building societies be revised as follows:

	Existing Limit	Proposed Limit	Increase / (Decrease)
	£	£	£
Nottingham Building Society	6,000,000	6,000,000	0
Progressive Building Society	6,000,000	6,000,000	0
Cambridge Building Society	5,000,000	5,700,000	700,000
Furness Building Society	4,000,000	4,200,000	200,000
Leek United Building Society	3,800,000	4,200,000	400,000
Monmouthshire Building Society	3,700,000	4,800,000	1,100,000
Newbury Building Society	3,400,000	3,900,000	500,000
Hinckley & Rugby Building Society	2,900,000	2,800,000	(100,000)
Darlington Building Society	2,600,000	2,600,000	0
Market Harborough Building Society	2,100,000	2,000,000	(100,000)
Melton Mowbray Building Society	1,900,000	1,900,000	0
Tipton & Coseley Building Society	1,800,000	1,800,000	0
Marsden Building Society	1,700,000	1,700,000	0
Hanley Economic Building Society	1,600,000	1,600,000	0
Scottish Building Society	1,700,000	1,900,000	200,000
Dudley Building Society	1,600,000	1,600,000	0
Loughborough Building Society	1,400,000	1,400,000	0
Mansfield Building Society	1,400,000	1,400,000	0
Vernon Building Society	1,200,000	1,300,000	100,000
Stafford Railway Building Society	1,100,000	1,200,000	100,000
Buckinghamshire Building Society	1,100,000	0	(1,100,000)
Harpenden Building Society	1,100,000	1,400,000	300,000
Swansea Building Society	1,000,000	1,100,000	100,000
Chorley and District Building Society	0	1,000,000	1,000,000

3. That the variable interest rate exposure limit for 2014/15 be increased by (£45m) from (£196m) to (£241m), ie. from net investments of £196m to net investments of £241m.

3. Background

CIPFA's Treasury Management Code requires a Treasury Management Mid Year Review to be considered by the City Council. The report in Appendix A covers the first six months of 2014/15.

The counter party limits for unrated building societies are based on the annual Building Societies Database published by KPMG and equate to 0.5% of the building societies assets.

The Council's investments of surplus cash are higher than anticipated, principally due to the receipt of all of the £48.8m City Deal Grant on 28 March 2014 which had been expected to be received at a later date and be phased over the next two financial years. In addition, the proportion of the investment portfolio consisting of short term investments of under one year, which are not considered to be fixed rate because of their short term nature, has increased from 64% on 1 April to 72% on 30 September as long term investments of over a year have matured and not generally been replaced. This has resulted in the variable interest rate exposure limit of (£196m - investments) being exceeded by £22m. The Council's investment portfolio is forecast to increase by a further £13m in October due to the receipt of Government grants. The Council's investment portfolio is then forecast to decrease to £255m towards the end of the year.

4. Reasons for Recommendations

The net cost of Treasury Management activities and the risks associated with those activities have a significant effect on the City Council's overall finances.

It is recommended that the counter party limits for unrated building societies be updated to reflect the 2014 Building Societies database that was published in September.

The Council would need to invest £35m long term in order to get within the variable interest rate exposure limit. This is not recommended given the uncertainty over when base rate will increase and the uncertainty over future cash flows. The alternative is to increase the variable interest rate exposure limit. It is recommended that the variable interest rate exposure limit be increased by (£45m) from (£196m) to (£241m), ie. from net investments of £196m to net investments of £241m. This would accommodate the excess short term investments at 30 September of £22m, the forecast increase in short term investments in October of £13m, and include a contingency of £10m to cover any unexpected cash receipts.

5. Equality impact assessment (EIA)

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

6. Legal Implications

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.

7. Head of Finance's comments

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

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Signed by Head of Financial Services & Section 151 Officer

Appendices:

Appendix A: Treasury Management Mid-Year Review 2014/15

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:

<u>Title of document</u>	Location
1 Treasury Management Files	Financial Services
2	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 11 November 2014.

.....
Signed by: Leader of the Council

TREASURY MANAGEMENT MID YEAR REVIEW OF 2014/15

1. GOVERNANCE

The Treasury Management Policy Statement, Annual Minimum Revenue Provision for Debt Repayment Statement and Annual Investment Strategy approved by the City Council on 18 March 2014 provide the framework within which Treasury Management activities are undertaken.

2. ECONOMIC UPDATE

United Kingdom

After strong UK GDP quarterly growth of 0.7%, 0.8% and 0.7% in quarters 2, 3 and 4 respectively in 2013, (2013 annual rate 2.7%), and 0.7% in Q1 and 0.9% in Q2 2014 (annual rate 3.2% in Q2), it appears very likely that strong growth will continue through 2014 and into 2015 as forward surveys for the services and construction sectors, are very encouraging and business investment is also strongly recovering. The manufacturing sector has also been encouraging though the latest figures indicate a weakening in the future trend rate of growth. However, for this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster through the initial threshold of 7%, set by the Monetary Policy Committee (MPC) last August, before it said it would consider any increases in Bank Rate. The MPC has, therefore, subsequently broadened its forward guidance by adopting five qualitative principles and looking at a much wider range of about eighteen indicators in order to form a view on how much slack there is in the economy and how quickly slack is being used up. The MPC is particularly concerned that the current squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Most economic forecasters are expecting growth to peak in 2014 and then to ease off a little, though still remaining strong, in 2015 and 2016. Unemployment is therefore expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in pay rates at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence,

the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.5% in May and July, the lowest rate since 2009. Forward indications are that inflation is likely to fall further in 2014 to possibly near to 1%. Overall, markets are expecting that the MPC will be cautious in raising Bank Rate as it will want to protect heavily indebted consumers from too early an increase in Bank Rate at a time when inflationary pressures are also weak. A first increase in Bank Rate is therefore expected in Q1 or Q2 2015 and they expect increases after that to be at a slow pace to lower levels than prevailed before 2008 as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

The return to strong growth has also helped lower forecasts for the increase in Government debt by £73bn over the next five years, as announced in the 2013 Autumn Statement, and by an additional £24bn, as announced in the March 2014 Budget - which also forecast a return to a significant budget surplus, (of £5bn), in 2018-19. However, monthly public sector deficit figures have disappointed so far in 2014/15.

United States

In September, the Federal Reserve continued with its monthly \$10bn reductions in asset purchases, which started in December 2014. Asset purchases have now fallen from \$85bn to \$15bn and are expected to stop in October 2014, providing strong economic growth continues. First quarter GDP figures for the US were depressed by exceptionally bad winter weather, but growth rebounded very strongly in Q2 to 4.6% (annualised).

The U.S. faces similar debt problems to those of the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth, although the weak labour force participation rate remains a matter of key concern for the Federal Reserve when considering the amount of slack in the economy and monetary policy decisions.

Eurozone (EZ)

The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In September, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June to loosen monetary policy in order to promote growth. In September it took further action to cut its benchmark rate to only 0.05%, its deposit rate to -0.2% and to start a programme of purchases of corporate debt. However, it has not embarked yet on full quantitative easing (purchase of sovereign debt).

Concern in financial markets for the Eurozone subsided considerably during 2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed.

China and Japan

Japan is causing considerable concern as the increase in sales tax in April has suppressed consumer expenditure and growth. In Q2 growth was -1.8% q/q and -7.1% over the previous year. The Government is hoping that this is a temporary blip.

As for China, Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has raised fresh concerns. There are also major concerns as to the creditworthiness of much bank lending to corporates and local government during the post 2008 credit expansion period and whether the bursting of a bubble in housing prices is drawing nearer.

3. INTEREST RATE FORECAST

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Bank rate	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	2.00%	2.00%
5yr PWLB rate	2.70%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.50%
10yr PWLB rate	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.20%	4.30%	4.30%
25yr PWLB rate	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%
50yr PWLB rate	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.80%	4.80%	4.90%	4.90%

Capita Asset Services undertook a review of its interest rate forecasts in mid-August, after the Bank of England's Inflation Report. By the beginning of September, a further rise in geopolitical concerns, principally over Ukraine but also over the Middle East, had caused a further flight into safe havens like gilts and depressed Public Works Loans Board (PWLB) rates further. However, there is much volatility in rates as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 1 of 2015.

Capita's PWLB forecasts are based around a balance of risks. However, there are potential upside risks, especially for longer term PWLB rates, as follows: -

- A further surge in investor confidence that robust world economic growth is firmly expected, causing a flow of funds out of bonds and into equities.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

Downside risks currently include:

- The situation over Ukraine poses a major threat to EZ and world growth if it was to deteriorate into economic warfare between the West and Russia where Russia resorted to using its control over gas supplies to Europe.
- UK strong economic growth is currently dependent on consumer spending and the unsustainable boom in the housing market. The boost from these sources is likely to fade after 2014.
- A weak rebalancing of UK growth to exporting and business investment causing a weakening of overall economic growth beyond 2014.
- Weak growth or recession in the UK's main trading partners - the EU and US, inhibiting economic recovery in the UK.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.
- Recapitalising of European banks requiring more government financial support.
- Lack of support by populaces in Eurozone countries for austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Heightened political risks in the Middle East and East Asia could trigger safe haven flows back into bonds.

- There are also increasing concerns that the reluctance of western economies to raise interest rates significantly for some years, plus the huge QE measures which remain in place (and may be added to by the ECB in the near future), has created potentially unstable flows of liquidity searching for yield and therefore heightened the potential for an increase in risks in order to get higher returns. This is a return of the same environment which led to the 2008 financial crisis.

4. NET DEBT

The Council's net borrowing position excluding accrued interest at 30 September 2014 was as follows:

	1 April 2014	30 September 2014
	£'000	£'000
Borrowing	354,822	353,146
Finance Leases	3,775	3,401
Service Concession Arrangements (including Private Finance Initiative)	83,373	83,221
Gross Debt	441,970	439,768
Investments	(296,761)	(305,132)
Net Debt	145,209	134,636

The Council has a high level of investments relative to its gross debt due to a high level of reserves, partly built up to meet future commitments under the Private Finance Initiative schemes and future capital expenditure. However these reserves are fully committed and are not available to fund new expenditure. The £84m of borrowing taken in 2011/12 to take advantage of the very low PWLB rates has also temporarily increased the Council's cash balances.

The current 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. In the interim period where investments are high because loans have been taken in advance of need, there is also a short term risk that the rates (and therefore the cost) at which money has been borrowed will be greater than the rates at which those loans can be invested. The level of investments will fall as capital expenditure is incurred and commitments under the Private Finance Initiative (PFI) schemes are met.

5. DEBT RESCHEDULING

Under certain circumstances it could be beneficial to use the Council's investments to repay its debt. However this normally entails paying a premium to the lender, namely the Public Works Loans Board (PWLB). Debt rescheduling is only beneficial to the revenue account when the benefits of reduced net interest payments exceed the cost of any premiums payable to the lender. Debt rescheduling opportunities have been limited in the current economic climate and by the structure of interest rates following increases in PWLB new borrowing rates in October 2010.

No debt rescheduling was undertaken during the first half of the year.

6. BORROWING ACTIVITY

The Council's estimated capital financing requirement (CFR) for 2014/15 is £415m. The CFR denotes the Council's underlying need to borrow for capital purposes. The Council has borrowings of £440m. The Council's borrowings currently exceed its underlying need to borrow by £25m. This position arose through the £84m of borrowing taken in 2011/12 to take advantage of the very low PWLB rates.

No borrowing has been undertaken in the first six months of 2014/15.

As outlined below, the general trend has been a decrease in interest rates during the six months, across longer dated maturity bands, but a rise in the shorter maturities, reflecting in part the expected rise in the Bank rate.

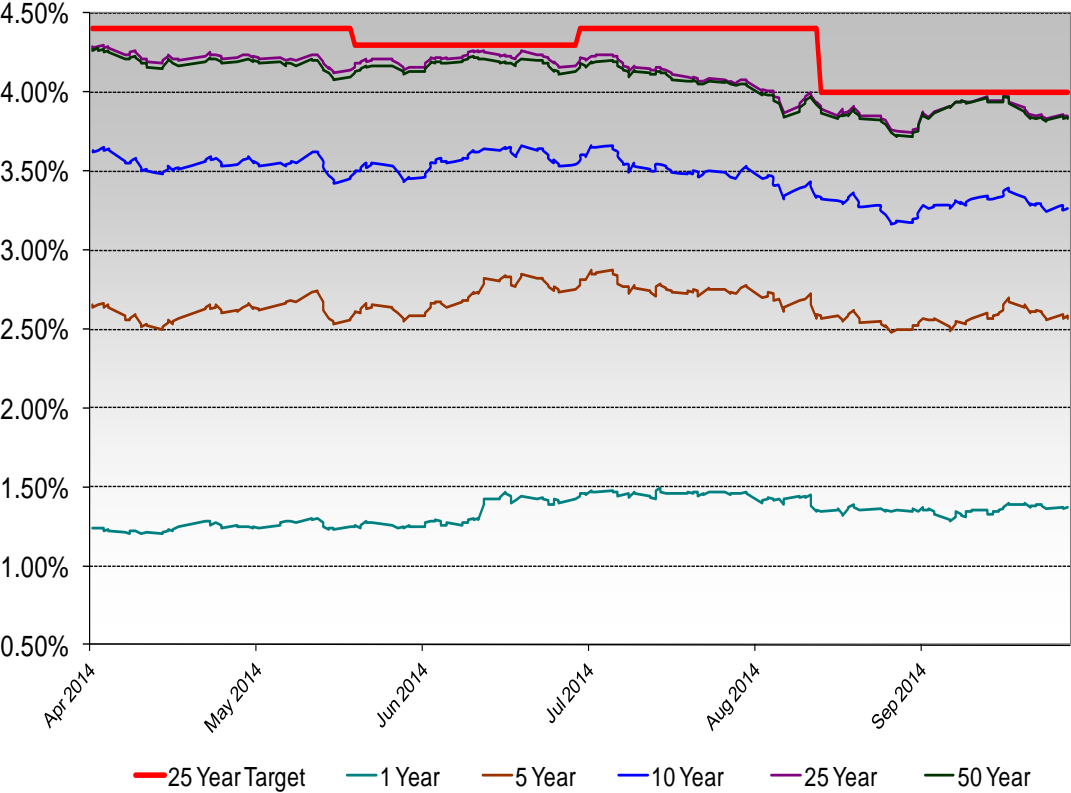
It is anticipated that further borrowing will not be undertaken during this financial year.

The graph and table below show the movement in PWLB certainty rates for the first six months of the year to date:

PWLB certainty rates, half year ended 30th September 2014

(Please note that the graph below is unable to show separate lines for 25 and 50 year rates at some points as those rates were almost identical)

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.20%	2.48%	3.16%	3.75%	3.73%
Date	10/04/2014	28/08/2014	28/08/2014	29/08/2014	29/08/2014
High	1.48%	2.86%	3.66%	4.29%	4.26%
Date	15/07/2014	04/07/2014	20/06/2014	02/04/2014	01/04/2014
Average	1.34%	2.65%	3.67%	4.10%	4.17%



The Council's debt at 30 September was as follows:

Prudential Indicator 2014/15	Limit	Position at 30/9/14
	£M	£M
Authorised Limit	469	440
Operational Boundary	447	440

7. MATURITY STRUCTURE OF BORROWING

In recent years the cheapest loans have often been very long loans repayable at maturity.

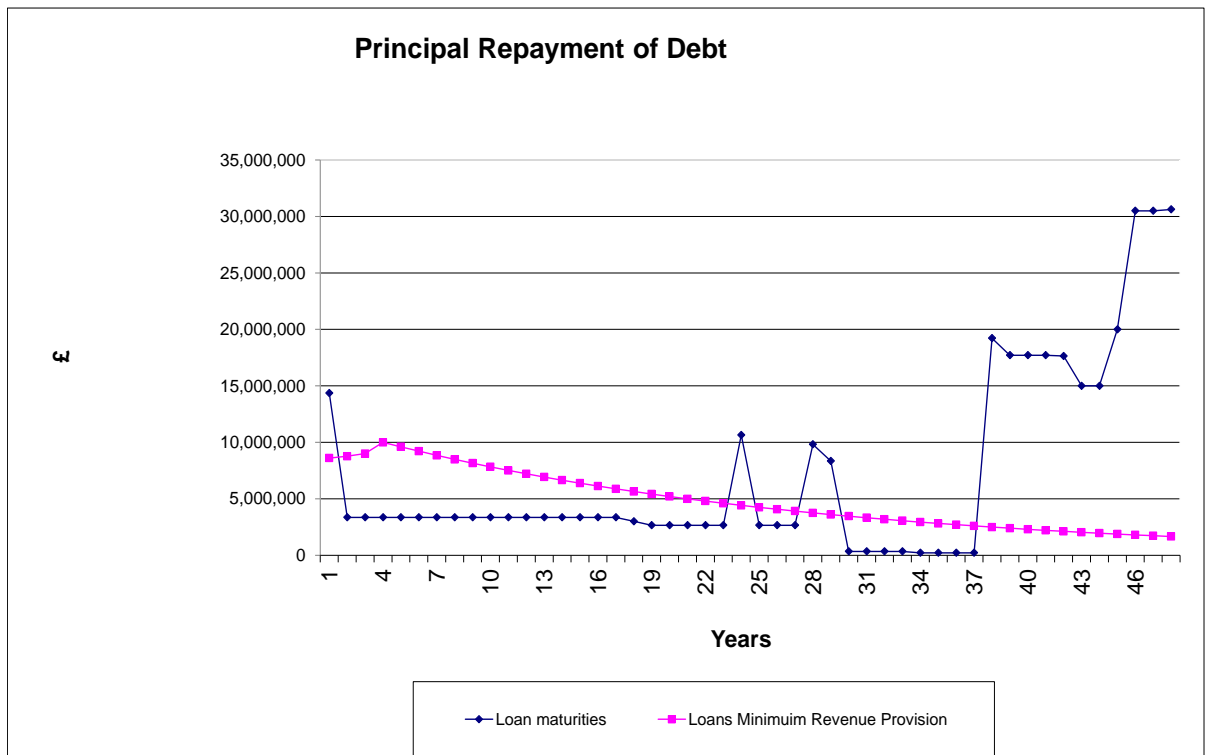
During 2007/08 the Council rescheduled £70.8m of debt. This involved repaying loans from the Public Works Loans Board (PWLB) early and taking out new loans from the PWLB with longer maturities ranging from 45 to 49 years. The effect of the debt restructuring was to reduce the annual interest payable on the Council's debt and to lengthen the maturity profile of the Council's debt.

£50m of new borrowing was taken in 2008/09 to finance capital expenditure. Funds were borrowed from the PWLB at fixed rates of between 4.45% and 4.60% for between 43 and 50 years.

A further £173m was borrowed in 2011/12 to finance capital expenditure and the HRA Self Financing payment to the Government. Funds were borrowed from the PWLB at rates of between 3.48% and 5.01%. £89m of this borrowing is repayable at maturity in excess of 48 years. The remaining £84m is repayable in equal installments of principal over periods of between 20 and 31 years.

As a result of interest rates in 2007/08 when the City Council rescheduled much of its debt and interest rates in 2008/09 and 2011/12 when the City Council undertook considerable new borrowing 49% of the City Council's debt matures in over 40 years time.

The Government has issued guidance on making provision for the repayment of debt which the Council is legally obliged to have regard to. The City Council is required to make greater provision for the repayment of debt in earlier years. Therefore the City Council is required to provide for the repayment of debt well in advance of it becoming due. This is illustrated in graph below.



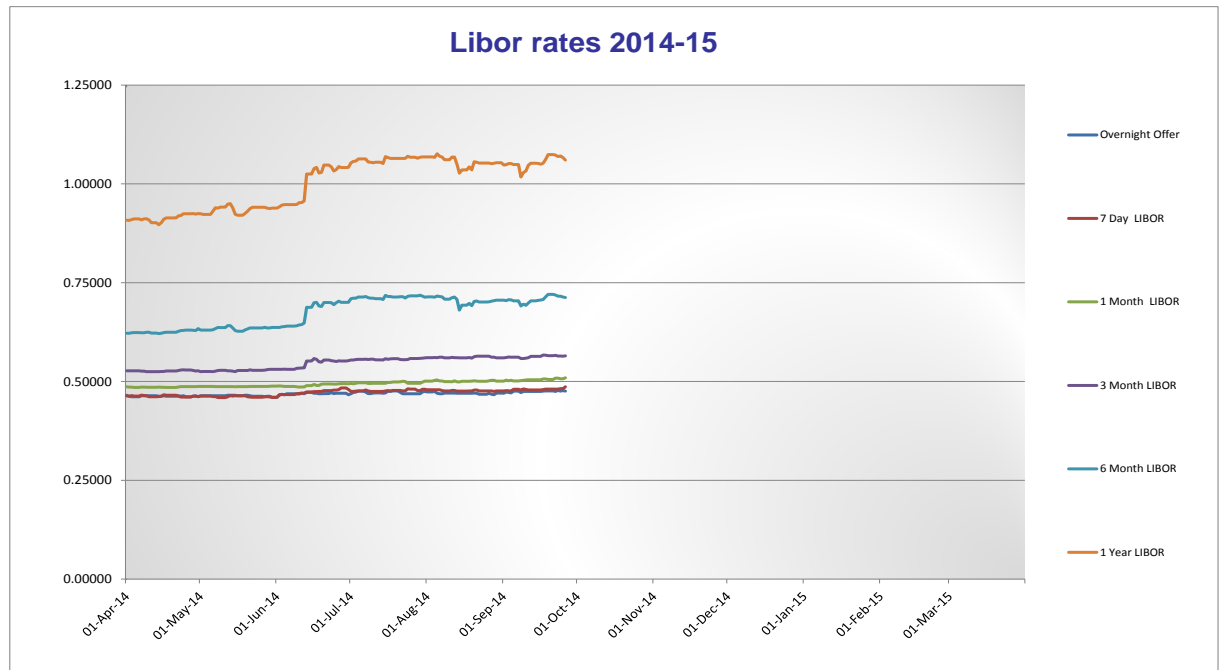
This means that it is necessary to invest the funds set aside for the repayment of debt with its attendant credit and interest rate risks (see sections 10 and 12). The City Council could reschedule its debt, but unless certain market conditions exist at the time, premium payments have to be made to lenders.

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. The limits set by the City Council on 19 March together with the City Councils actual debt maturity pattern are shown below.

	Under 1 Year	1 to 2 Years	3 to 5 Years	6 to 10 Years	11 to 20 Years	21 to 30 Years	31 to 40 Years	41 to 50 Years
Lower Limit	0%	0%	0%	0%	0%	0%	0%	0%
Upper Limit	20%	20%	30%	30%	40%	40%	60%	70%
Actual	4%	1%	3%	5%	9%	13%	16%	49%

8. INVESTMENT ACTIVITY

In accordance with the Government's statutory guidance, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. It is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. Indeed, the Funding for Lending scheme has reduced market investment rates even further.



The Council held £305m of investments as at 30 September 2014 (£297m at 1 April 2014) and the investment portfolio yield for the first five months of the year is 0.77%. The investment portfolio yield for the first three months of the year was 0.76%.

The Council's budgeted investment return for 2014/15 is £1,531k, and performance for the year to date is £401k above budget.

9. REVISION OF INVESTMENT COUNTER PARTIES

The counter party limits for unrated building societies are based on the annual Building Societies Database published by KPMG in September and equate to 0.5% of building societies' assets.

The Building Societies Data base for 2014 shows that the current reporting season has undoubtedly been a strong one for the building society sector, with 32 of 45 societies reporting increases in total assets. This marked increase in total assets is even more noticeable when the impact of the sector's largest participant, Nationwide, is excluded: the remaining 44 societies increased total assets by £3.8 billion, or 3.1%. As in previous years, many of the most impressive rates of increase in total assets continue to be seen at some of the smallest societies. This increase in total assets continues to be largely fuelled by lending to home-owners, with gross mortgage lending of £44.2 billion undertaken by the sector, constituting 25.1% of UK gross mortgage lending.

It is recommended that the investment counter party limits for unrated building societies be amended to reflect the Building Societies Database for 2014.

It is recommended that the investment counter party limits of 10 building societies be increased to reflect the growth of their asset base. It is also recommended that Chorley and District Building Society be added to the Council's approved investment counter party list with a limit of £1,000,000 reflecting the growth of this building society.

It is recommended that the investment counter party limit for Hinkley and Rugby Building Society be reduced by £100,000 from £2,900,000 to £2,800,000, and that the investment counter party limit for Market Harborough Building Society be reduced by £100,000 from £2,100,000 to £2,000,000 to reflect the reduction in the asset base of these building societies. The Council does not currently have any investments in these building societies.

It is recommended that Buckinghamshire Building Society be removed from the list of approved investment counter parties due to its increased reliance on wholesale funding. The Council does not have any investments with Buckinghamshire Building Society.

The recommended changes to the investment counter party limits of unrated building societies are summarised in the table below.

	Existing Limit	Proposed Limit	Increase / (Decrease)
	£	£	£
Nottingham Building Society	6,000,000	6,000,000	0
Progressive Building Society	6,000,000	6,000,000	0
Cambridge Building Society	5,000,000	5,700,000	700,000
Furness Building Society	4,000,000	4,200,000	200,000
Leek United Building Society	3,800,000	4,200,000	400,000
Monmouthshire Building Society	3,700,000	4,800,000	1,100,000
Newbury Building Society	3,400,000	3,900,000	500,000
Hinckley & Rugby Building Society	2,900,000	2,800,000	(100,000)
Darlington Building Society	2,600,000	2,600,000	0
Market Harborough Building Society	2,100,000	2,000,000	(100,000)
Melton Mowbray Building Society	1,900,000	1,900,000	0
Tipton & Coseley Building Society	1,800,000	1,800,000	0
Marsden Building Society	1,700,000	1,700,000	0
Hanley Economic Building Society	1,600,000	1,600,000	0
Scottish Building Society	1,700,000	1,900,000	200,000
Dudley Building Society	1,600,000	1,600,000	0
Loughborough Building Society	1,400,000	1,400,000	0
Mansfield Building Society	1,400,000	1,400,000	0
Vernon Building Society	1,200,000	1,300,000	100,000
Stafford Railway Building Society	1,100,000	1,200,000	100,000
Buckinghamshire Building Society	1,100,000	0	(1,100,000)
Harpenden Building Society	1,100,000	1,400,000	300,000
Swansea Building Society	1,000,000	1,100,000	100,000
Chorley and District Building Society	0	1,000,000	1,000,000

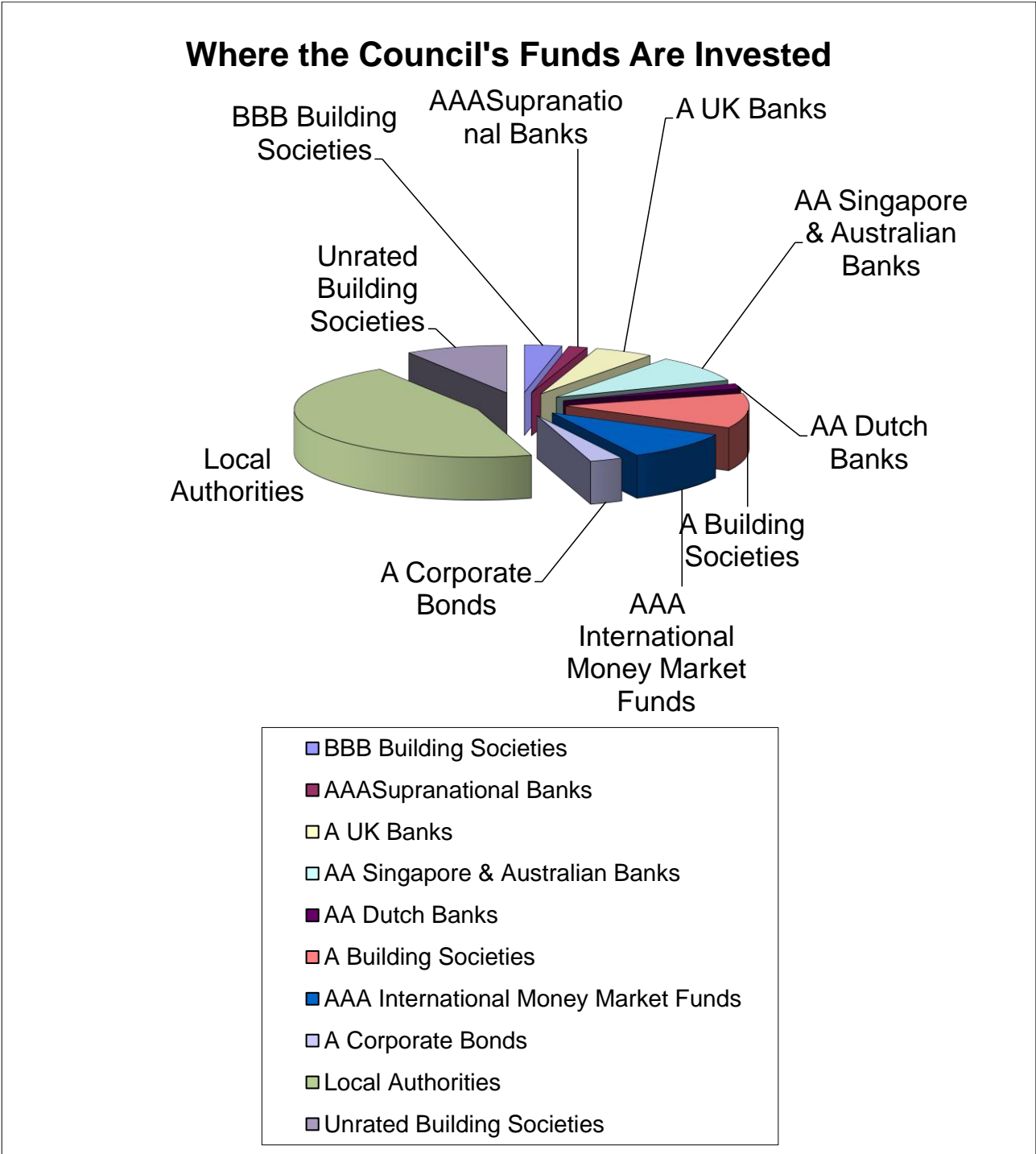
In all other respects the current investment counter parties approved in the Annual Investment Strategy is meeting the requirements of the treasury management function.

10. SECURITY OF INVESTMENTS

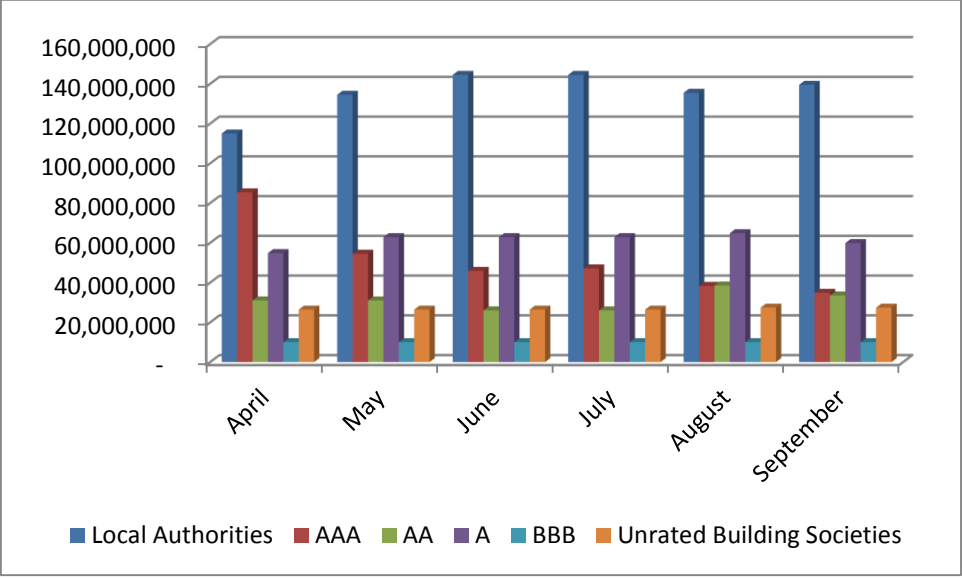
The risk of default has been managed through limiting investments in any institution to £26m or less depending on its credit rating and spreading investments over countries and sectors.

At 30 September 2014 the City Council had on average £6.4m invested with each institution.

The chart below shows how the Council's funds were invested at 30 September 2014.



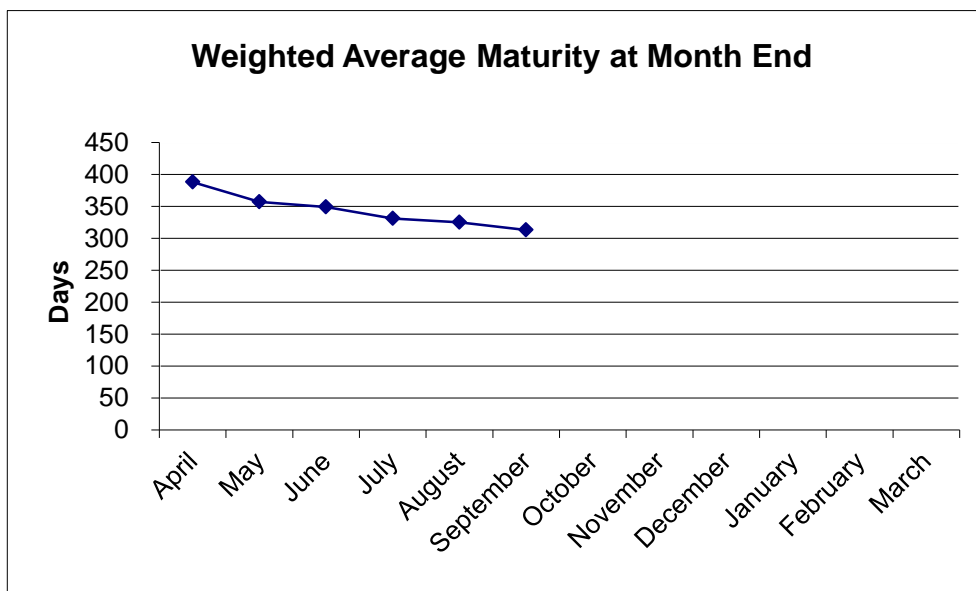
The chart below shows how the Council's investment portfolio has changed in terms of the credit ratings of investment counter parties over the first six months of 2014/15.



It can be seen from the graph above that investments in AAA rated counter parties, consisting entirely of AAA rated instant access money market funds have declined over the first six months of 2014/15. These investments have largely been replaced by investments in other local authorities which generally offer a better return than investments in AAA rated money market funds.

11. LIQUIDITY OF INVESTMENTS

The weighted average maturity of the City Council's investment portfolio started at 388 days in April and decreased to 313 days in September as long term investments matured and were not replaced due to uncertainties over the Council's future cash flows and over the timing of the first increase in base rate which will drive up the returns on the Council's investments. This is shown in the graph below.



The Treasury Management Policy seeks to maintain the liquidity of the portfolio, ie. the ability to liquidate investments to meet the Council's cash requirements, through maintaining at least £10m in instant access accounts. At 30 September £29.8m was invested in instant access accounts. Whilst short term investments provide liquidity and reduce the risk of default, they do also leave the Council exposed to falling interest rates.

Under CIPFA's 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 in order to ensure that sufficient money can be called back to meet the Council's cash flow requirements. The Council's performance against the limits set by the City Council on 18 March 2014 is shown below.

Maturing after	Limit	Actual
	£m	£m
31/3/2015	170	80
31/3/2016	158	64
31/3/2017	124	8

12. INTEREST RATE RISK

This is the risk that interest rates will move in a way that is adverse to the City Council's position.

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. Fixed interest rate borrowing exposes the Council to the risk that interest rates could fall and the Council will pay more interest than it need have done. Long term fixed interest rate investments expose the Council to the risk that interest rates could rise and the Council will receive less income than it could have received. However fixed interest rate exposures do avoid the risk of budget variances caused by interest rate movements. The Council's performance against the limits set by the City Council on 18 March 2014 is shown below.

	Limit	Actual
	£m	£m
Maximum Projected Gross Borrowing – Fixed Rate	398	353
Minimum Projected Gross Investments – Fixed Rate	(66)	(87)
Fixed Interest Rate Exposure	332	266

The CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes also require local authorities to set upper limits for variable interest rate exposures. Variable interest rate borrowing exposes the Council to the risk that interest rates could rise and the Council's interest payments will increase. Short term and variable interest rate investments expose the Council to the risk that interest rates could fall and the Council's investment income will fall. Variable interest rate exposures carry the risk of budget variances caused by interest rate movements. The Council's performance against the limits set by the City Council on 18 March 2014 is shown below.

	Limit	Actual
	£m	£m
Minimum Projected Gross Borrowing – Variable Rate	-	-
Maximum Projected Gross Investments – Variable Rate	(196)	(218)
Variable Interest Rate Exposure	(196)	(218)

The Council's investments of surplus cash are higher than anticipated, principally due to the receipt of all of the £48.8m City Deal Grant on 28 March 2014 which had been expected to be received at a later date and be phased over the next two financial years. In addition, the proportion of the investment portfolio consisting of short term investments of under one year, which are not considered to be fixed rate because of their short term nature, has increased from 64% on 1 April to 72% on 30 September as long term investments of over a year have matured and not been replaced. This has resulted in the variable interest rate exposure limit of (£196m - investments) being exceeded by £22m.

The Council would need to invest £35m long term in order to get within the variable interest rate exposure limit. This is not recommended given the uncertainty over when base rate will increase and the uncertainty over future cash flows. The alternative is to increase the variable interest rate exposure limit. It is recommended that the variable interest rate exposure limit be increased by (£45m) from (£196m) to (£241m), ie. from net investments of £196m to net investments of £241m. This would accommodate the excess short term investments at 30 September of £22m, the forecast increase in short term investments in October of £13m, and include a contingency of £10m to cover any unexpected cash receipts.

The City Council is particularly exposed to interest rate risk because all the City Council's debt is made up of fixed rate long term loans, but most of the City Council's investments are short term. Future movements in the Bank Base Rate tend to affect the return on the Council's investments, but leave fixed rate long term loan payments unchanged. This could favour the City Council if short term interest rates rise.

The risk of a 0.5% change in interest rates to the Council is as follows:

<u>Effect of +/- 0.5% Rate Change</u>	2014/15 (Part Year)	2015/16	2016/17
	£'000	£'000	£'000
Long Term Borrowing	2	55	55
Investment Interest	(118)	(913)	(618)
Net Effect of +/- 0.5% Rate Change	(116)	(858)	(563)

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Agenda Item 5



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Cabinet & Council

Date of meeting: 6th November & 11 November Council 2014

Subject: Youth Justice Strategic Plan 2015-17

Report From: Jon Gardner, Portsmouth Youth Offending Team Manager

Report by: Stephen Kitchman, Head of Children's Social Care & Safeguarding

Wards affected: All

Key decision: No

Full Council decision: Yes

1. Purpose of report

- 1.1. To seek endorsement the Portsmouth Youth Offending Team Youth Justice Strategic Plan 2015 - 2017.
- 1.2. The Youth Justice Strategy Plan 2015 - 2017 requires forwarding to full council for determination in accordance with article 4 of the constitution - namely matters reserved for full council.

2. Recommendations

- 2.1. That Cabinet notes the achievements made by the Youth Offending Team, the progress made since the full Her Majesty's Inspectorate of Probation (HMIP) inspection in November 2013 and endorses the new priorities for the team and Management Board in driving practice forward.
- 2.2. That cabinet endorses the refreshed Youth Justice Strategic Plan 2015-17 and recommend that it is approved by Council.

3. Background

- 3.1. Following disaggregation from the Wessex Youth Offending Team in March 2012, the Portsmouth Youth Offending Team was established on the 01 April 2012. Under the requirements of Section 40 of the 1998 Crime and Disorder Act, all Youth Offending Teams are required by law to prepare an annual Strategic Plan or a yearly review if the Strategic Plan spans a number of years.

In the case of Portsmouth Youth Offending Team, the YOT Management Board took a decision in 2012 that a three year plan was appropriate. The aforementioned plan is due to end next year and in line with this, a refresh of the Strategic Plan has been undertaken based on review of local need and progress to deliver both National and Local priorities.

- 3.2. Over the last couple of months the draft Strategic Plan has been shared with members of The Portsmouth YOT Management Board, the Portsmouth Children's Trust Board and the Safer Portsmouth Partnership Board. Requests for changes to the draft have been complied with and the final version of the review is now available for Cabinet approval.
- 3.3. The plan has four main components. Firstly the achievements of the Youth Offending Team have been noted and information has been provided on the successes of the last 12 months. Secondly, a number of mandatory contents (Structure and Governance, Partnership Arrangements, Resources and Value for Money, Risks to Future Delivery) required by the Youth Justice Board are covered in appropriate detail.
- 3.4. The next part of the plan lays out the three new objectives for the Team and Board:
 - To implement a comprehensive Workforce Development Programme to underpin, develop and sustain a high Quality Youth Offending Team
 - Achieve a long term sustained reduction in re-offending and custody
 - Reduce First Time Entrants into the Youth Justice System
- 3.5. The final element of the plan illustrates the implementation timetable and how the plan will feed in to the Portsmouth Knowledge Programme.

4. Reasons for recommendations

- 4.1. The delivery of a Youth Justice Strategic Plan is a statutory requirement for the local authority.

5. Equality impact assessment (EIA)

- 5.1. This has been completed.

6. Legal comments

- 6.1. There are no legal comments save that the current plan is consistent with sec 40 of the Act (Crime and Disorder Act 1998) to the extent that endorsement by Council will comply with the statutory obligations to have a Youth Justice Plan in place and review the same.

7. Head of finance’s comments

7.1. The Strategic Plan contains reference to the current budget provision, the financial context and constraints being placed on the partner agencies. It also recognises the need to make savings and ensure value for money over the period of the plan. As a consequence there is a recognition that the plans will need to be delivered within the resourcing available over the plan period.

Stephen Kitchman
Head of Children's Social Care & Safeguarding
Signed:

.....

Appendices: Appendix 1 - Portsmouth Youth Offending Team Youth Justice Strategic Plan 2015 - 2017.

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 Youth Offending Team Youth Justice Strategic Plan 2015 - 2017	

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

.....
Signed by: Name and Title



PORTSMOUTH YOUTH OFFENDING TEAM

YOUTH JUSTICE STRATEGIC PLAN 2015-17

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

CONTENTS

- 1) Introduction
- 2) Achievements and Impact of the Previous Youth Justice Plan
- 3) Structure and Governance
- 4) Partnership Arrangements
- 5) Resources and Value for Money
- 6) Risks to Future Delivery
- 7) Priorities for 2015-17
- 8) Implementation Timetable
- 9) The Portsmouth Knowledge Programme

Appendix 1 Portsmouth Demographic Information

Appendix 2 PYOT Structure Chart

Appendix 3) YOT Governance Chart

Appendix 4 2014/15 Budget

Appendix 5 Costed Plan

Appendix 6 Risk Register

Appendix 7 Inspection Improvement Plan Objectives

Appendix 8 Safer Portsmouth Partnership Young People at Risk Strategy

1) Introduction

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

This document sets out a Youth Justice Plan in line with statutory requirements (as required under S40 of the Crime and Disorder Act 1998) for the Portsmouth Youth Offending Team (PYOT). The PYOT is a partnership between Portsmouth City Council, Hampshire and IoW Constabulary, the National Probation Service, Health and the Safer Portsmouth Partnership, which remains the lead partnership for youth offending within the city.

The Portsmouth YOT was created in April 2012 following the disaggregation of Wessex YOT. The demographic context within which this report has been written can be found in Appendix 1

The overall aim of this plan is to make clear the objectives, priorities and necessary changes that are required to improve service delivery within the YOT. These priorities are:

- 1. To implement a comprehensive Workforce Development Programme to underpin, develop and sustain a high Quality Youth Offending Team**
- 2. Achieve a long term sustained reduction in re-offending and custody**
- 3. Reduce First Time Entrants into the Youth Justice System**

The challenges facing Portsmouth centre upon the need to:

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

The Youth Justice Board requires four mandatory areas to be covered in the Strategic Plan. This plan will firstly focus on the achievements and impact of the previous Youth Justice Plan before moving on to provide further detail about how the priorities will be delivered. The four areas are:

- 1. Structure and Governance**
- 2. Partnership Arrangements**
- 3. Resources and Value for Money**
- 4. Risk to Future Delivery**

2) Achievements and Impact of the Previous Youth Justice Plan

Over the last 12 months the Portsmouth YOT has

- **Recruited a full complement of staff:** Ever since disaggregation the PYOT has not worked at full capacity. At the time of writing this report, all posts within the new structure introduced in October 2013 have now been filled with the last team member joining on September 1st. This is a significant achievement and will strengthen the team's capacity to undertake the work needed to deliver the Inspection Improvement Plan. Particularly pleasing is the recruitment of a seconded Education Officer to fill a role which has not been properly filled since disaggregation.
- **Developed the multi-agency strategy Priority Young Person Strategy within the city:** Whilst re-offending rates still need to be tackled, the strategy employed by the PYOT and its partners goes from strength to strength. All appropriate agencies within the city are actively participating in strategy meetings and the plan is to increase the integration of intervention plans of agencies sat around the table.
- **Reduced both custodial sentences and remand numbers of young people going into custody:** in 2013/14 11 custodial sentences were imposed on 10 young people from Portsmouth- compared with 21 young people in 2012/13. In addition, 13 young people were remanded to custody, compared with 24 in 2012/13. Whilst figures for custodial sentences are still above national averages and the number of young people assessed as vulnerable and entering Secure Children's Home or Secure Training Centre is still impacting upon budgets; this is still encouraging and reflective of the improved practices of PYOT staff.
- **Developed stronger governance arrangements:** The Management Board has acted upon feedback from the Inspection Report. The chair is consistent and pro-active. The membership has expanded and all appropriate members are regularly attending. An away day organised in May was a huge success with a follow up planned for the Autumn of 2014.
- **Developed local links with Community Projects and improved Young People's skills and self-esteem in facilitating the public display of art projects:** The PYOT worked pro-actively with the Artsworld organisation and contributed to the "Strong Voices" exhibition at Portsmouth Guildhall. The young people's "light graffiti" art pieces are still on display and plans are underway to have them displayed on the big screen in Guildhall Square. Work is currently being undertaken with the Aspex Art Gallery as part of the Bridging the Solent project taking place across Portsmouth, the Isle of Wight and Southampton. The pieces produced have received local critical praise and have encouraged our young people to strive to increase their potential.

3) Structure and Governance

PYOT is overseen by a YOT Management Board chaired by a Superintendent from Hampshire Constabulary. The vice chair is the Director of Children's and Adults Services. Membership of the Board includes:

- Board Chair- Police Superintendent
- Portsmouth District Police Area Commander
- Director of Children's and Adults' Services
- Senior Legal Adviser to the Justices, Portsmouth and IOW
- Head of Children's Social Care and Safeguarding
- National Probation Service Area Director
- Child Support Services (Education) Commissioning Manager
- Voluntary Sector Representative (Representative role on Board currently vacant)
- Head of Health, Community Safety and Licensing, Portsmouth City Council
- Deputy Head of Integrated Commissioning Unit (Health)
- Public Health Consultant, Portsmouth NHS (Position currently vacant)
- Chair of Youth Bench
- Chair of Safer Portsmouth Partnership

The PYOT reports on their performance to Safer Portsmouth Partnership, the Portsmouth Safeguarding Children's Board and Portsmouth Children's Trust Board through the Head of Social Care and Safeguarding.

The Management Board meets monthly to review and monitor performance and the resourcing of the PYOT. The Management Board has regular oversight of thematic Inspections with associated improvement plans and Critical Learning Reviews and associated plans.

Appendices 2 and 3, provide additional detail.

4) Partnership Arrangements

Portsmouth Youth Offending Team (YOT) is a partnership between Portsmouth City Council, Hampshire and IoW Constabulary, the National Probation Service, the local NHS. This section sets out the contribution made by the Portsmouth YOT to wider corporate strategies for Portsmouth City Council and Partner Agencies. In addition to the below, liaison will be undertaken with services commissioned by the PYOT in order to ensure working practices and objectives align at a strategic level.

Integration with Portsmouth Children's Services Strategies by:

- The employment of qualified Social Workers and Social Work Assistants to work within the PYOT as Youth Justice Officers. These provide a direct operational link to the operational requirements of Children's Social Care and Safeguarding
- Situating the PYOT within the Children's Social Care and Safeguarding Directorate
- The secondment of dedicated Education Resource to the YOT to work with EET issues for young people open to the YOT
- Assisting with the delivery of Priority B of the Children's Trust Board; co-ordinated multi-agency intervention for families with multiple needs. In particular where young people open to YOT are members of families identified
- Assisting with the delivery of Priority D of the Children's Trust Board- the targeted support for children and young people who demonstrate behaviours that may put them at risk.
- Assisting with the delivery of Priority E of the Children's Trust Board Early Help strategy, in particular with reference to reducing first time entrants to the Youth Justice System
- Completing high quality, timely focussed and evidence based assessments
- Ensuring young people are appropriately safeguarded
- Quality assurance of service provision, including service user feedback and participation to ensure the impact of service delivery is understood, with an improving trajectory maintained
- National agendas are scrutinized and strategies delivered in a timely manner
- Enabling young people to make impartial informed decisions about their future to achieve positive outcomes in conjunction with teams such as the Integrated Youth Support Service and the Young Person's Support Team
- Embedding work of the PYOT within Children's Services

Integration with National Probation Service Strategies by:

- The secondment of the YOT Manager and 2 National Probation Staff members to assist with delivery of service to young people
- Following local Youth to Adult Transition protocols
- Protecting the public and reducing re-offending
- Liaising with the local CRC and NPS where appropriate to ensure services are not disrupted as a result of the Transforming Rehabilitation agenda
- Prioritising on basis of risk and need with an emphasis on restorative justice and the needs of the victims
- Investigation of the alignment of YOT and Probation indicators to enable a greater understanding of what interventions have the greatest impact on re-offending rates

Integration with Hampshire and Isle of Wight Constabulary Strategies by:

- The secondment of a police officer to the YOT to assist with the delivery of services to young people
- Providing an excellent service
- Managing young people who offend
- Providing an active presence in the community
- Making the most of resources and supporting the delivery of Restorative Justice
- Promotion of police “CARE” principles (Common sense and sound judgement, Act with integrity, courage and compassion, Respect people and keep promises, Experiences are used to learn and improve)
- Working in partnership to manage high risk Priority Young People and MAPPA Offenders
- Helping to identify young people at risk of offending and assisting with the co-ordination of early intervention to divert away from crime

Integration with Health strategies by:

- Providing a CAMHS Worker to engage young people open to the YOT
- Providing a substance misuse worker to engage young people open to the YOT
- Working pro-actively with Children and Adolescent Mental Health Services (CAMHS)
- Working proactively with Young People’s substance misuse services
- Working with young people displaying speech and language difficulties

- Assisting with the implementation and delivery of a Health Needs Assessment

Integration with Safer Portsmouth Partnership strategies by:

- Involvement in the development of the Safer Portsmouth Partnership Strategic Assessment
- Compliance with the key objectives of the "Young People at Risk" strategic assessment and involvement in evaluation of progress with relevant staff and partners
- Supporting Safer Portsmouth Partnership Board by attending meetings and by the provision and analysis of appropriate data
- Working to reduce the number of young offenders
- Working to reduce the number of offences committed by young people
- Working to reduce the number of young people re-offending on five or more occasions
- Increasing the number of young people receiving alcohol education and advice
- Developing the response to working with prolific offending young people through the Priority Young Person strategy
- Assisting with the delivery and implementation of the Restorative Justice Strategy

5) Resources and Value for Money

The Portsmouth Youth Offending Team Financial Year 2014/15 Budget is laid out in Appendix 4. It should be noted that for the first three years since disaggregation, the initial budget provision has been enhanced by funding redirected by PCC. Savings will need to be made during the course of this strategic plan in order to ensure that value for money is provided and to reduce the need for this enhancement level.

A number of strategies will be followed in order to plan for savings over the course of the next 3 years. The timetable of implementation (section 8) provides greater detail on timescales but the PYOT will attempt to make savings and/or ensure value for money during the course of this plan by:

- Utilising the incoming Information and Training Officer to enhance the PYOT's understanding of performance and trends in offending behaviour to prioritise and target specific areas more pro-actively and effectively. In addition he/she will be able to provide the Management Board with a greater understanding of the PYOT Performance Framework and help identify where the partnership's resources should be directed
- Continuing to develop levels of integrated working within the partnership to ensure that work is not duplicated across agencies and teams and that there is enhanced capacity to apportion roles and responsibilities effectively
- Proactively assisting to develop the city wide Restorative Justice Strategy currently being developed by the Safer Portsmouth Partnership and promote restorative interventions within the partnership to reduce the number of young people going through the Youth Court and also reviewing and enhancing Out of Court Disposal arrangements with colleagues from Hampshire Constabulary in order to reduce the number of young people going through the Youth Court

The Youth Justice Board requires the PYOT to provide a costed plan detailing how it will make use of its Good Practice Grant. Details of this can be found in Appendix 5.

6) **Risk to Future Delivery**

There are a number of budgetary pressures on all agencies within the partnership currently. These pressures and all the other risks that PYOT will face over the next few years are highlighted in the PYOT Risk Register in Appendix 6.

7) Priorities for 2015-17

At the centre of all three priorities has to be an understanding that the young people we work with, their families and, crucially, their victims are at the heart of the YOT service delivered in the city.

The priorities have been identified by analysing the successes and challenges experienced by the PYOT over the last 12 months and proposing areas which need to be addressed

a) To implement a comprehensive Workforce Development Programme to underpin, develop and sustain a high quality Youth Offending Team

The PYOT Workforce Development Plan will ensure staff are fully equipped with the skills and competencies needed to produce high quality assessments and plans and meet the requirements of National Standards in all cases. This will be robustly monitored via high quality line management supervision and regular scrutiny via Quality Assurance carried out in line with the PYOT QA Timetable which will require all new assessments to be audited along with regular thematic audits. Adherence to this plan will facilitate the successful completion of the objectives of the Portsmouth YOT Improvement Plan (Appendix 7)

b) Achieve a long term sustained reduction in re-offending and custody

Re-Offending

Re-offending rates have continued to remain high during the last 12 months of performance reporting. The caveat here is that this data is historical and relates to a cohort of young people identified prior to disaggregation of Wessex YOT

	Cohort Size	Re-Offenders within 12 months	Re-offences within 12 months	Offences per offender	Proportion of Young People Re-Offending
Q1	350	164	636	1.82	46.90%
Q2	343	168	653	1.90	49.00%
Q3	333	161	608	1.83	48.30%
Q4	323	158	614	1.90	48.9%

It is worth noting that we do have some "live" data relating to the characteristics of our current high risk of re-offending young people.

- Between April 2013 and March 2014 43 young people committed 5+ offences and were thus considered to be "persistent".
- These young people committed 397 offences between them.
- 29% of these offences were thefts, 18% assaults, 13% criminal damage.
- 33 of the young people were male, though 3 of the 4 highest recidivists were female.

- The average age of the cohort was 15, the mode was 16 and 5 young people offended between the ages of 11 and 13.
- 17 were unknown to PYOT at the start of the year
- 28 of the young people were part of the Priority Young Persons Strategy (NB some excluded due to involvement with other strategies such as Multi-Agency Public Protection Arrangements - MAPPA)
- The young people assessed as high risk are more likely to demonstrate concerns with: emotional and mental health needs, substance misuse, family breakdown, poor Education, Employment or Training (EET) achievements and poor thinking skills

In addition to this, our colleagues in the Safer Portsmouth Partnership undertake a more up to date analysis of persistent offending; measuring young people who commit 5+ offences in a rolling 12 month period. In 2013/14, 43 young offenders noted above committed 64% of all crime. This met the 5% reduction set out in the Young People at Risk section of the Safer Portsmouth Partnership strategic plan and a new target of 10% has been proposed for 2014/15.

The strategy for achieving a long term sustained reduction in re-offending therefore needs to focus upon:

- Needs analysis of young people subject to the Priority Young Person strategy using the Youth Justice Board Re-Offending Tool Kit with a view to identifying trends and patterns and taking swift and prompt action with young people identified to be a risk
- Pro-active engagement with the Portsmouth Safeguarding Board's CSE Strategy to safeguard young people who are at risk of re-offending. In particular, engaging with work stream 4 of the strategy: "To improve prevention of CSE through universal and targeted work with young people, families, public services, the local community and local businesses"
- To develop a strategy with partner agencies involved with young people at risk of offending who are themselves victims of offending. A needs analysis of this group of young people is required in order to develop such a strategy
- Review of local Priority Young Person strategy with a view to improving the integration of intervention plans across agencies dealing with the highest risk young people; with an emphasis on reducing re-offending
- Enhancing interagency work with partners involved in Priority B of the Portsmouth Children's Trust Plan. Ensuring intervention is facilitated by PYOT and that families of young people at risk of re-offending are actively engaged and worked with. In particular ensuring that the strategy of the Positive Family Steps teams integrates with that of the PYOT. (NB This links in with the target set by the Safer Portsmouth Partnership in the Young Person at Risk section of their strategy; to be led on by the Troubled Families Co-Ordinator)

- Proactively ensure PYOT Strategy explicitly links in with specifications created for Positive Family Steps re-tendering process in 2015-16
- Assisting the Safer Portsmouth Partnership in the development of a city wide, cross agency Restorative Justice Strategy to assist in tackling offending behaviour
- Ensuring that the PYOT Workforce Development Plan and training needs analysis is kept up to date to ensure that staff are properly equipped to address the offending behaviour of young people whom we work with
- Bidding for increased resources in 2015/6 and 2016/17 from the Police and Crime Commissioner as per Priority 4 of his Police and Crime Plan; to reduce first time entrants and re-offending. To be linked in with review of Priority Young person strategy
- Reviewing service against recommendations of HMIP Thematic Inspections

Implementation timescales can be found in the Implementation Plan in Section 8.

Custody

Custody numbers and rates have been reducing quarter upon quarter for the last 12 months.

	No. of custodial sentences over 12m rolling period	Rate per 1000 of 10 to 17 population
Q1	26	1.50
Q2	22	1.27
Q3	16	0.92
Q4	12	0.69

Unlike the re-offending data, custody rates are based upon much more up to date data and reflect the changes in sentencing outcomes both as a result of the Legal Aid Sentencing and Punishment of Offenders Act 2012 and also operational changes to practice made by the PYOT which have resulted in better sentence outcomes. So, whilst the trend is positive and reflective of work undertaken by the PYOT in the last 12 month there is still much work that needs to be undertaken to ensure this progress is maintained. It is also worth noting that of the 10 young people who received custodial sentences in 2013/14, 9 young people were Children in Care and 45% of Pre-Sentence Reports in the 2014 calendar year have been for Children in Care. Specific work needs to be directed at reducing the chances of this particular cohort entering the custodial estate.

Remands to custody also need to be addressed within this strategy. Changes in remand thresholds as a result of the Legal Aid Sentencing and Punishment of Offenders Act 2012 and improved YOT Practice has seen year on year reductions in remands. In 2012/3 24 young people were remanded into custody but in 2013/14 only 13 were. This progress needs to be maintained.

The strategy for the coming three years for the PYOT will therefore focus upon the following areas:

- Developing procedures within Children's Social Care and Safeguarding for joint planning and intervening with young people who offend who are Looked After or are at risk of being Looked After
- Needs analysis of the cohort of young people entering custody using the YJB Reducing Re-Offending Toolkit to identify trends and patterns and then implement more effective means of working with these young people and their parents/carers
- Development of a Quarterly audit of Pre-Sentence Reports involving YOT Management Board Court representatives to review quality of reports and rationale of the Court for imposing custody and evaluating how custody can be avoided
- Review of local Priority Young Person strategy with a view to enhancing the integration of intervention plans across agencies dealing for young people at risk of custody
- Enhancing interagency work with partners involved in Priority B of the Portsmouth Children's Trust Plan. Ensuring intervention is facilitated by PYOT and that families of young people at risk of custody are actively engaged and worked with. In particular ensuring that the strategy of the Positive Family Steps teams integrates with that of the PYOT. (NB This links in with the target set by the Safer Portsmouth Partnership in the Young person at Risk section of their strategy; to be led on by the Troubled Families Co-Ordinator)
- Proactively ensure PYOT Strategy explicitly links in with specifications created for Positive Family Steps re-tendering process in 2015-16
- Delivery locally of i) Hampshire wide and ii) Regional Reducing Children in Care Offending Protocol to ensure that staff are properly equipped to prevent disproportionality of Children in Care in the custodial population
- Development of a local multi-agency Resettlement Protocol to ensure all partners are clear of roles and responsibilities in assisting young people's reintegration into the community following custody
- Implement actions from Social Care Ofsted Inspection Improvement Plan in relation to Children in Care and Offending in an attempt to ensure their disproportionate representation within the secure estate is reduced.
- Developing more rigorous step down processes for young people leaving the PYOT
- Feeding back on ongoing needs assessments and evidence reviews of Priority D of the Children's Trust Plan

The timetable for implementation can be found in section 8.

c) Reduce First Time Entrants into the Youth Justice System

The reduction of first time entrants into the Youth Justice System has continued to fall in Portsmouth as part of a three year trend, though figures seemed to have plateaued during 2013-14 and increased in the first quarter of 2014-15. In addition- despite reductions locally, rates are still higher than in some comparator YOT areas. In these circumstances, the PYOT and PYOT Management Board acknowledge the need to scrutinise further the data to hand and there may be need to review strategy within the next 12 months if specific concerns are raised.

	No of FTEs over a 12 month period	Rate of FTEs per 100,000 of 10 to 17 population
Q1	95	550
Q2	86	494
Q3	92	530
Q4	92	532

Therefore, there is still a large amount of work to do to ensure that young people do not enter the Youth Justice System and this work crosses a number of differing strategies in the city. The PYOT is not the only agency involved in the delivery of this element of the plan therefore. In these circumstances, the strategy for the coming three years for the PYOT will therefore focus upon the following areas:

- Needs analysis of young people to identify features of First Time Entrants and appropriate strategy to be devised thereafter
- Identification of health needs common to young people who may be at risk of offending via the PYOT Health Needs Assessment. Health Board representatives to subsequently identify strategy for work with young people before they enter Youth Justice System (NB Links to misuse of substances has been analysed in significant depth already by Safer Portsmouth Partnership- see Appendix 8)
- PYOT Board involvement in supporting the development and re-modelling of the Children's Trust Board Priority E strategy in ensuing Young People at risk are identified rapidly and early to ensure appropriate packages of support are put into place to avoid escalation to offending behaviour
- PYOT Board involvement in supporting the development and remodelling of the Children's Trust Board Priority E strategy in ensuring a Single Assessment Plan is in place along with a lead professional identified for every at risk young person and family (if not Child in Care)
- Supporting the Safer Portsmouth Partnership's development of a city wide, cross agency Restorative Justice Strategy designed to stop the unnecessary criminalisation of young people
- Supporting the roll out locally of i) Hampshire wide and ii) Regional Reducing Children in Care Offending Protocol to ensure that staff are properly equipped to prevent disproportionality of Children in Care in the offending population

- Supporting the Safer Portsmouth Partnership's objective for the Children's Trust Board to co-ordinate Crime Prevention work as part of Priority E
- A review of local Police/YOT Out of Court Disposal Processes to ensure minor offending is dealt with effectively
- Work in conjunction with the Safer Portsmouth Partnership to assess and analyse the issues caused by young people who misuse substances in the city

The timetable for implementation can be found in section 8.

8) IMPLEMENTATION TIMETABLE

Dates	Milestone	By Whom
2014-15 Quarter 4	Successful Re-inspection of the PYOT (NB March 2015 is earliest date for re-inspection)	PYOT Team & Management Board
	Audit timetable in place (already created 2014/15 Q2) leading to high quality assessments and plans reported for all young people open to PYOT	PYOT Manager
	All National Standards Timescales met- evidenced by monthly QAs	PYOT Manager
	Identification of deficits in integrated working and plan put into place to remedy	PYOT Management Board
	Utilisation of information provided by Information Officer to provide identification of potential budget savings for the Management Board	PYOT Manager
	Implementation of Safer Portsmouth Partnership Restorative Justice Strategy	SPP Strategy and Partnership Manager
	Implementation of findings of review of YOT/Police Out of Court Disposal procedures	Police District Commander
	Successful implementation of work stream 4 of PSCB CSE Strategy into core YOT practice	PSCB CSE Lead
	Successful application for increased funding from Police and Crime Commissioner to fund work to reduce re-offending	PYOT Manager
	Review of PYOT Workforce Development Plan and Learning Needs Analysis and implementation of findings	PYOT Manager Development Manager
	Review of Step Down procedures and implementation of findings	CSCS IYSS Management Team
	Review of Joint YOT/Court Pre-Sentence Report Audit arrangements	PYOT Practice Leads
	Roll out of local Resettlement Protocol	PYOT Manager
	Completion of Actions emanating from CSCS Ofsted Inspection Improvement Plan	Head of Children's Social Care and Safeguarding
	Implementation of action plan emanating from PYOT Health Needs Assessment	PYOT Management Board Health Representatives
	Active engagement with the roll out of Early Help Strategies emanating from Priority E of Children's Trust Board	Children's Trust Board

	Review of Action Plan produced following HMIP Thematic Inspection of Work by Probation Trusts and YOTs to protect Children and young people	PYOT Manager
	Roll out of local Reducing Children in Care offending protocols	Corporate Parenting Board
2015-16 Quarter1	Review Priority Young Partnership Strategy	PYOT Manager
	Pro-active Board Management Board Feedback provided for development of specifications for Positive Family Steps Re-Tendering process	Troubled Families Co-Ordinator
	Implementation of strategy to tackle issues raised from the findings of the proposed re-analysis of custody, re-offending and FTE cohorts	CSCS Partnerships and Commissioning Manager
2015-16 Quarter 2	Review of local Resettlement Protocol	PYOT Manager
	Review of PYOT Health Needs Assessment Action Plan	PYOT Management Board & Health Representatives
	Production of Joint YOT/partner Agency strategy for working with young people who offend who are themselves victims of offending behaviour	PYOT Manager
	Annual review of YJ Strategic Plan Commences	PYOT Manager
2015-16 Quarter 3	Review of integrated working practices	PYOT Manager
	Review of YOT/Police Out of Court Disposal procedures	Police District Commander
	Identification of budget savings for next financial year	PYOT Board
	Review of local Reducing Children in Care offending protocols	Corporate Parenting Board
	Review of impact of changes to Priority E Early Help strategies on First Time Entrants	CSCS Partnerships and Commissioning Manager
2015-16 Quarter 4	Review of Safer Portsmouth Partnership Restorative Justice Strategy	SPP Strategy and Partnership Manager
	Review of PYOT Workforce Development Plan and Learning Needs Analysis	PYOT Manager
2016 – 17 Outline	Review priorities for next three year plan in lieu of re-inspection	PYOT Management Board

9) THE PORTSMOUTH KNOWLEDGE PROGRAMME

The PYOT is fully participative in the Portsmouth Children's Trust strategy to identify gaps in service knowledge. The below chart identifies gaps in our knowledge that would benefit from more data gathering, data analysis, primary or secondary research or evidence reviews. This will help the Portsmouth Children's Trust align knowledge projects across the Partnerships under the banner of a Joint Strategic Assessment.

The Safer Portsmouth Partnership have already undertaken significant analysis and research (see Appendix 8) which will feed in to the areas noted below and assist in developing our knowledge of gaps in service.

No.	Gaps in knowledge What we would like to understand better	Current plans to address the gap
1	How Portsmouth's "local" indicators compare with Comparator YOTs- currently only National Key Performance Indicators can be compared	To task incoming Information and Training Manger with identifying performance information
2	What interventions and actions other YOTs are doing specifically different to the PYOT	Peer review planned for Autumn of 2014 to allow other YOTs to feedback on local practice
3	The health needs of our young people	YOT Board Health partners are currently undertaking Health Needs Assessment and the PYOT has also introduced new screening tools for use with young people
4	What are the reasons, trends and patterns behind the re-offending rates in the city	Analysis and scrutiny of the YJB Re-Offending Toolkit results and undertaking a needs analysis of young people who re-offend
5	Further research needs to be undertaken to understand the rates and characteristics of First Time Entrants into Youth Justice System	Needs analysis of FTEs
6	The reasons why a small but significant proportion of young people are both victims and perpetrators of offending behaviour and the links between risk to others and vulnerability to self	Needs analysis of this group is planned in order to determine strategy
7	More research would be useful to determine more local evidence based links between school attendance, attainment and learning needs and involvement with PYOT	Education reps currently reviewing Performance Indicators

Appendices

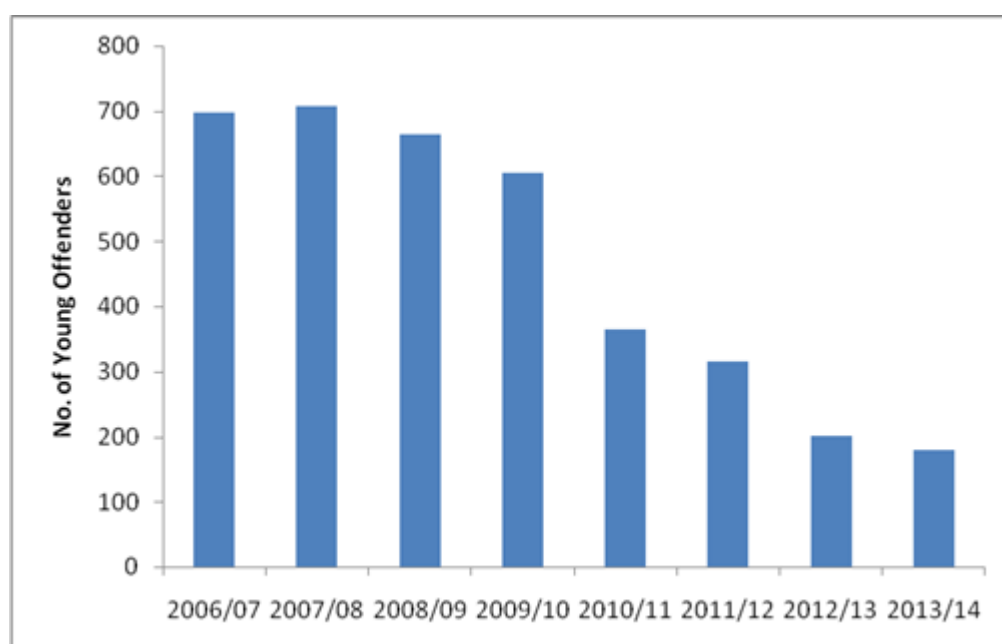
Appendix 1: Portsmouth Demographic Data

Offending Population

In 2013/14 there were 181 young offenders accounting for 624 offences with 92 of these first time entrants to the YJS. This represents 1% of the 10-17 year old population.

Figure1 shows the numbers of youth offenders since 2006/07. As can be seen, the number of offenders has decreased by 74% between 2006/07 and 2013/14. These decreases mirror those seen at national level.

Figure 1 Number of Young Offenders, Portsmouth City, 2006/07 to 2013/14



Source: Youth Offending Information System

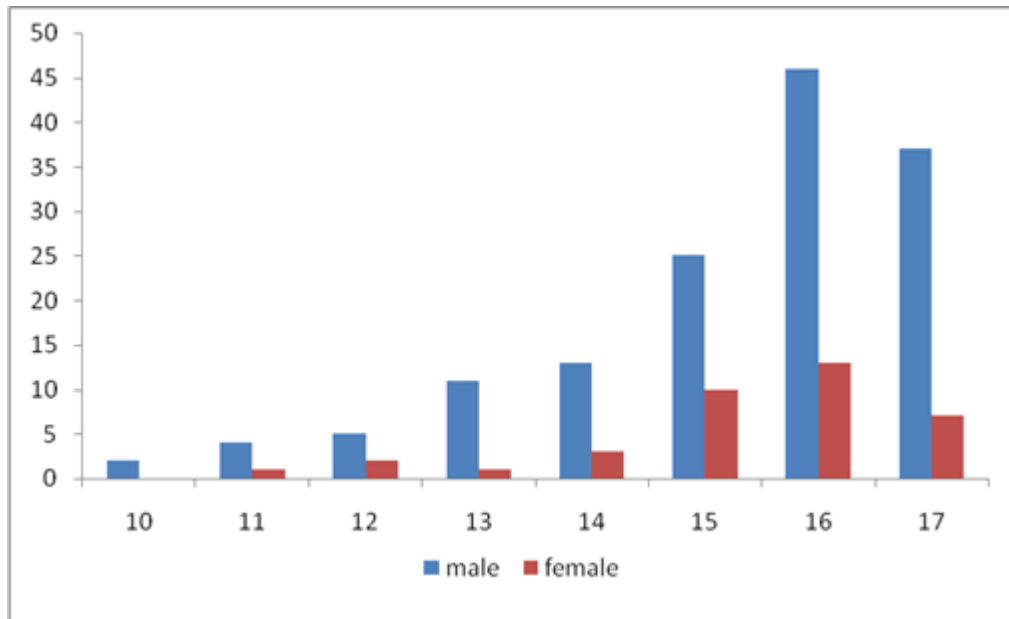
Age and Gender

Nationally, in 2012/13, the majority of children and young people in contact with the YJS were aged over 15 (77%), and male (81%).

Local data for 2012/13 shows that slightly less males (77.1%) and those aged 15 years or over (73%) are in contact with the YJS when compared to the national picture. In 2013/14, these percentages had increased to 79.4% and 76.7% respectively, but are still slightly lower than the latest national figures.

Figure2 shows the numbers of male and female offenders by age in 2013/14 in Portsmouth. As can be seen, there is a significant increase in the number of offenders between 14 and 16 years of age which decreases by age 17.

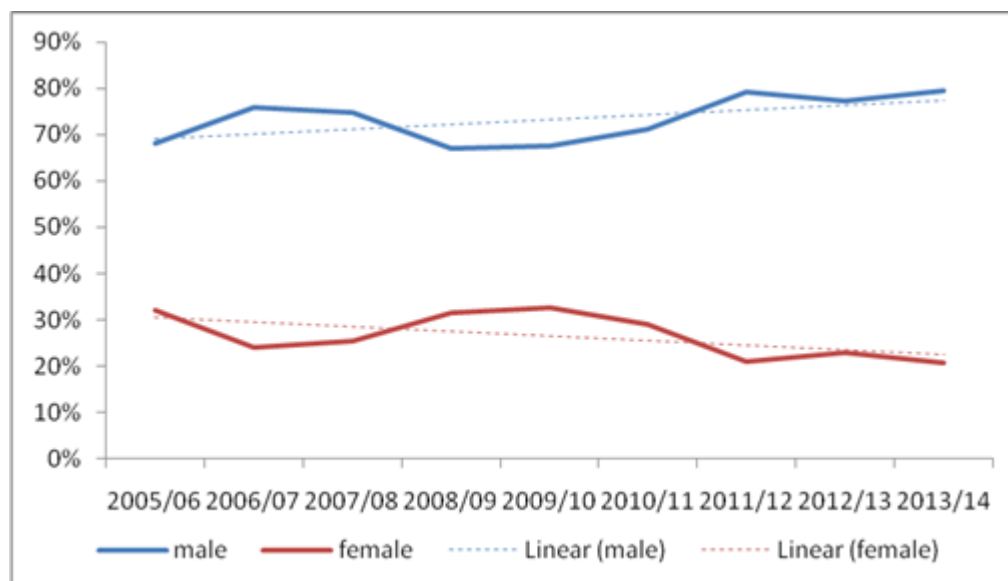
Figure 2 *Numbers of Young Offenders by Age and Gender, Portsmouth City 2013/14*



Source: Youth Offending Information System, Community Safety Research Team

Figure 3 shows the proportions of males and females between 2005/06 and 2013/14. The proportions have fluctuated but the overall trend shows that the proportion of male young offenders has increased and females decreased.

Figure 3 *Proportions of Young Offenders by Age, Portsmouth City, 2005/06 to 2013/14*



Source: Youth Offending Information System, Community Safety Research Team

Ethnicity

Of those children and young people supervised by YOTs in 2012/13 nationally, 81% were from a white ethnic background. There is an over-representation within the YJS of children and young people from a black ethnic background (7%, compared to 3% of the general population aged 10-17) and an under-representation of young people from an Asian ethnic background (4%, compared to 7% per cent of the general population). These proportions have been fairly stable since 2006/07.

This compares to local data from 2012/13 that shows there were more from a white ethnic background (92%) and less from a black (3.8%) and Asian ethnic background (0.8%).

The latest local figures for the ethnicity of young offenders compared to the general populations are shown in **Table 1**. As can be seen white, black and other ethnic groups are over-represented in the young offenders.

Table 1 *Numbers of Young Offenders by Ethnic Group, Portsmouth City, 2013/14*

Ethnic Group	% Offenders 2013/14	Portsmouth	Difference
White	93.9%	88.4%	5.5%
Black	3.8%	1.8%	2.0%
Other	1.6%	1.1%	0.5%
Mixed	0.5%	2.7%	-2.2%
Asian	0.0%	6.1%	-6.1%

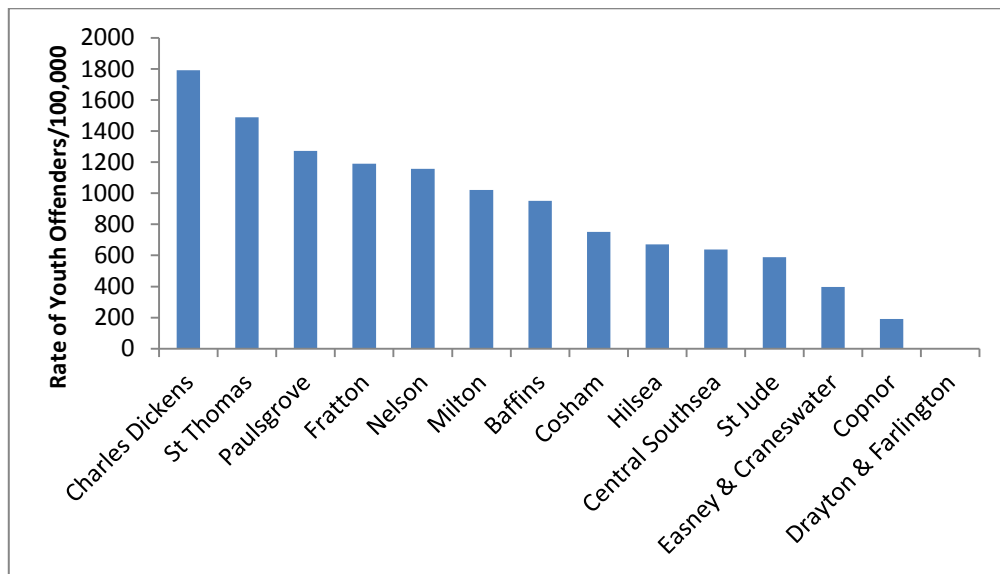
Source: Youth Offending Information System, Community Safety Research Team

Trend data shows that although the overall numbers have decreased the proportions of those from the black and other ethnic groups have increased since 2005/06.

Geography

Figure4 shows the rate of youth offenders by electoral ward per 100,000. As can be seen the highest rates are in Charles Dickens, St Thomas and Paulsgrove wards with the lowest rates in Connor and Drayton and Farlington ward.

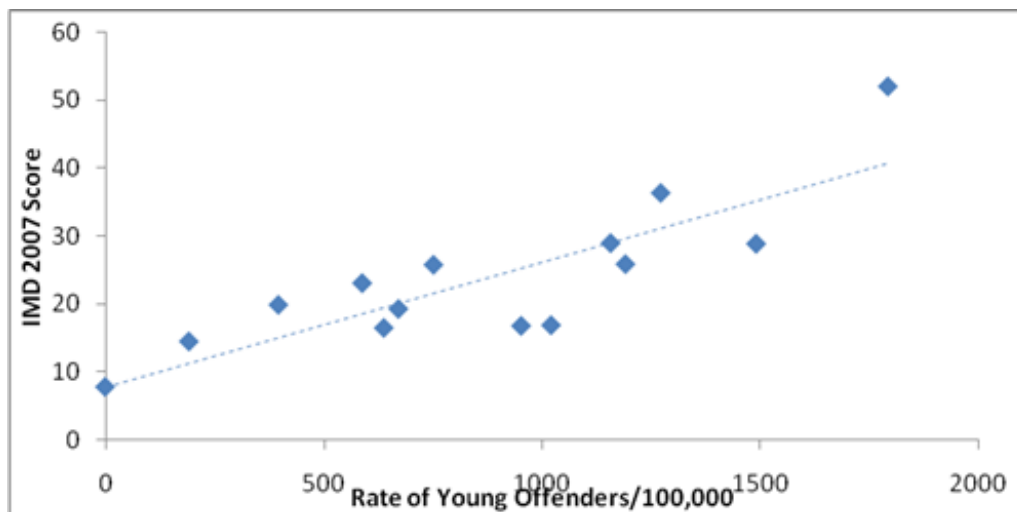
Figure 4 Rate of Young Offenders by Electoral Ward, Portsmouth City, 2013/14



Source: Youth Offending Information System, Community Safety Research Team

When compared to deprivation scores by electoral ward a strong association is found between areas of high deprivation and a relatively high rate of youth offenders as can be seen in **Figure 5**.

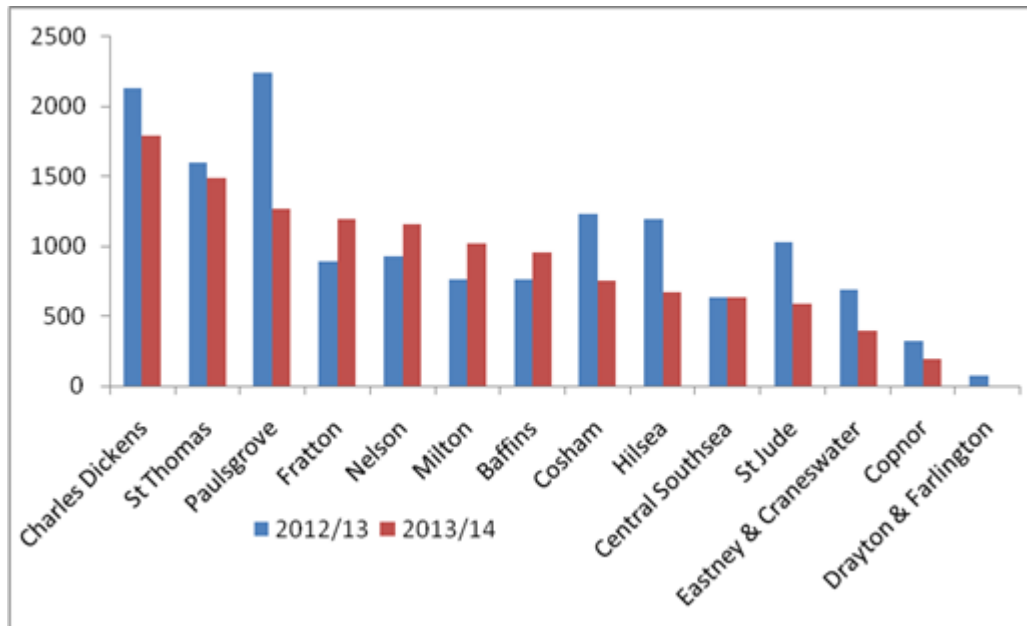
Figure 5 Rate of Young Offenders vs Deprivation Score by Electoral Ward, Portsmouth City, 2013/14



Source: Youth Offending Information System, IMD 2007

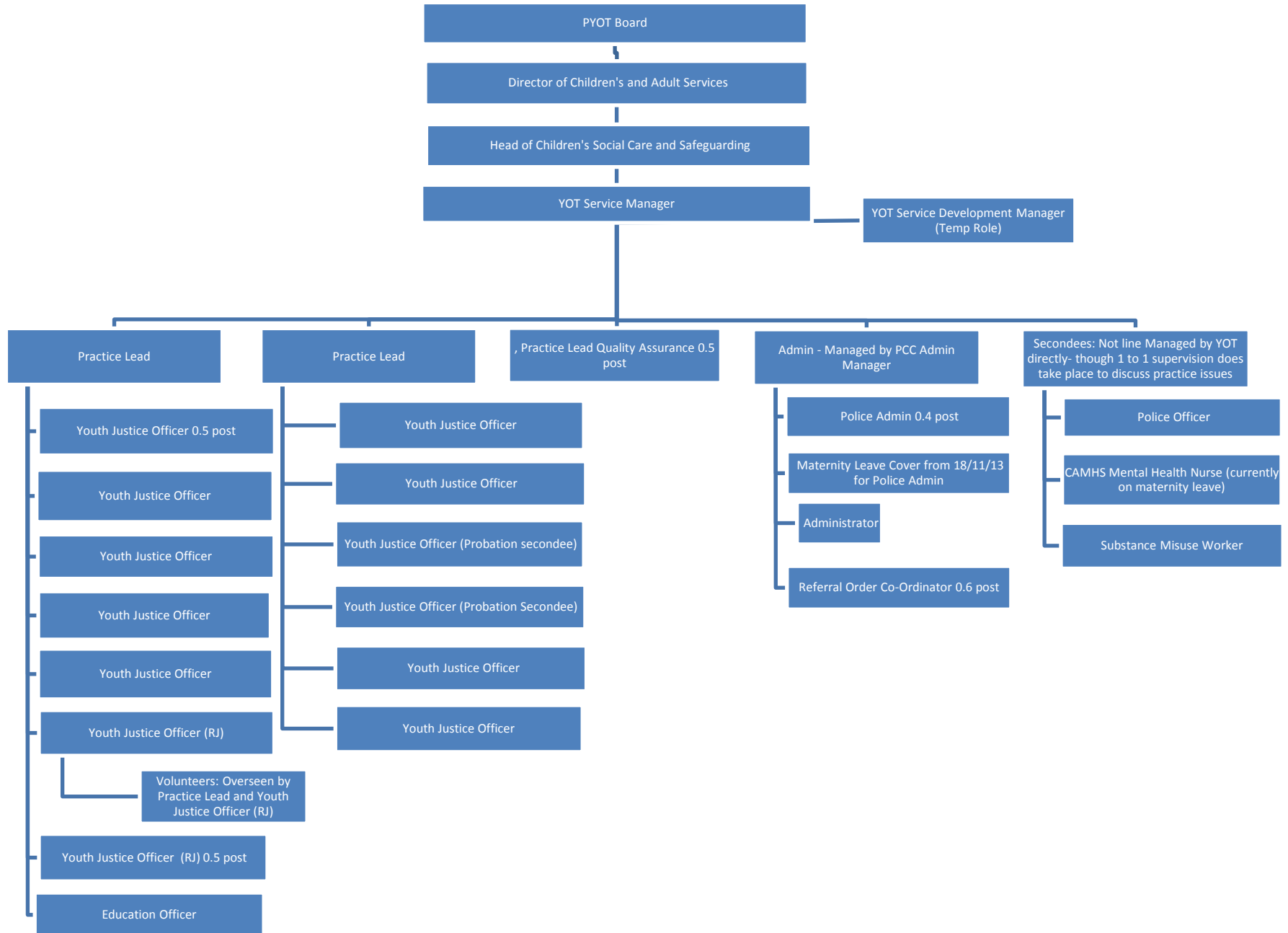
Looking at the percentage change in the rates of young offenders by electoral ward between 2012/13 and 2013/14 (**Figure 6**), shows that there have been decreases in most electoral wards with the exception of Fratton, Nelson, Milton and Baffins wards.

Figure 6 *Changes in Rates of Young Offenders by Electoral Ward, Portsmouth City 2012/13 and 2013/14*



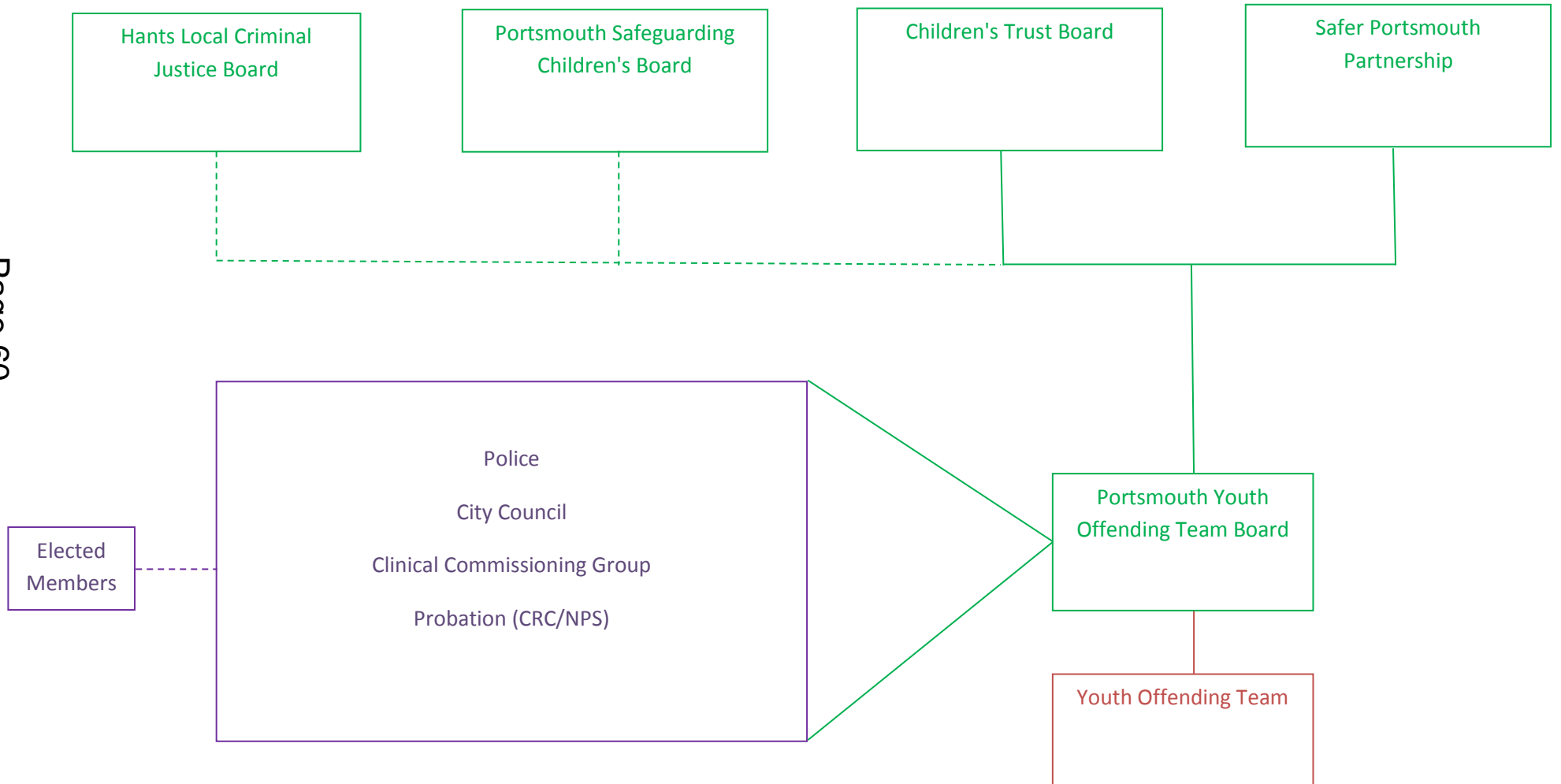
Source: Youth Offending Information System

Appendix 2: Portsmouth YOT Structure Chart



YOT Governance

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Appendix 4: 2014/15 Budget

	Budget £
EXPENDITURE (1)	
Staffing costs	643,600
In Kind Staffing	64,700
Central Costs	
- premises	400
- transport	4,600
- supplies and services	80,700
-third party payments	35,800
	<u>829,800</u>
 FUNDING	
Youth Justice Board Funding	235,900
 Partner Cash/In Kind Contributions	
Hampshire Police	64,000
Probation Service	66,200
Public Health (Previously Portsmouth CCG)	15,000
Other Incomes	10,000
Police and Crime Commissioner [crime prevention]	17,000
 PCC Base budget	 251,000
PCC Contingency funding 2014/15	174,700
	<u>833,800</u>
 Remand Arrangements	
Secure Accommodation	103,300
Remand Strategy	81,200

Notes

1) The total service expenditure excludes accommodation and support service costs (estimated at £30,000) which have been provided in-kind by PCC.

Appendix 5: Costed Plan



Portsmouth Youth Offending Team Costed Good Practice Development Guide 2013-14

- 1) As part of the terms and conditions for the 2014/15 Youth Justice Board Good Practice Grant, the Portsmouth Youth Offending Team (PYOT) is committed to developing good practice within the team with a view to:
 - Reducing youth re-offending
 - Reducing the numbers of first time entrants into the system
 - Reducing the use of youth custody
- 2) This plan sets out the proposed costing of the activities and purchases in the upcoming year. Before setting out the proposed costings it is prudent to therefore firstly identify the areas where the grant is needed to be spent.
- 3) In short, the deficits in performance and practice identified by the HMIP Inspection Report are clear and self-explanatory. Specifically there are fundamental concerns about the team's Assessment, Planning, intervention and Supervision practice. Management of risk and vulnerability was highlighted as a concern as was the lack of management oversight and involvement of children, their parents/carers and victims in identifying intervention plans. The YJB have been very involved in analysing the performance of the team and have endorsed this critique.
- 4) Additionally, this costed plan is being written with reference to the last 12 months of Performance data for the team. In relation to reducing re-offending and custody (one would also include remands in this); the PYOT is above local and national averages indicating that there is still much work to be undertaken in addressing these areas. The reduction of First Time Entrants has shown a steady decline year on year but performance is also above National Averages and so work will need to be undertaken to address work in this area also. The management of NEET young people and work to

track Children in Care and local Priority Young People is also needed in the coming year

- 5) Finally, local performance measures demonstrate the need to ensure risk and vulnerability management plans are completed to a consistently high quality.
- 6) The schedule of proposed spend on the next page takes into account the total grant of £228,398 (discounting additional Unpaid Work, Remand and Restorative Justice Funding). As was the case last year, the majority of the money will be spent on staff undertaking specific roles and holding specific leads designed to tackle the areas of performance highlighted above, though there is also an acknowledgement that some of this money will be needed on training and resources. Costs and spending may therefore change during the course of the year and this may be reflected in a half yearly update.

Resource	Objective	Work Elements	Outcomes	Cost (£000)
Practice Lead x 2.5	Improve practice and performance in areas identified in PYOT's Team Plan	<ul style="list-style-type: none"> • Review/evaluate existing practice • Continue monthly audits/file checks • Devise new QA systems • Provide support/reflective supervision to staff • Feedback to YOT Manager and Management Board • Implement and evaluate plans to address underperformance 	Reduce Re-Offending and Reduce Custody,	82
Youth Justice Officer x 2	Undertake measureable and effective Restorative Justice interventions in all appropriate cases	<ul style="list-style-type: none"> • Review existing practice • Develop training for staff and volunteers • Develop links with other agencies/teams within the LA • Develop good practice within the team • Review use of RJ with out of court disposals 	Reducing First Time Entrants	42
Education Worker x1	Improve NEET performance for children open to the YOT	<ul style="list-style-type: none"> • Develop role of newly seconded team member with Education remit • Develop links with local education and training providers • Identify and intervene with 	Reducing First Time Entrants, Reducing Re-Offending	27

		<p>potential young people at risk at an earlier stage and improve NEET performance for young people already on orders</p> <ul style="list-style-type: none"> • Identify NEET young people at risk of becoming PYP and take appropriate action with colleagues • Interrogate data for quarterly reports and provide detailed feedback on performance 		
Youth Justice Officer x1 (equivalent)	Reduce the number of young people committing 5 or more offences in a year (Safer Portsmouth Partnership Target)	<ul style="list-style-type: none"> • Identify and nominate appropriate young people who fit criteria of the new Priority Young Person (PYP) Strategy • Evaluate and review practice with these at risk young people • Implement action plans devised at multi-agency PYP meetings • Feedback to Practice Leads on a monthly basis with a view to contributing to monthly performance monitoring of success 	Reducing Re-Offending, Reducing Custody	27
Youth Justice Officer x1 (equivalent)	Reduce the risks posed by young people causing harm to others and the safeguarding risks to themselves	<ul style="list-style-type: none"> • Develop staff skills with a view to increasing the number of competent staff to address risks more appropriately and effectively • Review all current risk and vulnerability assessments (all young people open to YOT) • Improve quality of risk and vulnerability management plans • Complete all appropriate plans and feedback performance reviews to YOT Management Board and YJB 	Reduction in number of young people with safeguarding and ROSH management plans in place and increase in competence in managing young people with these plans	27
Youth Justice Officer x 0.75 (equivalent)-	Develop effective group work provision for all young people at	<ul style="list-style-type: none"> • Continue to develop group work provision that devise and evaluate new sessions 	Reducing Re-Offending, Reducing	17

	high risk of re-offending	<ul style="list-style-type: none"> • Evaluate young person feedback as a way of improving effectiveness of delivery • Feedback results of evaluation to team and involve team in development of future provision • Develop co-working opportunities with police and other teams within Portsmouth CC 	Custody	
Training	Ensure all team receive appropriate training to ensure roles can be undertaken effectively	<ul style="list-style-type: none"> • The PCC Learning and Development Team will lead on delivery of appropriate training modules building upon outcomes of Inspection Report and Improvement Plan. • The team will also commission training packages via any appropriate external providers during the course of the year • Staff to attend training-potentially to discuss and evaluate at monthly Clinical Supervision sessions (to be commissioned) 	Reducing First Time Entrants, Re-Offending and Custody, Improving ROSH and safeguarding management	5
Resources	Ensure team is appropriately resourced with Effective Practice materials for use in supervision with young people	<ul style="list-style-type: none"> • Small budget required for any appropriate resources identified (ie work packs, materials etc) to assist staff delivering effective intervention 	Reducing First Time Entrants, Reducing Re-Offending and custody	1.398

Appendix 6: Portsmouth Youth Offending Team- Risk Register

Risk Number	Risk Title	Outcomes	Objective	Risk Owner	Probability	Impact	Current Score	Control Measures	Control Owner	Probability	Impact	Controlled Score	Notes
1	Risk of further cuts to public expenditure in forthcoming months (ie Transforming Rehabilitation agenda, cuts to LA and Hants Constabulary Budgets, cuts to health budgets) affecting long term stability of overall budget PYOT Budget	Resulting in reduced level of resources and failure to stick to budget leading to an impact upon the provision of services to Young People	Avoid overspend	YOT Board	4	4	16	Financial forecasting of probable outcomes and scenario planning to prepare for predicted efficiency savings	YOT Board	3	3	12	
2	Failure to implement Inspection Improvement plan	Resulting in poor quality levels of intervention and subsequent failure to achieve performance targets	Avoid poor re-inspection	JG	2	3	6	Implementation of HMIP recommendations via Inspection Improvement Plan	JG	2	1	2	
3	Failure to implement new case management system effectively	Resulting in failure to undertake core responsibilities and YJB performance monitoring Requirements	Seamless transfer between case management systems	JG	2	4	8	Close working with Project Manager responsible for implementation	JG	2	2	4	

Risk Number	Risk Title	Outcomes	Objective	Risk Owner	Probability	Impact	Current Score	Control Measures	Control Owner	Probability	Impact	Controlled Score	Notes
4	Failure to build in capacity within team structure for undertaking effective data analysis	Resulting in inaccurate data, taking managers away from other core tasks and creating an inefficient management team	Development of an Information Officer role - potentially from within the Board partnerships own resources and not necessarily a new resource	JG	3	4	12	Development of a role as agreed by the Board	JG	2	2	4	
Page 67	Failure to continue embedding changes resulting from recent legislation and developing good practice	Resulting in continued poor practice (ie early intervention, restorative justice and partnership working) leading to the likelihood of the YOT failing to meet the requirements of the YJB and the expectations of the YOT Board	Avoid poor re-inspection	JG	2	4	8	Effective utilisation of management team to guide team through performance improvements needed	JG	2	2	4	
6	Increase in offending behaviour resulting from changes to benefits system	Increased offending impacting upon caseloads of staff and pressure on services	Maintain high quality intervention if caseloads fluctuate	JG	2	4	8	Scrutiny of FTE and Re-Offending data to identify changes in rates early and undertake remedial action	JG	2	3	6	

Risk Number	Risk Title	Outcomes	Objective	Risk Owner	Probability	Impact	Current Score	Control Measures	Control Owner	Probability	Impact	Controlled Score	Notes
7	Failure to configure Early Help and Prevention Services in the city to tackle causes of FTE rates	Resulting in the increase of FTEs in the city	To reduce the rate and number of FTEs	Children Trust Board	2	3	6	Review of Early Intervention Services incorporating required strategy to reduce FTE	Children's Trust Board	2	2	4	
8	Failure to identify appropriate facilities to see young people	Resulting in poor levels of engagement with service users and failure to address poor practice	Identification of facilities around the city for the YOT to utilise	JG	1	4	4	New facilities identified	JG	1	4	4	

Appendix 7: Inspection Improvement Plan Objectives

Part A. YOT Board Improvement Plan	Part B. YOT Team Improvement Plan
<p data-bbox="177 465 794 504">Four Objectives:</p> <ol data-bbox="229 533 794 1310" style="list-style-type: none"><li data-bbox="229 533 794 719">1. By April 2014, to have in place an effective YOT Board with full, consistent and appropriate membership to lead the improvement programme<li data-bbox="229 741 794 891">2. By June 2014 to have in place a full complement of suitably qualified and experienced case managers including specialist roles<li data-bbox="229 913 794 1099">3. By June 2014, to ensure the YOT Board accesses and uses accurate and timely data on performance through a new Performance Management Framework<li data-bbox="229 1122 794 1310">4. By October 2014, to have in place the right resources used to support the work of the YOT including improved and appropriate locations to work with young people	<p data-bbox="801 465 1415 504">Six Objectives:</p> <ol data-bbox="853 533 1415 1682" style="list-style-type: none"><li data-bbox="853 533 1415 719">5. By October 2014, every young person open to the YOT will have a timely, holistic assessment and multi-agency plan (including pre-sentence reports) of sufficient quality<li data-bbox="853 741 1415 958">6. By January 2015, every young person open to the YOT will be in receipt of high quality, evidence-based interventions delivered by the YOT staff team, co-located specialists and partner agencies<li data-bbox="853 981 1415 1198">7. By October 2014, every young person and their parents/carers will be fully engaged in the relevant aspects of the sentence. Processes and delivery will be shaped to maximise user-engagement.<li data-bbox="853 1220 1415 1323">8. By October 2014, all staff will be clear on effective practice and effectively and robustly performance managed<li data-bbox="853 1346 1415 1496">9. By October 2014, all staff will have the right training, supervision and oversight in place to deliver high quality practice<li data-bbox="853 1518 1415 1682">10. By December 2014, all victims of youth crime will receive high quality support and appropriate involvement in interventions with a focus on victim safety

Appendix 8: Safer Portsmouth Partnership Young People at Risk Strategic Assessment

Young people at risk

Safety

The 'Children and Young People Survey 2014'¹ conducted by the Children's Society found that young people in Portsmouth were fairly positive about their local area and facilities, but scored lower than the national average in relation to feeling safe (7.5 in comparison with 7.8).

Approximately 30% (n1,230)² of young people reported that they had been bullied. Young people generally experienced emotional and/or verbal bullying, but 35% (n430) said that they had experienced physical bullying. Bullying was most commonly experienced at school (78% of those bullied, n960) followed by local area (18%, n221), to and from school (17%, n209) and online (14%, n172).

Most children and young people, in school year 5 and above, have good access to the internet with 70% (n2,240) using smart phones, 64% (n2,048) laptops, 60% (n1,920) tablets and fewer using PCs at home and at the library. Older children were more likely to use every type of device. 16% (n512) of respondents said that they had been worried or upset by something which had happened online, most commonly bullying or threatening messages, followed by not being sure who they were communicating with or being asked to do something they didn't want to.³

The most commonly reported types of anti-social behaviour that young people believed were causing problems in their area⁴ were: dog mess (67%, n1,446), rubbish (55%, 1,187) and general noise (44%, n950). These are similar to the problems reported by adults in the Community Safety Survey 2014.⁵ 57% of young people who responded to the survey said that they had experienced at least one of these problems. Due to the way the survey was administered it was not possible to find out what types of anti-social behaviour young people were most likely to experience.

The crimes that young people were most worried about were: being followed by someone (70%, n1,511), robbery (49%, n1,057), and assault (49%, n1,057). Once again we are not able to find out which types of crime have actually been

¹http://www.hants.gov.uk/pccjsna/API_STR_JSNA_POP_CYP_ChildrenWellbeingReport2014.pdf accessed 23/6/14

² No numbers were given in main body of the 'Children and Young People Survey 2014' and have been worked out using the data available for the number of children in each year group. It is unlikely to be exact but has been included to give readers a rough idea of the number of children affected by an issue. The questionnaire was completed by 4,100 young people aged 7-18 years.

³ This question was only asked of the secondary school sample who had been worried or upset. The actual numbers could not be assumed for these proportions.

⁴ The Children and Young People Survey was a self-completion questionnaire and therefore respondents were able to see all types of anti-social behaviour and crime - this differed from the Community Safety Survey which was administered by fieldworkers.

⁵ Not published yet but available from csresearchers@portsmouthcc.gov.uk

experienced by young people, but 28% of young people reported having experienced at least one of the crimes listed.

The Crime Survey of England and Wales 2014 found that approximately 12% of young people had experienced a crime - although this cannot be directly compared with the Portsmouth Survey finding due to differing methodologies. Of these, approximately half had been a victim of a violent crime and the other half had had something stolen from them. However, those who were victims of violence were more likely to be a repeat victim, leading to a larger proportion of violent crimes (59%) in comparison with thefts (37%).

Nationally 46% (n456) of deaths in young people aged 10-19yrs were from potentially preventable 'external' causes (17% were from cancer, 2011). Road deaths were the most common external cause, followed by self-harm, both of which were significantly higher than deaths as a result of violence. Young men were far more likely to die from external causes than young women, and the level of deaths amongst older adolescents (15-19yrs) was much higher than the younger ones (10-14Yrs).⁶ **The number of children killed or seriously injured in road traffic incidents in Portsmouth in 2009-2011 was almost double the national rate (42.5 per 100,000 under 18 year olds compared with 22.1).**

Vulnerable young people

There is a wealth of research supporting the idea that certain circumstances (risk factors) increase the likelihood of a young person misusing substances or becoming involved in crime/anti-social behaviour.⁷ The likelihood increases when a young person faces a combination of negative factors.⁸ Some previous analysis found that prominent risk factors for young people in Portsmouth were: whether the young person was known to social services, poor attendance from school and being excluded from school.⁹

The number of children in care has been on a slightly increasing trend for the last five years. A snapshot on 31st March 2014 showed that 318 children were being looked after, which was 4% (n12) higher than the previous year.

Mental health issues can impact on many areas of a young person's life, including their ability to have good relationships with their family and friends and engage with education and other life opportunities. Although there is little up to date information about the prevalence of mental health conditions, past research has shown that approximately 13% of boys and 10% of girls have mental health problems. Taking risks and challenging authority can be part of adolescent development, but serious violent behaviour in this age group is not so common and may be linked to long-term

⁶ Association for Young People's Health *Key Data on Adolescence 2013*.

⁷ For example: Youth Justice Board (2005) *Risk and Protective Factors*

⁸ MoJ *Youth Justice Statistics 2010/11*: <http://www.justice.gov.uk/downloads/statistics/youth-justice/yjb-statistics-10-11.pdf>

⁹ Robinson, P (2010) – Quarter 4 Report for Challenge and Support.

negative outcomes. It is estimated that 6.5% of young people aged 11-15 years have a 'conduct disorder' which includes extreme aggressive, destructive and deceitful behaviour.¹⁰

The rate of **hospital admissions for young people with mental health conditions in Portsmouth was 113 per 100,000 which was higher than the national average of 87.6 (2012/13)**. Additionally, the number of **hospital admissions as a result of self-harm in 2012/13 was 495.2 per 100,000 which was also higher than the national average of 346.3**.¹¹

Parental issues may also have a big impact on young people. Where a parent is a problem drug user, children may experience: uncertainty and chaos, witnessing drug use, exposure to criminal activities such as drug dealing or shoplifting, disruption of their education, isolation and fear, possible negligence or abuse and having to act as carers for their parents and younger siblings. A government review estimated that 2-3% of young people may have a drug using parent¹², which could equate to between 800 and 1,200 children in Portsmouth. There is also an overlap for children whose parents misuse alcohol, have a mental illness, are in an abusive relationship or a combination of these, with young people experiencing many of the same issues.

The national Troubled Families programme works with families who both have problems and often cause them. The over-arching criteria for identifying families are: children who are excluded or truanting, children who are committing crime / anti-social behaviour and where parents are not working. Locally this programme is known as Positive Family Steps (PFS) and also works with families experiencing domestic abuse, substance misuse, child protection plans and who are accessing multiple services at a high cost. Within Portsmouth, 821 families had been identified as meeting the criteria for PFS by the end of 2013/14, and 31% (n254) of these families are either currently being worked with or have been worked with so far. During 2013/14, families accessing the service have seen improvements¹³ in the following identified factors:

- 82% (n32) reduced their level of anti-social behaviour,
- 65% (n11) saw a reduction in the children's offending,
- 85% (n53) saw a reduction in the children's exclusions and absences,
- 65% (n50) had an adult closer to employment,
- 84% (n32) experienced a reduction in domestic abuse, and
- 87% (n27) experienced a reduction in substance misuse.

¹⁰ Green et al, 2005 *Mental health of children and young people in Great Britain*.

¹¹ PHE Child Health Profile for Portsmouth 2014

¹² Gov.uk *Hidden Harm* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/120620/hidden-harm-full.pdf accessed 29/07/14

¹³ These are based on a 5 point scale, each point on the scale has fixed criteria and an improvement means a movement of at least one point on the scale towards the desired outcome.

Offending

Portsmouth has seen a **continued and sustained reduction in youth offending**. There was a 10% (n21) reduction in the number of young offenders, a 9% (n63) decrease in the number of offences committed since 2012/13(see table 4 below) and a 9% (n9) drop in first time entrants (FTEs). These are significant reductions but are in the context of a fall in both young offenders and offences nationally.

Table 4: Youth Offending trends in Portsmouth 2006/07 - 2013/14

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
No. of young offenders (incl FTEs)	698	707	665	605	364	315	201	180
Young offenders as a proportion of the 10-17 population	3.7%	4.0%	3.9%	3.5%	2.1%	1.8%	1.1% (1.6% with YRDs)	1.0%
No. of YRDs / OOCs (not included in No. of young offenders)	-	-	-	52 (from Dec 09)	244	165	78	87*
No. of FTEs (rate per 100,000 10-17yrs)from YJMIS¹⁴	-	377 (2,097)	413 (2,289)	344 (1,911)	116 (646)	131 (738)	101 (583)	92 ¹⁵ (532)
No. of offences	1513	1601	1369	1298	1036	993	687	624

* Figure may not include some Police led Community Resolutions which the PYOT have not been informed about

Portsmouth's rate of re-offending compares poorly to both the national average and with other similar areas. The most recent data available from the Youth Justice Board, July 11 to June 12, shows that 48.9% of those in the Portsmouth cohort committed more than one offence, and average number of repeat offences was 1.9 for all those in this cohort. This compares with 35.3% and 1.02 nationally and 40.1% and 1.3 for the SPP most similar areas group.

This high rate of re-offending is due to the number of offenders reducing by a higher percentage than the number of offences they are responsible for (75%, n527 and a 61%, n977 respectively since 2007/08). This is most likely as a result of the youth restorative disposals (YRDs) introduced in Dec 2009, which were replaced in April 2013 with out of court disposals (OOCs). Both deal informally with young people who are at a low risk of re-offending resulting in less offences being formally recorded.

¹⁴ Youth Justice Management Information System

¹⁵ The YJMIS figures for the end of 2013/14 are not available yet - so this figure is Jan - Dec 2013

This issue is being addressed by identifying young offenders who are committing five or more offences in a 12month period (priority young people - PYPs). The number of PYPs is a performance measure for the SPP but the details of these young people are passed to the Priority Young People group to enable targeted work to encourage them to engage with appropriate services. Since October 2013 and April 2014 the SPP has secured funding from the Office of the Police Crime Commissioner for direct work to be undertaken with a small number of these young people (2 and 4 at any one time). The SPP target for 2013/14 was a 5% reduction on the previous year (45 young people or less) and this target was met at the end of quarter 4.

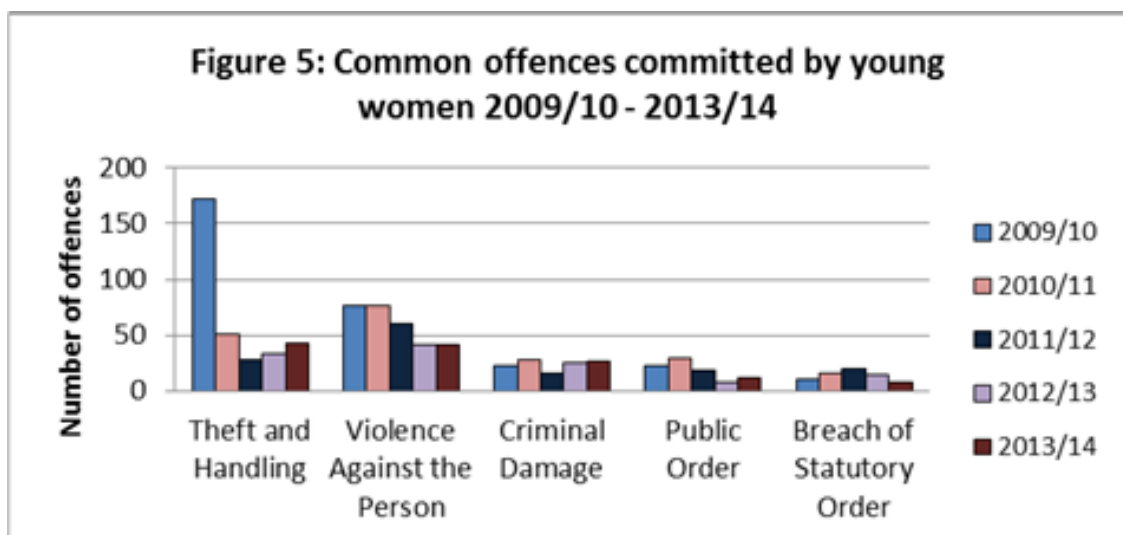
Table 5: Young offenders committing 5 or more offences in a 12 month rolling period

Rolling 12 months period	No. of young people committing 5 or more offences
April 11 - March 12 (baseline)	62
April 12 - March 13	48
July 12 - June 13	37
Oct 12 - Sept 13	40
Jan 13 - Dec 13	47
April 13 - March 14	43

There is a lag of over 18 months for the Youth Justice rate of re-offending and so our most up to date rate is for July 11 - June 12, so it is too early to see whether the work with priority offenders is having an impact, but if it is we should see a reduction over the next year.

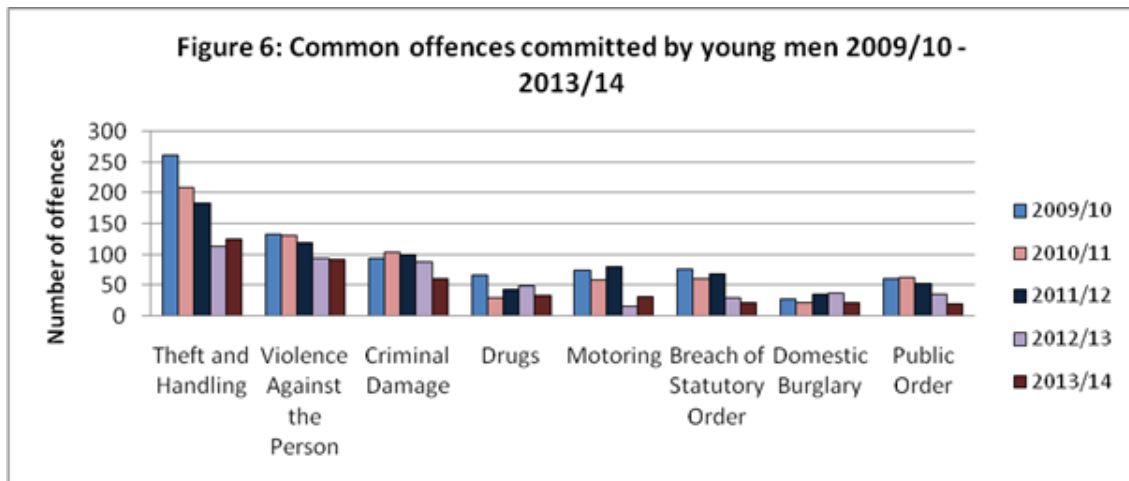
While the number of offenders committing five or more offences has reduced, the average number of offences that they are responsible for (n9.23) is slightly higher than in 2007/08 (n8.54) and when the priority young people group was set up in Jan 2013 (n9.04). This could indicate that the group is working more effectively with those who have committed comparatively fewer offences (e.g. 5-10, rather than 15 or more).

Offences



Theft is now the most common offence committed by young women (28%, n42), just overtaking violence (27%, n41), although the number of offences is very similar. The number of violent offences has not changed since last year, but the number of thefts has increased by 27% (n9).

The top four types of offence committed by young men have not changed since last year: theft (26%, n124), violence (19%, n92), criminal damage (13%, n60) and drugs (7%, n33). The number of domestic burglaries has reduced to levels seen in 2010/11 (n21).



Outcomes

There has been a big change to how the police and youth offending teams deal with low level offences by low risk offenders in the last year. **Out of court disposals have replaced final warnings, reprimands and youth restorative disposals (triage).** Very broadly, youth cautions and youth conditional cautions have replaced final warnings and reprimands and still appear in the figures as substantive outcomes. Community resolutions have replaced youth restorative disposals and are recorded separately by the Portsmouth Youth Offending Team (PYOT). One of the main differences with the new disposals is that that they are not escalatory and the therefore most appropriate outcome can be given for each offence.¹⁶ The data for OOCs is currently being cleaned and is not available for use in this report. This data will need to be analysed once it becomes available. 📖

Over 50% (n323) of young people who received a substantive outcome were given a youth rehabilitation order. This has been the most common type of outcome for the last four years although the proportion of young people receiving it has been increasing in the last few years from 34.5% (n357) in 2010/11.

Referral orders were the next most common outcome (13.3, n83) followed by youth conditional cautions (8.3%, n52), conditional discharges (7.1%, n44), detention and

¹⁶ For further information about OOCs please contact the community safety research team.

training orders (5.3%, n33) and youth cautions (5%, n31). Obviously the main change in outcomes since 2012/13, is that we are seeing youth conditional cautions and youth cautions while no final warnings or reprimands were recorded. The other notable change is that the proportion of young people receiving a detention and training order (custody) has decreased by 62% (n54) from 12.7% (n87) to 5.3% (n33).

The custody rate is also a performance measure for the SPP as this is another area where Portsmouth had been performing badly, and there is a huge cost implication for Portsmouth City Council. The custody rate began to increase from 0.83 per 1,000 in 2009/10 and had risen to a peak of 1.35 in 2011/12, which was much higher than the national average of 0.82 and slightly higher than the average for similar areas (1.29). There have been recent reductions and at the end of 2013/14 the rate was 0.69, which only just missed the target of being below the average for similar areas (0.66) although was still higher than the national average (0.44).

Offenders

In 2013/14 only about a fifth (21%, n37) of young offenders were female, which is proportionally and numerically the lowest ratio since we began collecting this information in 2005/06. The **peak age for young offenders, both male and female, was 16 years** (n46 and n13 respectively). **Charles Dickens ward had a higher rate of young offenders** (1,791 per 100,000, n26) than any other, followed by St Thomas (1,489 per 100,000, n14) and Paulsgrove (1,271 per 100,000, n21). These have been the top three areas since 2008/09.

232 assessments (Assets) were completed by PYOT for 152 young offenders in 2013/14. For each section there is a summary score which gives an indication about whether a particular issue is thought to be linked to offending behaviour for the individual. **41% (n61) of young offenders had some association between drinking alcohol and / or taking drugs and 34% (n52) had an association with emotional and mental health** that was linked to their offending behaviour.

Additionally a number of young offenders reported family factors, although there is no indication about whether these family factors are likely to have had an impact on offending behaviour. 43% reported specific issues: **26% (n40) stated that they had experienced abuse or neglect, 23% (n35) had witnessed family violence**, 21% (n32) had a member of the family who had been involved in criminal activity, 11% (n16) had a family member with a substance misuse issue and 10% (n15) had a family member with an alcohol misuse issue.¹⁷ This means that some young people are experiencing more than one family issue, particularly **where they had reported abuse - where just over half had also witnessed family violence (n21)**.

¹⁷ Family criminality, alcohol and substance misuse were just for the preceding 6 months.

Substance misuse

Preliminary findings from the Children's Society survey 2013/14 found that **there was very little change in reported smoking, alcohol consumption and cannabis use from last year.**¹⁸

- Alcohol is the most commonly used substance; 53% of respondents reported that they had had an alcoholic drink (a whole drink, not just a sip), which is the same as 2013 but 10% decrease (from 59%) since 2012.¹⁹
- 16% of young people had been drunk in the last four weeks.
- 7% smoked regularly (either daily or weekly).
- 8% had used cannabis in the last year.
- **37% reported that their parents provided alcohol.**
- **Friends were the most common source of cigarettes, tobacco and drugs.**
- Year 10 pupils were significantly more likely to have had an alcoholic drink, been drunk twice or more in the four weeks prior to the survey, smoke regularly and used cannabis than year 8 pupils.

The most recent national survey of smoking, drinking and drug use (2013)²⁰ found that 39% of pupils aged 11-15 had had at least one alcoholic drink in their lifetime, and that 3% smoked regularly and this was a slight reduction on the 2012 survey. Although the methodology is different (pupils from years 7 to 11 completed questionnaires), this indicates that **young people in Portsmouth may be more likely to drink and smoke than the national average.** Cannabis was the most commonly used drug and there was no change in the proportion of pupils who had used cannabis in the last year (7%). Young people who were considered vulnerable, including those who had been excluded or who truanted had an increased risk of problematic drug use.

The rate of under 18's admitted to hospital with alcohol-specific conditions has been falling for the last few years; between 2010 and 2013 there were 36.3 per 100,000 which is a 19% reduction from 2009-2012 and a 36% drop from 2006-2009. This is lower than both the England average (42.7) and the average for similar areas (53.6). Substance misuse hospital admissions were slightly lower in Portsmouth (74.1 per 100,000) than nationally (75.2) and similar areas (74.8).²¹

¹⁸ 920 pupil from years 8 and 10 at 6 secondary schools participated in the 2014 survey compared with 1,608 from all 11 secondary schools in 2012. Further details will be available once the report is finalised. Headlines obtained from V. Toomey, Public Health Analyst

¹⁹ There may be confusion about whether alcopops are alcohol, so caution should be exercised when interpreting this result.

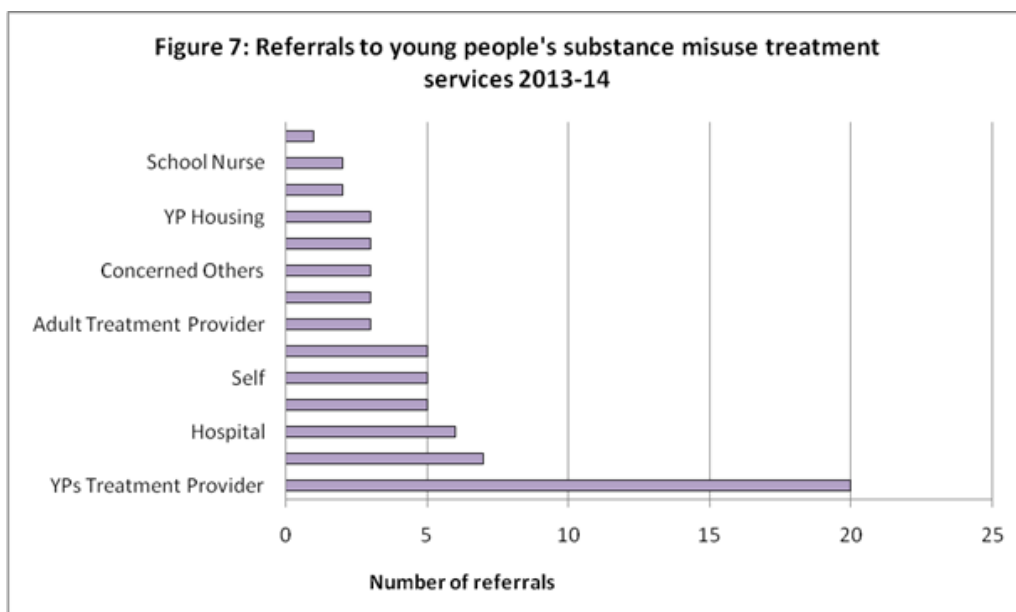
²⁰ <http://www.hscic.gov.uk/catalogue/PUB14579/smok-drin-drug-youn-peop-eng-2013-rep.pdf> accessed 28/07/14

²¹ PHE: <http://fingertips.phe.org.uk/profile> accessed 31/07/14 The crude rate is worked out over a three year period 2010/11 to 2012/13 because the numbers of young people are so small.

Very few young people develop dependency, so those who use substances problematically are likely to be vulnerable and experiencing a range of problems. This means that young people needing treatment have very different needs to adults, often requiring harm reduction, psychosocial or family interventions rather than treatment for addiction.²²

In 2013-14, 68 young people²³ were referred to substance misuse treatment services. Almost all were British white (96%, n65), there were slightly more males than females (56%, n38) and most were 15 or over (91%, n62). Most were referred to either Switch (56%, n38) or the Health Improvement and Development Service (HIDS, 34%, n23) for treatment. HIDs provide a tier 2 service in schools, whereas Switch provides a tier 3 service. Most referrals were between HIDS and Switch (29%, n20) as young people either needed more or less support (see figure 7 below).

Where primary substance was recorded, **cannabis was the most common primary substance (60%, n32 - unspecified and herbal skunk) followed by alcohol (21%, n11)**, which is broadly consistent with the proportions of young people in treatment nationally (68% and 24% respectively).²⁴



²² National Treatment Agency website: <http://www.nta.nhs.uk/young-people.aspx> accessed 23/07/14

²³ Aged 10-17

²⁴ http://www.population-health.manchester.ac.uk/epidemiology/NDEC/factsandfigures/ypannualreport2012_13.pdf accessed 23/07/14

Agenda Item 6



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Cabinet / Full Council

Date of meeting: 6th November / 11th November 2014

Subject: **Joint business planning process across strategic partnerships and approval of latest partnership strategies**

Report From: Chief Executive

Report by: Matthew Gummerson, Principal Strategy Adviser

Wards affected: All

Key decision: No

Full Council decision: Yes

1. Purpose

- 1.1 To briefly explain the background to the three key strategic partnerships and their strategy development processes.
- 1.2 To inform Cabinet of the joint business planning process that has been agreed across the Health and Wellbeing Board (HWB), the Safer Portsmouth Partnership (SPP) and the Children's Trust Board (CTB).
- 1.3 To seek Cabinet's endorsement of the associated strategies that have been agreed by those partnerships.

2. Recommendations

- 2.1 **Cabinet are recommended to note the process that has been developed to ensure effective joint work between the three strategic partnerships (HWB, CTB and SPP)**
- 2.2 **Cabinet are asked to recommend to Full Council that they endorse the Joint Health and Wellbeing Strategy, Safer Portsmouth Plan and Children's Trust Plan priorities as approved by the respective strategic partnerships.**

3. Background

- 3.1 Portsmouth has a long and successful history of partnership working. The SPP and the CTB have been leading their respective multi-agency agendas on behalf of the city for over a decade. The HWB was created as a statutory partnership and committee of the council from 2013/14. Its emergence coincided with the removal of previous requirements around things such as Local Strategic Partnerships (LSPs) and Local Area Agreements (LAAs), and the local picture has evolved to reflect that. It also reflects the reorganisation of the health service including the transfer of public health responsibilities to the city council.
- 3.2 In Portsmouth the three partnerships (HWB, SPP and CTB) work alongside one another to address key local needs. The big picture of local need is presented in the Joint Strategic Needs Assessment (JSNA). This includes the detailed SPP Strategic Assessment and the Children's Needs Assessment.
- 3.3 The council and the Clinical Commissioning Group (CCG) - via the HWB - have a statutory duty to oversee the production of the JSNA and to agree a Joint Health and Wellbeing Strategy (JHWS) to address the needs identified therein.
- 3.4 The council (via the community safety partnership) is required to produce a strategic assessment of crime and disorder, anti-social behaviour, reducing re-offending and drug and alcohol misuse and to develop local strategies that deal with the issues raised by it. Councils and their partners also have a duty to promote cooperation with partners to improve children and young people's health and wellbeing through a Children's Trust Board. Partner agencies, and the city council, have invested considerable energy, commitment and financial resource over the years to develop and deliver the work set out in the SPP and CTB's respective strategies.
- 3.5 Each partnership agrees its own strategies. The council is represented on each of the three partnerships by the appropriate Cabinet portfolio holders, colleagues within the administration and representatives of opposition groups. They are supported by the relevant Directors and other officers as required.

4. Joint Process

- 4.1 Following discussions within the council, the three partnerships agreed an aligned approach to developing and agreeing their strategies during 2013. The key features include:
- 4.1.1 A shared picture of local needs through the JSNA, led by public health but supported across the council and by partners.
- 4.1.2 A shared research and knowledge programme underpinning the JSNA, building on the success of the SPP's research programme which partners on the SPP jointly fund.

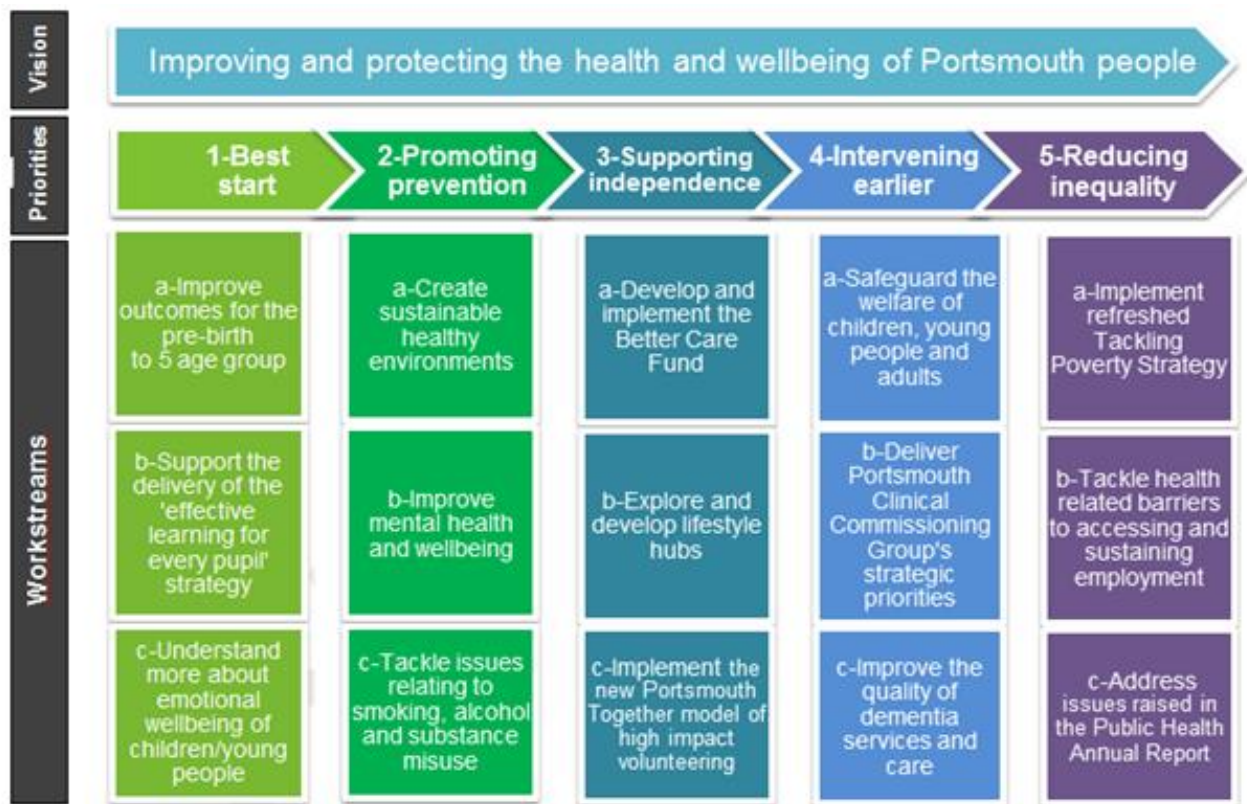
- 4.1.3 Three year cycle of evidence-based priority setting with agreed processes for managing any potential overlaps or gaps between the three strategies.
- 4.2 The Joint Health and Wellbeing Strategy and the Children's Trust Plan have both been refreshed this year and now cover 2014 to 2017.
- 4.3 The Safer Portsmouth Plan had already been agreed to cover 2013 to 2018 and produced annually refreshed delivery plans including progress towards the five year aims.

5. Joint Health and Wellbeing Strategy (JHWS) 2014-2017

5.1 The HWB approved its new three year strategy in September 2014. The JHWS attempts to address the wide breadth of issues that impact on local people's health and wellbeing, as set out in the JSNA. It can be read in full at <https://www.portsmouth.gov.uk/ext/documents-external/hlth-jhwellbeingstrategy2014-17.pdf>.

5.1 The JHWS includes within it areas that are led by other strategic partnerships (alcohol and substance misuse by the SPP, 0-5 and school improvement by the CTB) where these are significant drivers of health and wellbeing across the city. It is explicit that these issues continue to be led by those other partnerships, in order to avoid duplication of effort.

5.2 The priority themes and workstreams are as follows:



6. Safer Portsmouth Partnership Plan 2013-2018

- 6.1 The SPP produced a five year plan in 2013 that reflects the priorities identified in the strategic assessment update 2012. Approval was provided by Cabinet in March 2013. These priorities are translated into six themes;
- i. Reduce the harm caused by **domestic violence and abuse** by providing better support and enforcement services that will encourage more people to come forward earlier to report this and other hidden crime
 - ii. Reduce incidents of **anti-social behaviour** by working with whole families and focusing enforcement activity on the things that matter most to local people
 - iii. Reduce **alcohol related violence** across the city by continuing to work with licensees and the Portsmouth Business Crime Reduction Partnership in order to achieve Purple Flag¹ status by 2018
 - iv. Reduce the harm caused by **drugs and alcohol** by improving prevention activity and treatment services so that more people get the help they need at the right time
 - v. Work with Portsmouth Children's Trust to **reduce youth offending**, diverting young people away from crime and working with the whole family
 - vi. Provide well co-ordinated and effective support for offenders leaving prison, helping them to turn their lives around and **reduce the level of re-offending**.
- 6.2 The SPP will undertake a full strategic assessment in 2015/16 to inform development of a new Safer Portsmouth Plan in April 2017 on the same three-yearly cycle as the HWB and CTB. The 2013 - 2018 Plan can be accessed at http://www.saferportsmouth.org.uk/files/1213/6604/1137/SPP_Strategy_2013-18_for_SPP_Website_March_2013.pdf

7. Children's Trust Board Plan 2014-2017

- 7.1 The priorities for the 2014-2017 Children's Trust Plan were approved in February 2014. The report setting out these priorities is available at <https://www.portsmouth.gov.uk/ext/documents-external/cou-childrenstrustplan-report2014-2017-0514.pdf>. The Children's Trust has been developing and delivering a strategic plan for children in the city since 2003. The new set of priorities has undergone only minor changes since the last strategy approved in 2011.
- 7.2 There are three key differences since the 2011-2014 plan;
- a) A specific multi-agency strategy to reduce the numbers of 16 - 18 year olds who are Not in Education, Employment of Training (Priority D)

¹ National standard similar to 'Blue Flag' but for the evening economy

- b) A fully re-written Prevention and Early Help Strategy to reflect the growing importance of the cross-age Healthy Child Programme and the urgent need to reduce the rising numbers of children requiring statutory intervention from Children's Social Care.
- c) A set of cross-cutting themes to improve the join-up of the seven strategies including reducing child neglect, tackling child poverty and reducing demand for high-tier expensive services.

7.3 The seven priorities are;

Priority A - Develop and implement the pre-birth to 5 support pathway

Priority B - Improve services for families with multiple problems

Priority C - Improve educational outcomes for school-age children

Priority D - Improve post-16 participation and educational progress

Priority E - Improve prevention and early help

Priority F - Improve outcomes for Looked After Children

Priority G - Improve services for children with special educational needs and disabilities

7.4 The priorities and outcomes for the Children's Trust Board Plan have been agreed, with the final plan due to be presented to the Board later in 2014 once the underpinning strategies are finalised.

8. Reasons for recommendations

8.1 Cabinet and Full Council are recommended to support the better alignment of key strategic approaches set out in this report. It should lead to more efficient and effective allocation and use of resources by supporting joint planning and reductions in duplication between partnerships.

8.2 Cabinet and Full Council are recommended to endorse the three partnership strategies that have already been agreed by multi-agency and multi-sector partnerships chaired by the respective Cabinet portfolio holders. The strategies support the council to fulfil its statutory duties with regard to partnership work around health and wellbeing, community safety and children and young people, and should improve outcomes for local people. Copies of the full strategies will be made available to all Members via the group rooms.

9. Equality Impact Assessments (EIA)

9.1 Full EIAs have been completed on the Joint Health and Wellbeing Strategy and the Safer Portsmouth Plan and a preliminary EIA will be completed on the Children's Trust Plan to assess whether a full assessment is required given that the priorities have rolled forward from the previous version.

10. Head of Legal's comments

10.1 There are no legal comments to this report save that the Constitution allows upon adoption of the recommendations for the decision making to remain with the Council as a matter of local choice.

11. Head of Finance's comments

11.1 There are no financial implications arising directly from the recommendations contained within this report.

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Signed by:

Appendices:

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

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

Title of document	Location

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

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Signed by:

Agenda item:

Title of meeting:	Cabinet
Date of meeting:	6 th November 2014
Subject:	Future Commissioning of Youth Support Services
Report by:	Stephen Kitchman, Head of Children's Social Care & Safeguarding
Wards affected:	All
Key decision:	Yes
Full Council decision:	No

1. Executive Summary

- 1.1 The current Integrated Targeted Youth Support Service (ITYSS) provides holistic support to children and young people aged 9-18 who are demonstrating early signs of vulnerable risk taking behaviour and/or are at risk of achieving a range of poor outcomes. Risk factors include areas such as persistent absence from school, poor behaviour, offending, substance misuse, domestic abuse, mental health, sexual risk-taking behaviours, and medium/long term unemployment.
- 1.2 The current ITYSS model with a generic focus whilst having merits has not addressed the flow of vulnerable children and young people into Children's Social Care and numbers of young people Not in Education Employment or Training (NEET) which became a cause for concern during 2013/14
- 1.3 It is therefore proposed to consult with key stakeholders and young people through the Children's Trust Board and the Safer Portsmouth Partnership, to identify focussed youth support options to address the challenges young people face. Specific initiatives include:
 - a. *Youth Clubs* - Up-skilling staff employed by Housing to provide more 1:1 support.
 - b. *Further Education Provision* - Joint funding NEET advisors employed by colleges. The project will be funded by colleges, schools and the Local Authority. The full cost has yet to be determined but the LA will be expected to make a contribution, this could be in the region of an additional £40k. It is proposed that a pilot be established for 2015.

- c. *Troubled Families Programme* - Currently providing support to families with teenage children via a range of interventions including the Family Intervention Programme and Multi-Systemic Therapy. There are opportunities to widen the service eligibility criteria for Phase 2 from January 2015.
 - d. *Cities of Service* - Significant interest has been shown in mentoring of young people with evidence based interventions, through the use of volunteers. A pilot is underway at King Richard School.
 - e. *Voluntary Sector led initiatives* - Two bids submitted to the Youth Engagement Fund bid for the Portsmouth area have made it through to the next round. The Youth Engagement Fund will fund positive education and employment outcomes achieved by projects that support disadvantaged young people between the ages of 14 and 17 across areas of England. The focus is on reducing NEETs using Social Impact Bonds (SIBs) - during a three year programme, 2015 - 2018. A small number of further projects will also be supported. A contribution in the order of £40,000 per annum will be required.
 - f. *Schools* - Currently Schools are the main referrers into ITYSS. Secondary schools in total are currently receiving £2.7 million in Pupil Premium in addition to their pupil allocations, to improve the outcomes for young people on low incomes. The level of Pupil Premium funding increased by £35 this year from £900 to £935 for each eligible secondary-aged pupil. The Education Endowment Foundation provides advice to schools on the evidenced based interventions which can make a difference.
 - g. *Go for It Centre* - These premises are popular with young people offering anonymity and a range of focussed support and engagement services. In line with this the centre has received favourable comments by both Ofsted and Peer Review teams. It is proposed to consult widely with stakeholders with the aim of securing greater contributions to the running costs of the centre and greater usage by alternative service providers.
- 1.4 It is therefore proposed to end the current Integrated Targeted Youth Support Service (ITYSS) arrangements provided through a mix of in-house (covering the Central and South areas of Portsmouth) and externally delivered (North area of the City through Motiv8) provision.
- 1.5 It is not expected that future arrangements, with the exception of tracking capacity which will be transferred to Education, will involve PCC employed staff. Significant efficiency savings are therefore expected.

2. Purpose of Report

To seek agreement from Cabinet on the proposal to re-commission youth support services.

3. Recommendations

- I. That Cabinet approve the re-commissioning of the youth support arrangements as set out in paragraph 1.3;
- II. That Cabinet note that the externally provided part of the current ITYSS service configuration (currently provided by Motiv8) will not be renewed following the current contract termination date of the 31 December 2014, temporary extensions are to be agreed to ensure a managed transfer of young people to other services; and,
- III. That Cabinet delegate authority to the, Cabinet Member for Children & Education to approve, following consultation, proposals to meet the needs of vulnerable young people in the City.

4. Background

- 4.1 The Integrated Targeted Youth Support Service (ITYSS) was formed in October 2012 combining the Targeted Youth Support Service (prior to that the Connexions service) and the Preventing Youth Offending Project.
- 4.2 The service is delivered through a mix of in-house (covering the Central and South areas of Portsmouth) and externally delivered (North area of the City through Motiv8) provision and should be considered as two separate services although provision is fundamentally the same.
- 4.3 The contract with Motiv8 terminates automatically on the 31 December 2014 with no requirements for renewal or cost to PCC.

5. Alternative provision

- 5.1 The current ITYSS model with a generic focus, whilst having merits has not addressed the flow of vulnerable children and young people into Children's Social Care and numbers of young people Not in Education Employment or Training (NEET) became a cause for concern during 2013/14; as of September 2014 7.7% of young people are NEET in PCC against a South East authority average of 5.1%.
- 5.2 In addition there has been an increase in first time entrants to the youth justice system for the first quarter of 2014/15. Although the 3 year trend is decreasing we rank 6th highest out of 8 statistical neighbours in this area with a rate of 639 young people per 100,000 population compared to a statistical neighbour average of 568.
- 5.3 To achieve sustained impact of interventions it is recognised that work with young people and their families needs to take place simultaneously to help better

understand young people's needs as well as their family's ability to respond and meet these. In line with this more recently commissioned services, such as Multi-Systemic Therapy, focus on a whole systems approach to meeting need and this is the approach proposed within this paper to re-commissioning of the ITYSS service through a broad range of evidence based family interventions.

- 5.4 In reaching a decision for the proposed service change, the operational issue of managing the 400+ young people currently being supported through the ITYSS for who there may be a need for ongoing support needs to be considered. There are 7 key areas as set out in executive summary that are well positioned to support these young people.
- 5.5 A range of provision for young people is delivered via the Go for It Centre. These premises are popular and well used with approximately 300 young people using the centre each month; in line with this it has also received favourable comments by both Ofsted and Peer Review teams. The centre hosts a wide range of services for young people across Portsmouth, including housing, sexual health, employment/training, benefits, drug and alcohol counselling and general advice and signposting. After partner contributions, the rent costs stand at £25,062 per annum, the current agreement term ends on 31st January 2017, although notice can be given to shorten this. It is proposed to consult widely with stakeholders with the aim of securing increased contributions to the running costs of the centre and greater usage by alternative service providers.

6. Reasons for Recommendations

- 6.1. Given the declining resources available to the council, it is critical that resources are focused on maximum impact on children's outcomes at lowest cost.

7. Budget

- 7.1. The 2014/15 budget for the service after excluding the items proposed to be transferred to Education is £893k with the primary areas of expenditure being:
- £404k Internal Staff Payroll Costs (23.5 staff, 17.5fte).
 - £138k Motiv8 Contract covering the North of the City (£180 with £42k contribution from Community Safety).
 - £80k - Provision for caseload system costs including migration from Hampshire's systems
 - £113k net contribution towards Public Health and Community Safety services including teenage pregnancy, substance misuse and domestic abuse support advocate services.
 - £158k - All Other Costs - Examples include contributions to specialist service contracts (e.g. CAHMS, You Count service), staff training, travel and expenses

8. Communication

- 8.1. All young people and their families currently receiving a service from ITYSS will have clarity about their individual future support arrangements.
- 8.2. Treating all the ITYSS staff, both PCC and Motiv8, with respect and equality during this difficult period is of paramount importance. The service will be working with our Communications Team, HR and Motiv8 to agree communication for both services. The Head of Children's Social Care & Safeguarding has put in place a working group to oversee arrangements subject to members' decision.

9. Equality impact assessment (EIA)

- 9.1 This will be undertaken in line with proposed changes to current ITYSS service provision.

10. Legal Implications

- 10.1 The proposal set out in the recommendations involves the decommissioning of the ITYSS service in its current form as to both the externally and internally provided constituent elements of the service.
- 10.2 The direct award of an extension to the Motiv8 contract as proposed would be in breach of the competition requirements in the Council's Contracts Procedure Rules and the waiver of those requirements would need to be justified.
- 10.3 Members should be appraised as to what steps have been taken or will be taken to consult young people as service users on the proposal to decommission the service.
- 10.4 In reaching a decision on the proposals, members have a duty to have regard to the requirements of the Public Sector Equality Duty in accordance with the Equality Act 2010. It is strongly recommended that an Equalities Impact Assessment is carried out and presented to members.
- 10.5 It is recommended that, before reaching final decisions in connection with the proposals following consultation, the Cabinet Member for Children and Education receives legal advice in respect of the risks identified in S10 of this report.

11 Head of finance's comments

- 11.3 The proposals contained within this report seek to cease the provision of the non-statutory elements of the ITYSS service as part of the service's strategy for delivering a balanced budget for 2015-16 through the redistribution of the savings towards statutory safeguarding functions. The current budget for this service is £1.23m. The proposals contained within the report are estimated to deliver annual savings of £893k to the Children's Social Care Service. This would reduce to circa £800k if the contributions to the Further Education and Voluntary Sector initiatives referred to in paragraphs 1.3(b) and 1.3(e) are funded from these proposed savings.

- 11.4 Any delay in implementation will lead to the service being unable to deliver full in-year savings in 2015-16.
- 11.5 The report highlights the potential contractual and redundancy costs and associated with these decisions. The costs of redundancy would arise in 2014-15 if the service were able to complete the decommissioning process prior to 31 March 2015. At this stage it is not possible to quantify the cost of redundancies, which will be borne by the Council's MTRS reserve.
- 11.6 It should be noted that these proposals include a reduction in contributions to internal services of £113k, (primarily Public Health and Community Safety).

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Signed by:

Appendices:

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

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

Title of document	Location
Appendix 1 - Decommissioning Option Appraisal	
Functions within ITYSS that are transferring to Education - Appendix 2	

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

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Signed by:

Appendix 1

Functions within ITYSS that are transferring to Education

The functions that are transferring from ITYSS to Education (and are outside of the proposed savings) in order that the Council can continue to meet its statutory duties in relation to the participation of young people in education and training are set out below. These functions cover careers guidance posts for vulnerable young people and the data tracking/business support posts that are involved in identifying and tracking young people who are at risk of becoming NEET (pre-16) and who are NEET (post-16).

Summary of statutory duties in relation to the participation of young people in education and training

- Secure sufficient suitable education and training provision for all young people aged 16 to 19 and for those up to age 25 with a learning difficulty assessment (LDA) or Education, Health and Care (EHC) plan in their area. To fulfil this, local authorities need to have a strategic overview of the provision available in their area and to identify and resolve gaps in provision.
- Make available to all young people aged 13-19 and to those up to age 25 with an LDA or EHC plan, support that will encourage, enable or assist them to participate in education or training.

Tracking young people's participation is a key element of these duties. Local authorities are required to collect information about all young people so that those who are not participating, or are NEET, can be identified and given support to re-engage. Robust tracking also provides the local authority with information that will help to ensure that suitable education and training provision is available and that resources can be targeted effectively.

- Local authorities must promote the effective participation in education and training of 16 and 17 year olds in their area with a view to ensuring that those persons fulfil the duty to participate in education or training. A key element of this is identifying the young people in their area who are covered by the duty to participate and encouraging them to find a suitable education or training place.

- Local authorities must make arrangements - i.e. maintain a tracking system - to identify 16 and 17 year olds who are not participating in education or training. Putting in place robust arrangements to identify young people who are not engaged in education or training or who have left provision enables local authorities to offer support as soon as possible.

The information collected must be in the format specified in the NCCIS Management Information Requirement. To meet this requirement, local authorities need to have arrangements in place to confirm all young people's current activity at regular intervals.

Every young person who reaches the age of 16 or 17 in any given academic year is entitled to an offer of a suitable place, by the end of September, to continue in education or training the following year. Local authorities are required to lead the September Guarantee process for:

- 16 year olds who are educated in their area; and
- 17 year olds who are resident in their area.

Agenda Item 9

Title of Meeting:	Cabinet
Date of Meeting:	6 November 2014
Subject:	Management and location of Coroners Service to within Portsmouth City Council
Report from:	Michael Lawther, City Solicitor & Strategic Director and Louise Wilders: Head of CCDS
Wards Affected:	All
Key Decision:	No (>£250K)
Full Council Decision:	No

1. Purpose of this report

The purpose of the report is to seek agreement to host the Coroners service within PCC.

At present the Portsmouth and SE Hampshire Coroners service is managed jointly by Hampshire Constabulary and Hampshire County Council with Portsmouth City Council contributing the main funding. HCC take the lead responsibility.

In order to protect PCC from unexpected costs and to ensure that a viable service continues at economic cost it is recommended that the service is hosted by PCC on behalf of Hampshire Constabulary and Hampshire County Council and that it moves from its' current location in the Guildhall to within the Civic Offices.

Staff would be transferred from their respective organisations to PCC.

Joint funding arrangements with HCC would continue at their present agreed level of 70/30 PCC/HCC.

2. Recommendations

It is recommended that Cabinet:

- (i) Note the contents of this report;
- (ii) Agree the hosting of the Coroners Service within PCC;
- (iii) Agree to the movement of staff from their respective organisations to PCC employment directly;
- (iv) Note the ring-fencing of budget with regard to the coroner's service.

3. The Service

The service is an extremely busy one. In 2013 there were 3062 deaths reported to the coroner which resulted in 1227 post mortems and 351 inquests. This has increased in recent years and is now about 20% higher than it was historically. This trend is expected to continue. The total cost of the service in 2013/14 was £1,066,677.

It should be noted that the Coroners Service is demand led. 80% of the costs arise from tests and examinations which are ordered by the coroner to properly determine the cause of a death. When deaths occur these are reported to the coroner and a decision is made if there is the need for an investigation and / or inquest.

The cost of services received from the QA hospital with regard to post mortem charges and storage costs has been subject to some pressure and has recently increased by 15 to 20% (depending on the service required). However the fees remain competitive with charges made by other local and regional facilities. A new payment schedule has been agreed with QA and this will protect PCC (and HCC) to a degree.

The vast majority of the post mortem examinations are made at the QA and are made by Consultants who invoice the coroner's service for their charges. The QA invoice the service for the use of their facilities with regard to storage, tests, facilities used and administration.

The main cost of the service is accounted for by these charges.

The service is staffed by 3.5 Coroners Officers and 2 (1 in post currently) Administrative Officers.

Some staff are employed by the Constabulary and some by HCC. None are employed directly by PCC at present. However the funding for the service is split as follows; PCC 70%: HCC 30%

Within this 2.5 Coroners Officers are paid for 50% by Hampshire Constabulary and 50% by the other parties.

Hampshire Constabulary have indicated that they will cut their funding to 25% in 2015/16 and to nil in 2016/17. Whilst this will be challenged it is unlikely that the police will continue to fund and have already withdrawn funding in other areas of England

Staff costs account for approximately 20% of the total cost of the service.

The Coroner himself is appointed by the Lord Chancellor in consultation with the Chief Coroner and the relevant Local Authority, however coroners are not directly employed by local authorities and are akin to judicial appointments, neither are they employed by Ministry of Justice. For the purposes of this paper the coroner would not be employed by PCC directly.

In addition the Coroner does not line-manage the staff in the Coroner's Office. At present this role is undertaken in part by the police and by HCC - neither of which have a physical presence in the Coroner's Office.

4. Justification for the move to PCC

The service at present is jointly managed by HCC and Hampshire Constabulary together with the Coroner himself. However the main burden of financing this service falls on PCC. In order to better manage the costs and administration of the service it would be more logical (and would put PCC in a position to better influence decisions) that PCC become the host employer as well as the principal cost bearer.

There is also the administrative benefit that would arise if the administration of the service were managed from within the Registration Service (CCDS).

There is a dependency and inter-relationship between the Registration Service and Coroners which in the past has been difficult. There would be benefits to the main customers (bereaved families and individuals) if this could be made to work better.

Additionally the costs arising from the service could be managed better if these are moved from HCC financial systems to within PCC.

Because PCC bear the main financial cost of the service we would always be in a better position to manage the costs if these were easily available and better understood on a day to day basis. Hosting the service locally would enable this.

As the coroners service is a statutory requirement it should be noted that local authorities bear the costs of the service ultimately and are required to do so. In this respect the costs of the service should be budgeted for in a distinct ring-fenced budget.

In terms of current facilities the coroner's office within the Guildhall is not suitable for their needs and there is a degree of concern over the security of their current facilities with regard to public access and to proper storage of confidential material. This would be addressed if the service moved to the Civic Offices.

5. Summary

In summary, the Coroner's Office for Portsmouth and South-East Hants which is a statutory service, is predominately funded by Portsmouth City Council, but currently managed by HCC and Hampshire Constabulary.

The total cost of the service in 2013/14 was £1,066,677.

Hampshire Constabulary reduced the funding of 'their' staff (2.5 Coroners Officers) to 50% in the 2014/15 Financial Year and are further reducing it to 25% in 2015/16 and nil in 2016/17.

The main costs of the service (80%) arise from tests and examinations which are ordered by the coroner to properly determine the cause of a death. These costs are subject to a 15% - 20% increase by QA this year.

In order to be in a better position to manage the costs, which would include a review of the service provision, moving the office from the Guildhall to Civic Offices and the introduction of robust financial and contract management it is proposed to transfer the service to PCC from 1st April 2015.

HCC have confirmed they are happy with this proposal and would implement an additional management charge should the service not be transferred.

If the transfer is approved, the budget would need to be ring-fenced as a demand led service.

6. Equality impact assessment (EIA)

This report does not require an Equality Assessment as the proposal does not have any impact on a particular equalities group.

7. City Solicitors

The Council is obliged to provide funding for the coroner's service. The proposed arrangements will however give the Council greater day to day control of the administration of the service and management of the costs.

8. Head of Finance's comments

The 2014/15 budget provision for PCC's contribution to the Coroner's service is £720,200. There is no additional cost to the City Council as a direct result of the transfer of the service. Future increases in cost arising from the reductions in funding support from Hampshire Constabulary are already planned and would have happened regardless of the proposed management change. The transfer to PCC

does however, offer the potential to better manage the future service costs and any emerging budget pressures.

Signed:

Louise Wilders

Head of Customer, Community & Democratic Services

The recommendation(s) set out above were approved/ approved as amended/
deferred/ rejected by Cabinet on 6 November 2014

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Signed by:

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Agenda Item 10



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Cabinet and City Council

Date of meeting: 6th November and 11th November 2014

Subject: Dunsbury Hill Farm

Report by: Kathy Wadsworth, Strategic Director of Regeneration

Wards affected: None

Key decision: No

Full Council decision: Yes

1. Purpose

1.1 To seek approval to the aims of the Dunsbury Hill Farm (DHF) project and to delegate authority to the Strategic Director Regeneration and Head of Financial Services and Section 151 Officer to carry out the highways works and commission the work needed to evaluate the next stage of the project.

2. Recommendations

- 2.1 The aims of the Dunsbury Hill Farm Project as set out in this report are approved.
- 2.2 Subject to the City Council project governance arrangements and a prior financial appraisal approved by the Section 151 officer authority to commence the highways works and to commission the works needed to evaluate the next stage of the project is delegated to the Strategic Director Regeneration and Head of Financial Services and Section 151 Officer.
- 2.3 The revised financing for the scheme including the additional £2.163 million borrowing is approved and the Corporate Capital Programme is amended to reflect the revised capital budget.
- 2.4 Further authority will be sought from the City Council to approve the possible site development options and opportunities that will arise from the highways works.

3. Background

3.1 Dunsbury Hill Farm is a large area of greenfield land situated to the immediate east of Junction 3 of the A3(M). The developable sites are owned in their entirety by PCC, some land transfer is required from Hampshire County Council (HCC) and the Highways Authority (HA) for construction of the road. The site is in Havant and Havant Borough Council (HBC) is the Local Planning Authority with HCC the Local Highways Authority.

- 3.2 HBC have identified the site in their adopted Core Strategy as a key strategic employment site for the sub-region, with the potential to generate new jobs and provide much needed local employment opportunities to the neighbouring Leigh Park area. Havant Planning Policy CS18.3 allocates Dunsbury Hill Farm for a total of approximately 60,000 sq. m of employment space, with a maximum of 20% Storage and Distribution (B8) use.
- 3.3 PCC submitted a hybrid planning application to Havant BC in 2012 and conditional planning permission has been granted. The consent is detailed for the access road and outline for employment (61,789 sq. m) and hotel (5,574sq. m). In line with the adopted Core Strategy policy, 80% of the employment is to be split between B1 (Business) and B2 (Light Industrial), whilst B8 (Storage & Distribution) should not exceed 20%. The involvement of three authorities makes this a complex process. However, there is an appetite to progress the site at Member and officer level.
- 3.4 The site had previously been subject to a viability study and market appraisal, which suggested that it would only be attractive to the market if road infrastructure were delivered by the public sector. Financial modelling has taken place to test the extent to which it would be possible to secure a long-term income stream from the site if the city council were to act as its own developer once infrastructure is in place, rather than to sell the land for development. Early options that were considered are attached at Appendix 1 for reference.
- 3.5 The project is anticipated to have the backing of a successful Local Transport Board (LTB) bid for the sum of £4.377 million, the announcement of which is due imminently.

4. Aims of the project

- 4.1 The key objective of the DHF project is to provide income for the authority, if possible via a long term revenue income stream. There is a working assumption, still to be tested in detail, that this would most successfully be achieved either by the authority acting as developer and landlord for the site or by seeking a development partner. At a sub-regional level the project forms a significant element of their wider growth agenda of the Solent LEP and the potential jobs the development will deliver.

5. The current approach and works ongoing

- 5.1 There are a number of pieces of work currently underway that are intended to:
- i) Provide the detailed report on market value needed to allow the authority to commit to highways construction with confidence that the investment will produce a significant return.
 - ii) Discharge the planning pre commencement conditions

- iii) Develop the master plan for the site, testing viability and development cost.
- iv) Reach financial close with the highways contractor.
- v) Complete the ecological mitigation activities
- vi) Complete the legal site assembly including inter alia S.106/278 and 38 negotiations.

5.2 Anticipating that the work activities i) to vi) come to a satisfactory conclusion in late 2014 early 2015 it is proposed that PCC will be using the LTB funding of £4.377m supplemented by PCC borrowing to construct the highways in 2015 in anticipation of a further decision(s) on how the site is taken forward for development. Consultants, highways and construction partners have been procured giving PCC the potential to respond quickly to market demand and potential occupiers. The additional borrowing requirements are detailed in section 6 below.

6. Approved Funding

6.1 The Capital Programme 2013/14 to 2018/19 which was presented to Full Council on the 12th November 2013, approved the capital funding of the scheme and gave authority to progress the Dunsbury Hill Farm Access Road subject to a "satisfactory financial appraisal approved by the S.151 Officer" - see Recommendation 7 and Para 10.3.

6.2 The actual cost of building the access road is subject to the ongoing negotiations with Volker Fitzpatrick, however the initial tender returns would indicate that the above funding would be sufficient to complete the highway works and part enable the sites.

6.3 With the estimated cost of the Access Road remaining unchanged at £9.69m and external funding of £4.377 from the LTB due in 2015/16 there will now be a requirement for an additional £2.163 million of borrowing to fund the scheme. This is a result of the reduction from £6.54 million to £4.377 million in other contributions which reflects the assumption that the other public bodies involved will not have a direct involvement in delivering this scheme. That would give a total City Council funding requirement of £5.313 million comprising corporate reserves of £750,000 and borrowing of £4,563,000, as follows:

	Corporate Reserves £	Borrowing £	Other Contributions £	Total £
Approved Programme (Nov 2013)	750,000	2,400,000	6,540,000	9,690,000
Proposed Amended Programme	750,000	4,563,000	4,377,000	9,690,000
Variation	0	2,163,000	-2,163,000	0

7. Proposal

7.1 The Council approves the increase in the borrowing element of the capital programme subject, as before, to a satisfactory report and Financial Appraisal being provided to the S151 officer substantiating the business case for constructing the highway.

8. City Solicitors comments

8.1 The proposed delegations set out in recommendation 2.2 are appropriate in the circumstances to protect the council's financial position and to enable the project to proceed in a timely manner.

9. Head of finance's comments

9.1 The sum approved in the main capital report to City Council on the 12th November 2013, is anticipated to be sufficient to complete the highways works and part enable the site, however the reduction in external funding has put additional pressure on PCC borrowing in order to meet the shortfall.

9.2 Recommendation 2.2 proposes that authority to commence the highways works and to commission the works needed to evaluate the next stage of the project is delegated to the Strategic Director Regeneration and Head of Financial Services and Section 151 Officer, subject to a financial appraisal approved by the Section 151 officer. This financial appraisal will take account of the forthcoming evidence based report by Lambert Smith Hampton, substantiating the land value, against which any additional borrowing requirement will be measured, up to the value of £4,563,000.

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Signed by:

Appendices:

Appendix 1 - Site Options and Assumptions

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

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Signed by:

APPENDIX 1

Options and Assumptions

Option 1 - Do nothing

- The site remains undeveloped
- No further planning permissions are sought
- PCC incurs any revenue costs associated with maintaining the land

Possible effect over 20 years - £0.8m loss

Option 2 - Sell DHF at market value

- Carry out all necessary preparatory work to minimise risk for purchaser
- Liaise with potential purchasers to confirm demand, type of employment space required and rental levels.
- Planning permission granted for Employment space in line with established demand
- Marketing begins as soon as possible

Possible effect over 20 years - £10.2m return

Option 3 - PCC build the road then sell at market value

- Carry out all necessary preparatory work and build road
- Liaise with potential purchasers to confirm demand, type of employment space required and rental levels.
- Planning permission granted for the Employment space
- Marketing begins as soon as possible

Possible effect over 20 years - £18.4m gross return

Option 4 - PCC build the road and Employment Space then sell at market value

- Carry out all necessary preparatory work and build the road
- Liaise with potential purchasers to confirm demand, type of employment space required and capital receipt levels.
- Planning permission granted for the Employment space
- Contract signed including conditions re employment space design, completion date etc.
- PCC build the Employment space to purchaser's requirements

Possible effect over 20 years to be modelled based on demand review

Option 5 - PCC build the road and Employment Space and let on a long lease

- Carry out all necessary preparatory work and build the road
- Liaise with potential lessees to confirm demand, type of employment space required and rental levels.
- Pre lease agreement signed subject to planning permission covering heads of terms, completion date, employment space required, rental levels etc.
- Planning permission granted for the Employment space
- Finalise contract and lease with purchaser for PCC to build the Employment space to their requirements and the purchaser to pay agreed rental for a long term, say 15 years.
- PCC build the Employment space to purchaser's requirements

Possible effect over 20 years to be modelled based on demand review

Agenda Item 12

Title of meeting:	Cabinet
Date of meeting:	6 th November 2014
Subject:	Support for the Provision of Affordable Finance
Report by:	Head of Finance & Section 151 Officer
Wards affected:	ALL wards
Key decision:	Yes
Full Council decision:	No

1. Purpose of report

- 1.1 The purpose of this report is to set out the general responsibilities of both the City Council and the S151 Officer in relation to safeguarding public funds and, in that context, seek a decision from Cabinet in relation to entering into a loan facility agreement with United Savings and Loans (US&L), formerly known as the Hampshire Credit Union.

2. Recommendations

- 2.1 That, taking into account the Council's obligations to safeguard public funds, the Cabinet consider:
- i) Not providing a loan facility agreement to US&L
 - ii) Providing a loan facility agreement on the terms referred to in Appendix 1.
- 2.2 In the event that a loan facility agreement is approved, the S151 Officer, in consultation with the Leader of the Council, be given delegated authority to determine whether to enter into a loan facility in accordance with the terms in Appendix 1

3. Responsibilities of the Council and the S151 Officer in regard to the Safeguarding of Public Funds

- 3.1 In general terms, the S151 Officer is responsible for leading the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- 3.2 More specifically, the S151 Officer has a duty to the local taxpayers and must act in the public interest at all times. Equally, the City Council itself has a responsibility to

act in the public interest and therefore also has a responsibility to act responsibly and to safeguard public funds.

3.3 The key considerations for the Cabinet in determining whether to provide any form of financial assistance are:

- The strength and sustainability of the Business Plan and the robustness of the underlying key assumptions
- The confidence in the ability of the Board and management to implement the proposed Business Plan

If the Cabinet do not have reasonable confidence and certainty of either the Business Plan or its delivery, it would not be responsible to provide a loan facility agreement.

4. Background

4.1 Full Council on 12 November 2013 made provision within the Capital Programme for the provision of financial assistance to vulnerable people and the removal of category hazards and risks in the home through the issuing of loans and grants, as follows:

Capital Scheme	2014/15 £
Support for Vulnerable People	1,970,070
Removal of Hazards and Risks within the Home	410,770
Total	2,380,840

4.2 An agreement is in place for US&L to provide a number of Home Improvement and Green Deal loans, which were previously provided by Portsmouth City Council within the capital schemes listed above.

4. Equality impact assessment (EIA)

4.1 A preliminary EIA has been carried out which indicates that the requirement for a full EIA is low.

5. City Solicitor's comments

5.1 The Council has the power under the Local Government and Localism Acts to enter into this investment. As is set out in the body of the report it will not constitute unlawful state aid.

5.2 The loan will need to be documented by a carefully constructed contract which will have to avoid creating any form of security which will leave the Council a risk if insolvency occurs.

6. Head of Finance's comments

6.1 The comments of the Head of Finance are incorporated into the body of this report and its appendices.

Signed by:

Appendices:

- 1 Support for Affordable Credit and Proposed Loan Terms (exempt)

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

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