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Portsmouth City Council

A MEETING OF THE COUNCIL will be held at the Council Chamber - The Guildhall on Tuesday, 8 December 2015 at 2.00 pm and all members of the council are hereby summoned to attend to consider and resolve upon the following business:-

Agenda

- 1 **Members' Interests**
- 2 **To approve as a correct record the Minutes of (Pages 1 - 14)**
 - the Meeting of the Council held on 10 November 2015
- 3 **Any communications from the Lord Mayor to lay before the Council, including apologies for absence. Also any urgent and important business in accordance with Standing Order No 26.**
- 4 **Deputations from the Public under Standing Order No 24.**
- 5 **Property Investment Strategy (Pages 15 - 18)**

To receive and consider the attached report of the Cabinet held on 3 December 2015, the recommendations for which will follow.
- 6 **Budget & Performance Monitoring 2015/16 (2nd Quarter) to end September 2015 (Pages 19 - 50)**

To receive and consider the attached report of the Cabinet held on 3 December 2015, the recommendations for which will follow.
- 7 **Portsmouth City Council Revenue Budget 2016/17 - Savings Proposals (Pages 51 - 98)**

To receive and consider the attached report of the Cabinet held on 3 December 2015, the recommendations for which will follow.
- 8 **Questions from Members under Standing Order No 17.**

David Williams
Chief Executive

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.

Full Council meetings are digitally recorded.

Civic Offices
Guildhall Square
PORTSMOUTH
30 November 2015

MINUTES OF A MEETING OF THE COUNCIL held at the Guildhall
Portsmouth on Tuesday, 10 November 2015 at 2.00 pm

Council Members Present

The Right Worshipful The Lord Mayor
Councillor Frank Jonas (in the Chair)

Councillors

David Fuller	Ian Lyon
Dave Ashmore	Hugh Mason
Simon Boshier	Lee Mason
Jennie Brent	Gemma New
Ryan Brent	Robert New
Yahiya Chowdhury	Stuart Potter
Alicia Denny	Will Purvis
Ben Dowling	Darren Sanders
Ken Ellcome	Phil Smith
John Ferrett	Lynne Stagg
Ken Ferrett	Sandra Stockdale
Colin Galloway	Luke Stubbs
Paul Godier	Julie Swan
Aiden Gray	Linda Symes
Scott Harris	David Tompkins
Stephen Hastings	Gerald Vernon-Jackson
Hannah Hockaday	Steve Wemyss
Suzy Horton	Matthew Winnington
Lee Hunt	Rob Wood
Donna Jones	Neill Young

85. Declarations of Interests under Standing Order 13(2)(b)

Councillor Will Purvis declared a pecuniary interest in agenda item 12(a) Housing Bill in that he works for a developer and would withdraw from the chamber for that item.

Councillor Luke Stubbs declared a personal, non-prejudicial interest in agenda item 12(b) - Keeping the Fire Service in Portsmouth Strong - in that he is a member of Hampshire Fire & Rescue. He also declared a pecuniary interest in agenda item 13, Question 2, South Parade Pier as this is near his house and would leave the chamber for that item. As a result, the Leader would answer the question on his behalf.

Councillor Hannah Hockaday declared a personal, non-prejudicial interest in agenda item 12(b) in that she is a member of Hampshire Fire & Rescue.

Councillor Phil Smith declared a personal, non-prejudicial interest in agenda item 12(b) and said that although he would not leave the chamber for this item he would not vote.

Councillor Scott Harris declared a pecuniary interest in agenda item 13, Question 2, South Parade Pier in that his house is near the pier and he would leave the chamber for that item.

Councillor Ian Lyon declared a personal, non-prejudicial interest in agenda items 12(a) and 12(c) in that his partner is one of Portsmouth's MPs.

86. Minutes of the Meetings of the Council held on 13 October 2015

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Hugh Mason

That the minutes of the extraordinary and ordinary meetings of the Council held on 13 October 2015 each be confirmed and signed as a correct record.

RESOLVED that the minutes of the extraordinary and ordinary meetings of the Council held on 13 October 2015 each be confirmed and signed as a correct record.

87. Communications and Apologies for Absence

Apologies for absence had been received on behalf of Councillor Margaret Foster. Apologies for lateness had been received on behalf of Councillor Gerald Vernon-Jackson who was meeting the Secretary of State for Housing in London.

The Lord Mayor advised that today's meeting is being filmed.

The Lord Mayor gave details of the evacuation proceedings.

The Lord Mayor advised that former Portsmouth City Council chief executive, Nick Gurney sadly passed away recently and expressed condolences on behalf of the council. In addition he reported that Councillor Wemyss' mother sadly passed away last week and passed on to him condolences on behalf of the council. Councillor Wemyss thanked everyone for their messages and expressions of sympathy.

88. Deputations from the Public under Standing Order No 24

The City Solicitor advised council that two deputation requests had been received both on item 12(b) - Keeping the Fire Service in Portsmouth Strong. Mr Dave Smith, Group Commander, Portsmouth, for Hampshire Fire & Rescue Service made his deputation.

Mr Gary Jackson, Hampshire Fire Brigades Union secretary made a deputation in favour of adopting the notice of motion.

89. Questions from the Public under Standing Order 25

There was one question from a member of the public but it could not be put as the person was not in attendance.

90. Appointments

The Lord Mayor advised that he had been notified of the following appointments:-

Cllr John Ferrett was appointed as Labour opposition spokesperson for the Children and Education portfolio.

Councillor Yahiya Chowdhury was appointed as Labour opposition spokesperson for Traffic and Transportation portfolio.

Councillor Aiden Gray was appointed as Labour opposition spokesperson for Resources portfolio.

RESOLVED that the above appointments be noted.

91. Urgent Business

There was no urgent business.

92. Recommendations from the Cabinet Meeting held on 5 November 2015

The following minute was approved unopposed:

Minute 66 - Treasury Management Mid-Year Review for 2015/16

93. Recommendations from Governance & Audit & Standards Committee from its Meeting held on 6 November 2015

The following minutes were approved unopposed:

Minute 76 - Review of Members' Code of Conduct and Committee Arrangements for Assessment, Investigation and Determination of Complaints

Minute 74 - Changes to the Designated Independent Person Dismissal Procedures

The following minute was opposed:

Minute 77 - Contract Procedure Rules

It was

Proposed by Councillor Simon Boshier
Seconded by Councillor Ian Lyon

That the recommendations contained in the report be approved.

Following debate upon being put to the vote this was CARRIED.

RESOLVED that the revised contract procedure rules be adopted by council and brought into force from 1 January 2016.

94. Notices of Motion

It was

Proposed by Councillor Donna Jones
Seconded by Councillor Ian Lyon

That the order of the notices of motion be changed to start with notice of motion (c) in order to allow time for Councillor Vernon-Jackson to get back to Portsmouth from his meeting in London.

Upon being put to the vote this was CARRIED

Notice of Motion (c) - Tax Credits

It was

Proposed by Councillor Hugh Mason
Seconded by Councillor Aiden Gray

That this notice of motion be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Hugh Mason
Seconded by Councillor Aiden Gray

That notice of motion (c) as set out in the agenda be adopted.

As an amendment, it was

Proposed by Councillor Colin Galloway
Seconded by Councillor Julie Swan

To delete first paragraph.

In respect of the last paragraph change the word "regret" to "note" in the first line and in the second line of the last paragraph change the "will" to "may".

Delete all text in last paragraph after "many low paid families in Portsmouth"

Then replace with the following

"depending on the proposition from the Government, we ask both the City's MPs to reconsider their decision at the next vote in Westminster ."

Notice of Motion to therefore read:

The independent Institute of Fiscal Studies has examined the cuts to tax credits along with changes in tax and changes to the Minimum Wage and has concluded that the cuts fall heaviest on the poorest families in the country.

The Council notes the decision of both the city's MPs not to vote against the cuts to tax credits which may hit many low paid families in Portsmouth depending on the proposition from the Government, we ask both the City's MPs to reconsider their decision at the next vote in Westminster.

Following debate upon the amendment standing in the name of Councillor Colin Galloway being put to the vote, this was CARRIED. Upon being put to the vote the substantive motion was CARRIED.

RESOLVED that council adopts the following notice of motion:

The independent Institute of Fiscal Studies has examined the cuts to tax credits along with changes in tax and changes to the Minimum Wage and has concluded that the cuts fall heaviest on the poorest families in the country.

The Council notes the decision of both the city's MPs not to vote against the cuts to tax credits which may hit many low paid families in Portsmouth depending on the proposition from the Government, we ask both the City's MPs to reconsider their decision at the next vote in Westminster.

The Lord Mayor proposed that as Councillor Vernon-Jackson had now arrived in the chamber the meeting should revert to the order on the agenda and this was agreed.

Notice of Motion (a) - Housing Bill

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Matthew Winnington

That notice of motion (a) as set out on the agenda be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Darren Sanders
Seconded by Councillor Matthew Winnington

That notice of motion (a) as set out on the agenda be adopted.

As an amendment it was

Proposed by Councillor Steve Wemyss
Seconded by Councillor Donna Jones

The City Council believes that good quality housing that families can afford is essential for families.

Delete paragraph 2 and the 3 bullet points and paragraph 3 and replace with the following

Government proposals expect all Councils that currently have a housing stock to pay for the Right-to-Buy discounts being offered to tenants of some Housing Associations. Given that the consequence will be to reduce the ability of Councils to provide replacement social housing for that lost under the Right-to-Buy, the Council wishes the Government to consider other options.

Amend the final paragraph to read (changes in bold)

The City Council therefore opposes **elements** of the current Housing Bill going through Parliament and asks the Leader of the Council to write to the Prime Minister, the **relevant Secretaries** of State ~~for Communities~~ and the two Portsmouth MPs ~~to ask them~~ to express the City Council's **concerns opposition to the Bill** and to ask them to make changes to the Bill to support the continued provision of sufficient good quality social rented housing to meet the needs of residents of Portsmouth.

Full Notice of Motion to therefore read:

The City Council believes that good quality housing that families can afford is essential for families.

Government proposals expect all Councils that currently have a housing stock to pay for the Right-to-Buy discounts being offered to tenants of some Housing Associations. Given that the consequence will be to reduce the ability of Councils to provide replacement social housing for that lost under the Right-to-Buy, the Council wishes the Government to consider other options.

The City Council therefore opposes elements of the current Housing Bill going through Parliament and asks the Leader of the Council to write to the Prime Minister, the relevant Secretaries of State and the two Portsmouth MPs to express the City Council's concerns and to ask them to make changes to the Bill to support the continued provision of sufficient good quality social rented housing to meet the needs of residents of Portsmouth.

Upon the amendment standing in the name of Councillor Steve Wemyss being put to the vote this was CARRIED.

RESOLVED that the substantive motion be adopted as set out below

"The City Council believes that good quality housing that families can afford is essential for families.

Government proposals expect all Councils that currently have a housing stock to pay for the Right-to-Buy discounts being offered to tenants of some Housing Associations. Given that the consequence will be to reduce the ability of Councils to provide replacement social housing for that lost under the Right-to Buy, the Council wishes the Government to consider other options.

The City Council therefore opposes elements of the current Housing Bill going through Parliament and asks the Leader of the Council to write to the Prime Minister, the relevant Secretaries of State and the two Portsmouth MPs to express the City Council's concerns and to ask them to make changes to the Bill to support the continued provision of sufficient good quality social rented housing to meet the needs of residents of Portsmouth."

Council adjourned at 4.30 pm.

Council resumed at 4.45 pm.

Notice of Motion (b) - Keeping the Fire Service in Portsmouth Strong

It was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Hugh Mason

That notice of motion (b) be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Gerald Vernon-Jackson
Seconded by Councillor Hugh Mason

That notice of motion (b) as set out on the agenda be adopted.

As an amendment it was

Proposed by Councillor Ian Lyon
Seconded by Councillor Rob New

To delete the words in the motion after "the City Council notes" in the first line and replace with the following -

" that the Hampshire Fire Authority is undertaking a review of the provision of firefighting services to the County in general and to Portsmouth in particular, and it also notes that just under one month remains of the public consultation process.

The City Council wishes to await the publication of the results of the Hampshire Fire Authority's public consultation process rather than express its views at this stage in the process.

The City Council urges residents and other interested parties to engage in the public consultation process before its closing date of 4th December 2015. To this end the City Council notes that residents may have their say on shaping the future of the fire service by attending the public meeting arranged by the Fire Service in Portsmouth tomorrow, Wednesday 11th November, at the John Pounds Centre at 23 Queen Street, Portsmouth PO1 3HN from 6.30pm to 9pm: and, in addition, residents can submit their views to the Hampshire Fire Authority by completing the on line questionnaire at www.hantsfire.gov.uk/a-safer-hampshire; by e-mailing asaferhampshire@hantsfire.gov.uk; or by writing to Planning for a Safer Hampshire, Hampshire Fire and Rescue Service Headquarters, Leigh Road, Eastleigh, Hampshire, SO50 9SJ."

As an amendment it was

Proposed by Councillor Lee Hunt
Seconded by Councillor Matthew Winnington

That Para 1 add at the end of the sentence "and the numbers of fire crew on duty."

Para 4 add at the end "and a reduction of 4 fire officers on duty in Southsea per shift."

Councillor Vernon-Jackson as proposer of the original notice of motion agreed to accept into his original notice of motion as set out on the agenda, the amendment standing in the name of Councillor Lee Hunt.

Following debate a recorded vote was requested by eight members standing on the amendment standing in the name of Ian Lyon. Upon the amendment standing in the name of Councillor Ian Lyon being put to the vote the following members voted in favour:

Simon Boshier	Lee Mason
Jennie Brent	Gemma New
Ryan Brent	Rob New
Ken Ellcome	Sandra Stockdale
Colin Galloway	Luke Stubbs
Paul Godier	Julie Swan
Scott Harris	Linda Symes
Steve Hastings	David Tompkins
Hannah Hockaday	Steve Wemyss
Donna Jones	Neill Young
Ian Lyon	

The following members voted against:

Dave Ashmore	Hugh Mason
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Yahiya Chowdhury
Alicia Denny
Ben Dowling
John Ferrett
David Fuller
Aiden Gray
Suzy Horton
Lee Hunt

Will Purvis
Darren Sanders
Phil Smith
Lynne Stagg
Gerald Vernon-Jackson
Matthew Winnington
Rob Wood

The following members abstained:

Councillor Ken Ferrett
Councillor Stuart Potter

The amendment standing in the name of Councillor Ian Lyon was therefore CARRIED.

Upon the substantive motion incorporating the amendment being put to the vote this was CARRIED.

RESOLVED that

The City Council notes that the Hampshire Fire Authority is undertaking a review of the provision of firefighting services to the County in general and to Portsmouth in particular, and it also notes that just under one month remains of the public consultation process.

The City Council wishes to await the publication of the results of the Hampshire Fire Authority's public consultation process rather than express its views at this stage in the process.

The City Council urges residents and other interested parties to engage in the public consultation process before its closing date of 4th December 2015. To this end the City Council notes that residents may have their say on shaping the future of the fire service by attending the public meeting arranged by the Fire Service in Portsmouth tomorrow, Wednesday 11th November, at the John Pounds Centre at 23 Queen Street, Portsmouth PO1 3HN from 6.30pm to 9pm: and, in addition, residents can submit their views to the Hampshire Fire Authority by completing the on line questionnaire at www.hantsfire.gov.uk/a-safer-hampshire; by e-mailing asaferhampshire@hantsfire.gov.uk; or by writing to Planning for a Safer Hampshire, Hampshire Fire and Rescue Service Headquarters, Leigh Road, Eastleigh, Hampshire, SO50 9SJ.

Notice of Motion (d) - Individual Electoral Registration

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

That this notice of motion be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor John Ferrett
Seconded by Councillor Aiden Gray

That notice of motion (d) as set out in the agenda be adopted.

As an amendment it was

Proposed by Councillor Donna Jones
Seconded by Councillor Steve Wemyss

That the last paragraph be amended with the insertion of the words highlighted in bold as follows -

For the Council Leader to write to the Government to express our concerns and to ask for **the following** -

that given the additional financial burden placed on the Authority's budget by IER, the Government clarifies its plans for funding IER from the 2016/17 financial year onwards on the basis that additional resources should be allocated by the Government to the Council from then. That ongoing funding will ensure that local residents are not disenfranchised from the democratic process and **will also enable the completeness and accuracy of the electoral register to be sustained under the new system.**

The proposer of the original notice of motion, Councillor John Ferrett accepted the amendment standing in the name of Councillor Donna Jones into the notice of motion set out on the agenda.

It was

Proposed by Councillor Lee Mason
Seconded by Councillor Luke Stubbs

That the matter be now put to the vote and the Lord Mayor was content with this proposal.

Upon being put to the vote this was CARRIED.

Upon the substantive notice of motion incorporating the amendment being put to the vote, this was CARRIED.

RESOLVED that the following notice of motion be adopted:

Council notes:

The Electoral Commission's findings in its report into the transition to Individual Electoral Registration (IER) and, in particular, the finding that 1.9 million of the current entries on the electoral register are only being retained under the transitional arrangements from the previous household registration system, which represents 4% of all register entries. The Electoral Commission has previously estimated that the number of people not correctly registered at their current address is around 7.5million across the UK.

The Government want to end the transitional arrangements and fully implement IER 12 months early. However, the Electoral Commission has warned that there is "a risk that a considerable number of eligible voters could be removed from the registers before the significant set of polls scheduled for May 2016 if the transition to IER is brought forward."

Council believes:

That the government's proposals for the introduction of Individual Electoral Registration (IER) remain poorly thought out and implemented, running the risk that voters could be disenfranchised as part of this process.

That the end of the transitional arrangements before IER is fully implemented should remain December 2016 as stated in law and should not be brought forward to December 2015.

Council resolves:

To take every possible step to ensure that as many local residents as possible are registered to vote.

For the Council Leader to write to the Government to express our concerns and to ask for the following -

that given the additional financial burden placed on the Authority's budget by IER, the Government clarifies its plans for funding IER from the 2016/17 financial year onwards on the basis that additional resources should be allocated by the Government to the Council from then. That ongoing funding will ensure that local residents are not disenfranchised from the democratic process and will also enable the completeness and accuracy of the electoral register to be sustained under the new system.

Notice of Motion (e) - Tax Exempt Vehicles

It was

Proposed by Councillor Steve Hastings
Seconded by Councillor Rob New

That this notice of motion be debated today.

Upon being put to the vote this was CARRIED.

It was

Proposed by Councillor Steve Hastings
Seconded by Councillor Rob New

That notice of motion (e) as set out in the agenda be adopted.

Councillor Hastings clarified that the notice of motion is only intended to remove historic vehicles from the DVLA tax exempt classification - not any other vehicles in the same category.

Following debate upon being put to the vote the original notice of motion as set out on the agenda paper was CARRIED.

RESOLVED that the following Notice of Motion be adopted

There is a loop hole being exploited by some people due to the category that Historic vehicles are currently placed in and local authority officers and police are unable to remove these cars and vans when they have no tax and MOT due to DVLA guidelines, which tell them in their guideline notes not to remove any vehicle that is in this category.

This council accepts that they should not be charged for their road fund licence but should be taken out of the category that they are in and placed in with all other cars and vans as this causes many problems to residents where multiple vehicles are littered all over their roads in a state of disrepair and seemingly abandoned, dangerous and a blight on the area and often owned by one person.

Any vehicle within standard vehicle category that has no tax and MOT would be removed by Portsmouth City Council officers and notified to DVLA and then they would follow it through with the registered keeper with fines or disposal.

Therefore this council asks that the Chief Executive, and the Cabinet Member for Traffic and Transport write a joint letter to the Secretary of State for Transport to request that Historic vehicles manufactured prior to 1st January 1975 be removed from the DVLA tax exempt classification alongside such vehicles as steam engines, mowing machines, MOD and agricultural vehicles.

This will mean that local authorities and the police will be empowered to remove these vehicles from the highway if they break the law and have

no tax and MOT in the same way as any of us with our own cars and vans thus allowing officials to do their job.

95. Questions from Members under Standing Order No 17

There were four questions from members.

Question No 1 was from Councillor Gerald Vernon-Jackson

"Why was a decision to sack nine Community Wardens taken in secret and not open to scrutiny by the public or councillors?"

This and supplementary questions were answered by the Cabinet Member for Environment & Community Safety, Councillor Rob New.

Question No 2 was from Councillor Matthew Winnington

"Can the cabinet member please update Full Council on the progress of the work going on at South Parade Pier and of the bid to the coastal revival fund that the council has made with the pier owners?"

This and supplementary questions were answered by the Leader of the Council, Councillor Donna Jones as the Cabinet Member for Planning, Regeneration & Economic Development had left the chamber owing to his having declared a pecuniary interest in this item.

Question No 3 was from Councillor Colin Galloway

"Will the Leader please give us an update on the survey that was conducted to consider local elections to be held every four years instead of the expensive present system?"

This and supplementary questions were answered by Councillor Donna Jones.

Question No 4 was from Councillor Matthew Winnington

"Will the Council Leader please give us a progress report on the joint bid with Caen to host the Tour de France by the end of this decade?"

This and supplementary questions were answered by the Leader of the Council, Councillor Donna Jones.

The meeting concluded at 7.40 pm.

Lord Mayor

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Title of meeting:	Cabinet / City Council
Date of meeting:	3 rd December / 8 th December 2015
Subject:	Property Investment Strategy
Report by:	Director of Property
Wards affected:	All
Key decision:	Yes
Full Council decision:	Yes

1. Purpose of report

- 1.1 This report seeks additional prudential borrowing in the financial year 2015/16 to further support the Councils commercial property investment activity in line with the aims and objectives in the Investment Property Strategy 2015/16 - 2019/20.
- 1.2 Expansion of the financial capacity of this fund will enable further property acquisition in 2015/16, with a view to generating long term rental income streams to support the delivery of Council services in the future and reduce dependence on Government grant.

2. Recommendations

- 2.1 That Cabinet recommends to the City Council that:
 - i. The Director of Finance & S151 Officer be authorised to amend the Corporate Capital Programme, Property Investment Fund by adding an additional £20m financed from Prudential borrowing in 2015/16, to acquire additional investment property.
 - ii. That any unutilised borrowing ability within the Property Investment Fund in 2015/16 be automatically carried forward into 2016/17.

3. Background

- 3.1 The Property Investment Fund was approved by Full Council on the 7th July 2015.

3.2 At the time of writing approximately £22m of the initial £30m allocation is being invested in two sizable commercial assets which are anticipated to produce a combined unleveraged return of 6.1%, or 1.6% after borrowing costs.

3.3 In order to further improve the Council's return, officers would like to extend the Property Investment Fund by an additional £20m to enable further property investment to be pursued in the current financial year.

4 Equality impact assessment (EIA)

4.1 An EIA has been undertaken for investment property purchases and there is no adverse effect.

5. Legal implications

5.1 The Council is empowered to buy and sell land pursuant to section 120 of the Local Government Act 1972. Section 1 of the Local Government Act 2003 provides a power to the Council to borrow for the purposes of any enactment

5.2 In order to lawfully implement the investment strategy, each proposal (including the funding strategy for purchases) should be reviewed as part of a decision to purchase or sell, and tested for value for money, and regulatory compliance.

5.3 The Council is able to invest in the manner contemplated here, under section 12 of the Local Government Act 2003, and may borrow to do so. There is an overriding duty toward prudent management of risk, and officers, including the Council's section 151 officer owe a fiduciary duty in relation to given transactions.

5.4 Given the limited nature of the investment work, the current levels do not suggest that the Council is engaged in commercial investment work, though this matter would need to be reviewed as this project develops: concluding that it is commercial work, would necessitate a conduct of business through a company.

6. Finance comments

6.1 This report seeks to build on the success of the initial commercial asset purchases, and requests further borrowing approval to allow the Council to continue to adopt a proactive and commercial approach to managing its investment property portfolio, with a view to increase the income to the Council and reduce its dependence on Government grant.

6.2 It should be noted that any request to draw down on the additional £20m requested, will continue to require the completion of a robust and detailed financial appraisal approved by the Director of Finance & S151 Officer, that not

only delivers best value but also meets the criteria contained within the Property Investment Strategy 2015/16 - 2019/20 and has proper regard to the following:

- The relevant capital and revenue costs and income resulting from the investment over the whole life of the asset.
- The extent to which the investment is expected to deliver a secure ongoing income stream.
- The level of expected return on the investment.
- The payback period of the capital investment.

6.3 In order to ensure that the Council is able to compete responsively in this market, the ability to react to a favourable financial appraisal is essential, and as a result it is recommended that delegated authority continues to be given to the Director of Property and the Director of Finance & Section 151 Officer, in consultation with the Leader of the City Council and the Cabinet Member for PRED, to approve the completion of investment purchases upon the completion of a financial appraisal as set out above, and in accordance with the Property Investment Strategy 2015/16 - 2019/20.

.....
Signed by:

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
Property Investment Strategy report - Full Council 7 th July 2015	web

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

.....
Signed by:

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Agenda Item 6

Agenda item:

Decision maker: Cabinet 3rd December 2015
City Council 8th December 2015

Subject: Budget & Performance Monitoring 2015/16 (2nd Quarter) to end September 2015

Report by: Director of Finance & Information Service (s151 Officer)

Wards affected: All

Key decision (over £250k): Yes

1. Purpose of Report

1.1 The purpose of this report is to update members on the current Revenue Budget position of the Council as at the end of the second quarter for 2015/16 in accordance with the proposals set out in the "Portsmouth City Council - Budget & Council Tax 2015/16 & Medium Term Budget Forecast 2016/17 to 2018/19" report approved by the City Council on the 10th February 2015.

2. Recommendations

2.1 It is recommended that:

- (i) The forecast outturn position for 2015/16 be noted:
 - (a) An overspend of £2,695,900 before further forecast transfers from/(to) Portfolio Specific Reserves
 - (b) An overspend of £3,123,300 after further forecast transfers from/(to) Portfolio Specific Reserves.
- (ii) Members note that any actual overspend at year end will in the first instance be deducted from any Portfolio Specific Reserve balance and once depleted then be deducted from the 2016/17 Cash Limit.
- (iii) Directors, in consultation with the appropriate Cabinet Member, consider options that seek to minimise any forecast overspend presently being reported and prepare strategies outlining how any consequent reduction to the 2016/17 Portfolio cash limit will be managed to avoid further overspending during 2016/17.

3. Background

- 3.1 A Budget for 2015/16 of £168,340,900 was approved by City Council on the 10th February 2015. This level of spending required a contribution from General Reserves of £1.15m since in year spending exceeds in year income.
- 3.2 Since the 10th February City Council meeting, the Council has been allocated additional one off non ring-fenced grants totalling £887,200 in 2015/16. In order to

achieve the government's priorities in these areas, service budgets have been adjusted as appropriate. In addition, the adjusted budget includes £332,000 grant income relating to an improvement in the Final 2015/16 Local Government Settlement and a transfer from the Parking Reserve in respect of overheads and insurances chargeable to the On-Street Parking Service.

3.3 In summary, changes to the budget as approved on 10th February 2015 are as follows:

	£
Budget Approved 10th February 2015	168,340,900
Budget Increases (funded by additional grants received)	
Transformation Challenge Award (Up to You)	305,000
Independent Living Fund	388,400
Deprivation of Liberties	95,000
Individual Electoral Registration 2015/16	98,800
Transfer From Parking Reserve	(100,000)
 Adjusted 2015/16 Budget	 169,128,100

3.4 Once the above budget changes are taken into account, the Budget (as adjusted) for 2015/16 has increased to £169,128,100. After the additional non ring fenced grant funding is taken into account this results in an overall contribution from General Reserves of £0.718m for 2015/16 (i.e. assuming no overall budget variance).

3.5 This is the second quarter monitoring report of 2015/16 and reports on the forecast 2015/16 outturn as at the end of September 2015. The forecasts summarised in this report and detailed in the attached papers are made on the basis that management action to address any forecast overspends are only brought in when that action has been formulated into a plan and there is a high degree of certainty that it will be achieved.

3.6 Any variances within Portfolios that relate to windfall costs or windfall savings will be met / taken corporately and not generally considered as part of the overall budget performance of a Portfolio. "Windfall costs" are defined as those costs where the manager has little or no influence or control over such costs and where the size of those costs is high in relation to the overall budget controlled by that manager. "Windfall costs" therefore are ordinarily met from the Council's central contingency. A manager / Cabinet Member however, does have an obligation to minimise the impact of any "windfall cost" from within their areas of responsibility in order to protect the overall financial position of the Council. Similarly, "windfall savings" are those savings that occur fortuitously without any manager action and all such savings accrue centrally to the Council.

3.7 The Financial Pack attached at Appendix A has been prepared in Portfolio format and is similar in presentation, but not the same as, the more recognisable "General Fund Summary" presented as part of the Budget report approved by Council on 10th February 2015. The format presented at Appendix A has been amended to aid understanding for monitoring purposes by excluding all non cash items which have a neutral effect on the City Council's budget such as Capital Charges. In addition to this, Levies and Insurances are shown in total and have therefore been separated from Portfolios to also provide greater clarity for monitoring purposes.

4 Forecast Outturn 2015/16 – As at end September 2015

4.1 At the second quarter stage, the revenue outturn for 2015/16 after further forecast transfers from/to Portfolio Specific Reserves (Underspends are retained by right) is forecast to be overspent by £3,123,300 representing an overall budget variance of 1.8%.

4.2 The quarter 2 variance consists of a number of forecast under and overspends.

Before forecast transfers from Portfolio Reserves the most significant overspendings at the quarter 2 stage are:

Quarter 1 Forecast Variance		Quarter 2 Forecast Variance	Quarter 2 Forecast Variance (After Transfers From Portfolio Reserves)
£		£	£
2,312,200	Children and Education	2,292,300	2,292,300
	Environment and Community Safety	291,500	Nil
2,926,500	Health and Social Care	2,152,500	2,128,700
292,100	PRED		
650,000	Other Expenditure	650,000	650,000

These are offset by the following significant forecast underspends at the quarter 2 stage:

Quarter 1 Forecast Variance		Quarter 2 Forecast Variance	Quarter 2 Forecast Variance (After Transfers To Portfolio Reserves)
£		£	£
208,600	Commercial Port	870,400	500,000
	Traffic & Transportation	141,500	Nil
450,300	Asset Management Revenue Account	1,433,500	1,433,500

5 Quarter 2 Significant Budget Variations – Forecast Outturn 2015/16

5.1 Children and Education – Overspend £2,292,300 (or 7.4%)

The cost of Children and Education Services is forecast to be £2,292,300 higher than budgeted.

The key variances are:

- Education Improvement is forecasting an underspend of £203,200 as a result of posts being held vacant pending a service review.
- Inclusion Services is forecast to overspend by £413,800. Of this, home to school and college transport is forecasting an overspend of £206,000 due to the number of children being supported. New transport policies were implemented from September 2014 and the cost of travel compared to 2013/14 has already reduced. In addition the Psychology service is experiencing difficulty in recovering sufficient income to meet staffing costs.
- Children's Social Care is forecasting an overspend of £2,046,700.
 - Assessment and Intervention is forecast to overspend by £186,000 due to:
 - changes in the Council's parking charging policy, implemented in 2014/15. This has resulted in additional staff parking costs being charged to the service; whilst some opportunities to reduce this have been taken, a pressure of £130,000 remains. Opportunities for further changes in working practices and provision of parking support are currently being explored for further reduction opportunities.
 - Expenditure incurred under Section 17 of the Children's Act in support of needs that also avoid care arrangements is also in excess of budget provision but in line with previous years, is expected to overspend by around £76,000.
 - Current vacancy levels indicate that staffing costs will be £20,000 lower than budgeted.
 - Looked After Children is forecasting an overspend of £1,682,000. The reason for the overspend is largely related to higher than budgeted numbers of Looked After Children.
 - Whilst the continuing review of placements and placement plans has produced a reduction in external residential numbers in the first part of this year, this has not yet matched budgeted numbers. Similarly numbers in Independent Fostering placements are also reducing but at a slower rate than planned and in house placements continue to rise (£965,000).
 - In addition staffing costs are currently projected to exceed the budget provision by around £318,000, largely as a result of the loss of one-off funding allocations which have not been able to be matched with similar spending reductions or savings arising from reduced placement numbers as anticipated.
 - The added focus on Adoption Support, in line with the government's adoption agenda, to move children into permanent arrangements has led to an anticipated pressure of £210,000 associated with the purchase of placements. It is

likely that this may be reduced following the recent announcement by the Government that they will pay the inter-agency fee for a targeted group of children. The impact of this announcement is currently being assessed.

- A further £166,000 projected overspend relates to savings proposals on income generation that are proving difficult to implement, £40,000 of which relates to the decision not to pursue parental contributions (means tested contributions in respect of placements under s.20 of the Children's Act 1989)
- Safeguarding & Monitoring is forecasting an overspend of £198,000. Of this, £97,000 relates to a reduction in budget arising from an anticipated improvement in service absence management. A further £61,000 relates to the delayed implementation of savings plans together with increased recharges and a further £40,000 is as a result of the enhancement of contracted Family Group conferencing and Information governance arrangements.
- Youth Support Activities are forecast to underspend by £20,000: This projected underspend is predominantly related to staffing and other savings in the Youth Offending Service (£166,000) which have been offset by the spending requirements on care leavers accommodation and allowance payments related to the current numbers of care leavers. At this stage there is also a possibility of an underspend on remand and secure placements, but given the volatility and high cost of such placements the forecast does not incorporate this at the present time.

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

As explained elsewhere on the Cabinet agenda, the Children and Education Portfolio is reporting an underlying annual budget deficit of £2.7m. As a result of this forecast overspending an ongoing process of budget review has been implemented.

Recommended proposals to mitigate the in year forecast overspend and to balance future year's budget positions are contained elsewhere on the Cabinet agenda.

5.2 Environment and Community Safety – Overspend £291,500 (or 1.9%) (No variance after transfer from Portfolio Reserve)

The Portfolio is currently forecasting an overspend of £291,500.

The Waste Disposal service is forecast to overspend by £391,300 due to an underlying budget pressure of £181,000, which will be met from Portfolio Specific Reserves in 2015/16 while a plan to resolve the deficit is formulated. A shortfall in income received from the sale of recyclable material (£210,300) is also now expected due to reduced market prices arising from a fall in world demand.

Clean City is forecasting an overspend of £106,700. A service review is currently underway to address this overspending, however the full year effect of the review will now not be achieved until 2016/17.

These overspending areas are offset by underspends within Hidden Violence & Abuse and Community Safety Strategy & Partnership (£85,600) as a result of posts being held vacant in anticipation of future savings requirements, salary charges to major sea defence capital schemes (£40,500) and reduced spending on Coastal Partnership (£63,000) primarily as a result of surplus funds being returned to the partner authorities in 2015/16.

5.3 Health and Social Care – Overspend £2,152,500 (or 5.3%) (£2,128,700 Overspend after transfer from Portfolio Reserve)

The cost of Health & Social Care is forecast to be £2,152,500 higher than budgeted.

Overspending has arisen in the following areas:

- A greater volume of older persons domiciliary care being required due to demographic pressures and unforeseen delays in the implementation of savings in 2015/16 has resulted in a forecast overspend of £1,671,300.
- Learning Disability Support is forecasting an overspend of £901,500 due to an increased volume of clients transitioning from Children's Services, a delayed initiation of the review of day care services and claims for funding from other Local Authorities under the ordinary residence ruling.
- Due to an increased volume of clients requiring residential care placements Mental Health Support is forecasting an overspend of £286,600

These overspends are offset by underspending elsewhere totalling £706,900 primarily as a result of increased funding from the Better Care Fund.

As explained elsewhere on the Cabinet agenda, the Health and Social Care Portfolio is reporting an underlying annual budget deficit of £2.4m. As a result of this forecast overspending an ongoing process of budget review has been implemented.

Recommended proposals to mitigate the in year forecast overspend and to balance future year's budget positions are contained elsewhere on the Cabinet agenda.

5.4 Other Expenditure – Overspend £650,000 (or 4.2%)

MMD trading results are not improving as quickly as originally expected, although the overall financial position relating to MMD activities continues to exceed the breakeven position.

5.5 PRED (Commercial Port) - Underspend £870,400 (or 19.2%) (No variance after transfer to Portfolio Reserve)

Overall net income from the Port is forecast to be £870,400 above target income.

The improvement over the target net income is as a result of increased operational dues following the introduction of the new Transfennica and Brittany Ferries Etretat services coupled with a reduction Operational Employee, security and berthing costs.

This is offset by higher Management and General Expenses as a result of higher pilotage costs, the provision of consultant advice to mitigate risk attached to an IT project and lower staff charges to capital projects as a result of slippage.

5.6 Traffic & Transportation – Underspend £141,500 (or 0.9%) (No variance after transfer to Portfolio Reserve)

The cost of Traffic and Transportation is forecast to be £141,500 lower than budgeted primarily as a result of delays in the recruitment into vacant posts and posts being held vacant in anticipation of future savings requirements.

5.7 Governance and Audit Committee – Underspend £169,300 (or 43.7%) (No variance after transfer to Portfolio Reserve)

The principle reason for the forecast underspend is higher income than budgeted of £134,000 within the Registrars Service due to increased income generated from new initiatives and higher demand for existing services.

5.8 Asset Management Revenue Account – Underspend £1,433,500 (or 6.0%)

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

The forecast underspend relates to:

Increased interest earned due to higher cash balances than originally expected, higher investment returns arising from an active shift in the portfolio towards both higher yielding and longer term investments and a reduced level of contingency to guard against interest rate fluctuations.

The amount the Council is required to set aside to repay debt is lower than originally budgeted due to a lower level of capital expenditure being financed from borrowing in 2014/15 than originally anticipated and a revised Minimum Revenue Provision policy which was approved by City Council on 10th November 2015.

6 Other Minor Budget Variations – Forecast Outturn 2015/16

6.1 Culture, Leisure & Sport – Minor Overspend £26,100 (0.4%) (no variance after transfer from Portfolio Reserve)

6.2 Housing – No variance

6.3 Leader – Minor Overspend £25,500 (or 11.8%) (£19,300 overspend after transfer from Portfolio Reserve)

Minor overspend primarily as a result of lower than expected income from the letting out, for private functions, of the mayors banqueting suite.

6.4 PRED - Underspend £77,600 (or 3.7%) (No variance after transfer to Portfolio Reserve)

Small forecast underspend primarily as a result of fluctuations in income across the portfolio.

6.5 Resources – Underspend £16,500 (or 0.1%) (No variance after transfer to Portfolio Reserves)

6.6 Licensing Committee – No variance

6.7 Levies – Minor underspend £33,500 (3.7%)

6.8 Insurance – No Forecast Variance

7. **Transfers From/To Portfolio Specific Reserves**

7.1 In November 2013 Full Council approved the following changes to the Councils Budget Guidelines and Financial Rules:

- Each Portfolio to retain 100% of any year-end underspending and to be held in an earmarked reserve for the relevant Portfolio
- The Portfolio Holder be responsible for approving any releases from their reserve in consultation with the Head of Finance and Section 151 Officer
- That any retained underspend (held in an earmarked reserve) be used in the first instance to cover the following for the relevant portfolio:
 - i. Any overspendings at the year-end
 - ii. Any one-off Budget Pressures experienced by a Portfolio
 - iii. Any on-going Budget Pressures experienced by a Portfolio whilst actions are formulated to permanently mitigate or manage the implications of such on-going budget pressures
 - iv. Any items of a contingent nature that would historically have been funded from the Council's corporate contingency provision
 - v. Spend to Save schemes, unless they are of a scale that is unaffordable by the earmarked reserve (albeit that the earmarked reserve may be used to make a contribution)
- Once there is confidence that the instances i) to v) above can be satisfied, the earmarked reserve may be used for any other development or initiative

7.2 The forecast balance of each Portfolio Specific Reserve that will be carried forward into 2016/17 is set out below:

Portfolio/Committee Reserve	Balance Brought Forward £	Approved Releases 2015/16 £	Forecast Under/ (Over) Spending £	Balance Carried Forward £
Children & Education	42,000	(42,000)		0
Culture, Leisure & Sport	409,800		(26,100)	383,700
Environment & Community Safety	1,241,300	(98,500)	(291,500)	851,300
Health & Social Care	730,700	(706,900)	(23,800)	0
Housing	541,700		(300)	541,400
Leader	6,900	(700)	(6,200)	0
PRED	919,400		77,600	997,000
Port	879,900		370,400	1,250,300
Resources	1,397,600	(573,700)	16,500	840,400
Traffic & Transportation Licensing	32,700		141,500	174,200
	0			0
Governance, Audit & Standards	255,300	(30,000)	169,300	394,600
Total	6,457,300	(1,451,800)	427,400	5,432,900

8. Conclusion - Overall Finance & Performance Summary

- 8.1 The overall forecast outturn for the City Council in 2015/16 as at the end of September 2015 is forecast to be £172,251,400. This is an overall overspend of £3,123,300 against the Adjusted Budget and represents a variance of 1.8%.
- 8.2 The forecast takes account of all known variations at this stage, but only takes account of any remedial action to the extent that there is reasonable certainty that it will be achieved.
- 8.3 The overall financial position is deemed to be “RED” since the forecast outturn is higher than budget. The scale of some Portfolio overspends being reported at the Quarter 2 stage indicates that some services are experiencing some degree of financial stress.
- 8.4 In financial terms, the forecast overspend within the Children and Education and Health and Social Care Portfolios represent the greatest concerns in terms of the impact that they have on the overall City Council budget for 2015/16. Furthermore, a significant proportion of the overspend is of an ongoing nature representing an underlying deficit. For both Children & Education and Health & Social Care Portfolios, proposals to remedy these underlying deficits have been formulated and are contained elsewhere on this agenda.
- 8.5 In terms of the overall budget position for 2015/16, the Council has set aside funding within the Contingency Provision to guard against potential overspending. So, whilst the forecast overspend of £3.1m in the current year can be mitigated to a large extent, this underlying deficit will need to be addressed in 2016/17.

- 8.6 Where a Portfolio is presently forecasting a net overspend in accordance with current Council policy, any overspending in 2015/16 which cannot be met by transfer from the Portfolio Specific Reserve will be deducted from cash limits in 2016/17 and therefore the appropriate Directors in consultation with Portfolio Holders should prepare an action plan outlining how their 2015/16 forecast outturn or 2016/17 budget might be reduced to alleviate the adverse variances currently being forecast.
- 8.7 Based on the Budget (as adjusted) of £169,128,100 the Council will remain within its minimum level of General Reserves for 2015/16 of £6.5m as illustrated below:

	<u>£m</u>
General Reserves brought forward @ 1/4/2015	14.864
<u>Less:</u>	
Forecast Overspend 2015/16	(3.123)
Planned Contribution from General Reserves 2015/16	(0.718)
<u>Add:</u>	
Contingency Provision to guard against overspending	4.134
Forecast General Reserves carried forward into 2016/17	15.157

Levels of General Reserves over the medium term are assumed to remain within the Council approved minimum sum of £6.5m in 2015/16 and future years since any ongoing budget pressures / savings will be reflected in future years' savings targets.

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

9. City Solicitor's Comments

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

10. Equalities Impact Assessment

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

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Chris Ward

Director of Finance & Information Service (s151 Officer)

Background List of Documents –

Section 100D of the Local Government Act 1972

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

Title of Document	Location
Budget & Council Tax 2015/16 & Medium Term Budget Forecast 2016/17 to 2018/19	Office of Deputy Head of Finance & Section 151 Officer
Electronic Budget Monitoring Files	Financial Services Local Area Network

The recommendations set out above were:

Approved / Approved as amended / Deferred / Rejected by the Cabinet on 3rd December, 2015

Signed:

Approved / Approved as amended / Deferred / Rejected by the City Council on 8th December, 2015

Signed:

**FINANCIAL & SERVICE
PERFORMANCE**

**QUARTER 2
2015/16**

INFORMATION PACK

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16	
PORTFOLIO	City Council General Fund
BUDGET	Total General Fund Expenditure
TOTAL CASH LIMIT	169,128,100
CHIEF OFFICER	All Budget Holders
MONTH ENDED	September 2015

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16			
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget	
		£	£	£	%
1	Children & Education	30,891,000	33,183,300	2,292,300	7.4%
2	Culture, Leisure & Sport	7,245,900	7,272,000	26,100	0.4%
3	Environment & Community Safety	15,050,000	15,341,500	291,500	1.9%
4	Health & Social Care	40,680,200	42,832,700	2,152,500	5.3%
5	Housing	3,853,800	3,854,100	300	0.0%
6	Leader	216,300	241,800	25,500	11.8%
7	PRED	(2,106,400)	(2,184,000)	(77,600)	(3.7%)
8	Port	(4,538,300)	(5,408,700)	(870,400)	(19.2%)
9	Resources	20,238,100	20,221,600	(16,500)	(0.1%)
10	Traffic & Transportation	15,877,200	16,095,300	218,100	1.4%
11	Licensing Committee	(241,900)	(241,900)	0	0.0%
12	Governance, Audit & Standards Com	387,700	218,400	(169,300)	(43.7%)
13	Levies	907,000	873,500	(33,500)	(3.7%)
14	Insurance	1,299,800	1,299,800	0	0.0%
15	Asset Management Revenue Account	23,875,000	22,441,500	(1,433,500)	(6.0%)
16	Other Miscellaneous	15,492,700	16,142,700	650,000	4.2%
TOTAL		169,128,100	172,183,600	3,055,500	1.8%
Total Value of Remedial Action (from Analysis Below)			(359,600)		
Forecast Outturn After Remedial Action		169,128,100	171,824,000	2,695,900	1.6%
Forecast Transfers From Portfolio Specific Reserves			427,400		
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		169,128,100	172,251,400	3,123,300	1.8%

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

VALUE OF REMEDIAL ACTIONS & TRANSFERS (FROM)/TO PORTFOLIO SPECIFIC RESERVES

Item No.	Reason for Variation	Value of Remedial Action	Forecast Portfolio Transfers
1	Children & Education	0	0
2	Culture, Leisure & Sport	0	(26,100)
3	Environment & Community Safety	0	(291,500)
4	Health & Social Care	0	(23,800)
5	Housing	0	(300)
6	Leader	0	(6,200)
7	PRED	0	77,600
8	Port	0	370,400
9	Resources	0	16,500
10	Traffic & Transportation	(359,600)	141,500
11	Licensing Committee	0	0
12	Governance, Audit & Standards Com	0	169,300
13	Levies	0	
14	Insurance	0	
15	Asset Management Revenue Account	0	
16	Other Miscellaneous	0	
Total Value of Remedial Action		(359,600)	427,400

Note Remedial Action resulting in savings should be shown in brackets **Page 31**

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16			
PORTFOLIO	Children and Education		
BUDGET	6,833,200	Education	
	22,403,200	Children's Social Care & Safeguarding	
	1,257,800	Public Health	
	396,800	Regulatory Services Community Safety & Troubled Families	
TOTAL CASH LIMIT	30,891,000		
CHIEF OFFICER	Di Smith		
MONTH ENDED	September 2015		

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Individual Schools Budget - DSG
2	Other School Expenditure
3	DSG & Pupil Premium Funding
4	Strategic Commissioning
5	Early Support
6	Children's Centres
7	Education Improvement
8	Inclusion Services
9	Troubled Families & MST
10	Assessment & Intervention
11	Looked After Children
12	Safeguarding & Monitoring
13	Youth Support [YSS]
14	Support Activities

BUDGET FORECAST 2015/16						
ITEM No.	BUDGET HEADING	Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		RISK INDICATOR
		£	£	£	%	
		77,162,000	77,110,300	(51,700)	(0.1%)	L
		20,282,000	20,390,900	108,900	0.5%	L
		(97,444,000)	(97,501,200)	(57,200)	(0.1%)	L
		1,173,800	1,160,800	(13,000)	(1.1%)	L
		891,100	849,800	(41,300)	(4.6%)	L
		1,257,800	1,347,100	89,300	7.1%	L
		748,300	545,100	(203,200)	(27.2%)	L
		4,020,000	4,433,800	413,800	10.3%	M
		396,800	396,800	0	0.0%	M
		5,536,500	5,722,700	186,200	3.4%	M
		13,092,600	14,774,900	1,682,300	12.8%	M
		2,001,200	2,199,000	197,800	9.9%	H
		1,382,000	1,362,400	(19,600)	(1.4%)	H
		390,900	390,900	0	0.0%	M

TOTAL	30,891,000	33,183,300	2,292,300	7.4%
Total Value of Remedial Action (from Analysis Below)		0		
Forecast Outturn After Remedial Action	30,891,000	33,183,300	2,292,300	7.4%
Forecast Transfers From Portfolio Specific Reserves		0		
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves	30,891,000	33,183,300	2,292,300	7.4%

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial
4	Staffing turnover and vacancies.	(13,000)		
5	Staffing turnover and vacancies held in anticipation of future savings requirements and during the directorate transfer of Children's Centres.	(41,300)		
6	Delay in the implementation of staff savings.	89,300		
7	Staffing vacancies held in anticipation of future savings requirements and pending service review.	(203,200)		
8	An overspend on the Home to School / College transport is projected at £206,000 based on pre-September contracts and numbers and is now being reviewed with expectation of reduction reflecting the effect of the new transport policies implemented in September 2014 and reduced numbers. Additionally the Psychology service is facing difficulty in recovering sufficient income to meet the staffing costs.	413,800	Proposed savings plan being implemented and tracked with regular member updates	
10	An increase in parking permit charges have created a budget pressure of £130,000. Increased Section 17 spending on support requirements is likely to add a further £70,000 with in-year savings from staffing vacancies currently projected to only partially offset these cost pressures.	186,200		
11	Placement numbers and costs are set to lead to a projected overspend of around £1m. Loss of prior year funding together with an inability to deliver anticipated income levels together with ongoing spending in support of Fostering and Adoption activities have further added to the budget pressure currently being identified.	1,682,300		
12	Staffing requirements, delayed delivery of savings and increased project funding requirements all contribute to a current budget overspend projection.	197,800		
14	Current numbers and support requirements of care leavers suggest a projected pressure on the budget provision. Whilst reduced numbers in Youth Offending are allowing vacancies to be held and provide offsetting savings and a forecast underspend.	(19,600)		
TOTAL PROJECTED VARIANCE		2,292,300	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16			
PORTFOLIO	Culture, Leisure & Sport		
BUDGET	7,246,900	City Development & Cultural Services	
	(1,000)	Public Health	
TOTAL CASH LIMIT	7,245,900		
CHIEF OFFICER	Various		Risk indicator
			Low L
			Medium M
			High H
MONTH ENDED	September 2015		

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Parks, Gardens & Open Spaces	2,171,100	2,128,100	(43,000)	(2.0%)	H
2	Seafront Management	135,500	143,600	8,100	6.0%	H
3	Golf Courses	(199,900)	(213,900)	(14,000)	(7.0%)	H
4	Pyramids	191,000	191,000	0	0.0%	M
5	Mountbatten & Gymnastic Centres	312,600	376,600	64,000	20.5%	M
6	Other Sports & Leisure Facilities Inc. (POC)	282,500	282,500	0	0.0%	M
7	Sports Development	255,100	279,100	24,000	9.4%	L
8	Departmental Establishment (Leisure)	475,400	475,400	0	0.0%	H
9	Libraries	2,047,400	2,003,400	(44,000)	(2.1%)	M
10	Museum Services	786,100	786,100	0	0.0%	M
11	Cultural Partnerships (Previously Arts Service)	321,200	321,200	0	0.0%	L
12	Community Centres	341,600	317,600	(24,000)	(7.0%)	L
13	Events	126,300	181,300	55,000	43.5%	H
TOTAL		7,245,900	7,272,000	26,100	0.4%	
Total Value of Remedial Action (from Analysis Below)		0				
Forecast Outturn After Remedial Action		7,245,900	7,272,000	26,100	0.4%	
Forecast Transfers From Portfolio Specific Reserves		26,100				
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		7,272,000	7,272,000	0	0.0%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial
1	Vacancy for Parks Manager post which will not be filled	(43,000)		
2	Additional staff costs were incurred to backfill a post during a staff absence	8,100		
3	Income is expected to exceed the budget. The golf course management team now have the flexibility to introduce short term offers and proactively respond to market conditions. This has meant that opportunities can be realised as they arise and football increased.	(14,000)		
5	The insurance premium renewal for Mountbatten Centre has increased by £64,000 as a result of recent accidents at the Centre. An insurance review is carried out every two years in accordance with the contract.	64,000		
7	2014/15 savings for the Interaction service were not achieved, this is a continued pressure in 2015/16. It is anticipated that the Service will soon transfer to an external provider but in the short term Community Centre budgets are being used to partially offset this overspend.	24,000		
9	The full 2015/16 savings will not be achieved as the staff consultation process was not completed by the 1st April and staff were still in post. A revaluation of the business rates for Southsea Library has resulted in an additional cost of £10,000. These overspends will be offset by a reduction in costs associated with the Windows 7 upgrade project of £74,000.	(44,000)		
12	Expenditure at Hillside and Wymering Community Centre for supplies and services is lower than anticipated.	(24,000)		
13	The cost of programmed events taking place in 2015/16 is higher than budgeted. The additional cost of these events will be met from planned underspends elsewhere within the Portfolio.	55,000		
TOTAL PROJECTED VARIANCE		26,100	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16

PORTFOLIO Environment & Community Safety

BUDGET	442,400	Transport Environment & Business Support
	176,900	Culture & City Development
	11,600,900	Property & Housing Services
	2,829,800	Regulatory Services Community Safety & Troubled Families

TOTAL CASH LIMIT **15,050,000**

CHIEF OFFICER Various

Risk indicator	
Low	L
Medium	M
High	H

MONTH ENDED September 2015

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Environmental Protection	320,800	320,800	0	0.0%	L
2	Environment Admin & Management	34,600	34,600	0	0.0%	L
3	Community Safety Administration & Management	14,400	13,900	(500)	(3.5%)	M
4	Environmental Health - Commercial Services	315,100	313,700	(1,400)	(0.4%)	M
5	Port Health	(24,200)	(24,200)	0	0.0%	L
6	Trading Standards	295,100	299,600	4,500	1.5%	M
7	Welfare Burials	31,400	31,300	(100)	(0.3%)	L
8	Refuse Collection	3,310,900	3,302,800	(8,100)	(0.2%)	H
9	Waste Disposal	4,494,600	4,885,900	391,300	8.7%	H
10	Waste Recycling	138,900	142,200	3,300	2.4%	L
11	Public Conveniences	335,200	339,400	4,200	1.3%	L
12	Street Cleansing	3,023,500	3,023,500	0	0.0%	L
13	Clean City	69,300	176,000	106,700	154.0%	L
14	Built Environment	0	0	0	-	L
15	Control Of Dogs	87,800	87,800	0	0.0%	M
16	Projects & Procurement Management			0	-	M
17	Sea Defences And Drainage	278,900	238,400	(40,500)	(14.5%)	M
18	Coastal Partnership	163,500	100,500	(63,000)	(38.5%)	L
19	Cemeteries	(3,600)	(3,600)	0	0.0%	L
20	Contaminated Land	118,300	118,300	0	0.0%	L
21	Carbon Allowances	48,600	48,600	0	0.0%	L
22	Carbon Management Team	62,200	62,200	0	0.0%	M
23	Motiv8			0	-	L
24	Hidden Violence And Abuse	993,800	928,900	(64,900)	(6.5%)	L
25	Community Safety Strategy And Partnership	145,500	124,800	(20,700)	(14.2%)	H
26	CCTV	236,100	236,100	0	0.0%	H
27	Community Wardens	179,900	174,000	(5,900)	(3.3%)	L
28	Anti Social Behaviour Unit	190,000	178,700	(11,300)	(5.9%)	L
29	Substance Misuse (including Alcohol)	0	(2,100)	(2,100)	-	L
30	Civil Contingencies (Emergency Planning)	189,400	189,400	0	0.0%	L
TOTAL		15,050,000	15,341,500	291,500	1.9%	
Total Value of Remedial Action (from Analysis Below)			0			
Forecast Outturn After Remedial Action		15,050,000	15,341,500	291,500	1.9%	
Forecast Transfers From Portfolio Specific Reserves			291,500			
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		15,341,500	15,341,500	0	0.0%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
9	An underlying budget deficit of £181,000 will be met from Portfolio Specific Reserves while an action plan to resolve the deficit is developed. In addition, due to reduced prices paid for recycled material (e.g. wood and paper) income from the sale of recyclable materials is forecast to be £210,300 lower than budgeted.	391,300		
13	Budget reductions relating to a city wide anti-social behaviour review have yet to be identified in full.	106,700	Service continues to seek to identify opportunities to meet this saving requirement	
17	Fee income has been generated by the Coastal and Drainage Manager during the first and second quarter of 2015/16 as a result of their involvement in the Portsea Island Coastal Protection Capital scheme and the emergency repair work to sea defences required to be undertaken as a result of the flooding that occurred in Southsea in 2014.	(40,500)		
18	£65,170 has been returned following the 2014/15 annual reconciliation of the Eastern Solent Coastal Partnership accounts. The net position on Partnership's 2014/15 accounts was a surplus of £162,925, of which PCC has been returned 40%.The Eastern Solent Coastal Partnership comprises Portsmouth, Havant, Fareham and Gosport Local Authorities.	(63,000)		
24	Staffing vacancies held in anticipation of future savings requirements	(64,900)		
25	Staffing vacancies held in anticipation of future savings requirements	(20,700)		
	Other Minor Variations	(17,400)		
	TOTAL PROJECTED VARIANCE	291,500	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16											
PORTFOLIO	Health & Social Care										
BUDGET	40,680,200										
TOTAL CASH LIMIT	<u>40,680,200</u>										
CHIEF OFFICER	Various	<table border="1" style="float: right; border-collapse: collapse;"> <tr> <th colspan="2">Risk indicator</th> </tr> <tr> <td>Low</td> <td style="text-align: center;">L</td> </tr> <tr> <td>Medium</td> <td style="text-align: center;">M</td> </tr> <tr> <td>High</td> <td style="text-align: center;">H</td> </tr> </table>		Risk indicator		Low	L	Medium	M	High	H
Risk indicator											
Low	L										
Medium	M										
High	H										
MONTH ENDED	September 2015										

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
				£	%	
		£	£	£	%	
1	Physical Support	12,622,300	13,295,000	672,700	5.3%	H
2	Sensory Support	240,000	240,000	0	0.0%	L
3	Memory & Cognition	2,191,400	3,190,000	998,600	45.6%	H
4	Learning Disability Support	16,298,500	17,200,000	901,500	5.5%	H
5	Mental Health Support	2,014,700	2,301,300	286,600	14.2%	H
6	Social Support: Substance Misuse Support	138,700	138,700	0	0.0%	L
7	Asylum Seeker Support	0	0	0	0.0%	L
8	Support for Carer - Direct Payments	0	0	0	0.0%	L
9	Social Support: Other Support for Carer	0	0	0	0.0%	L
10	Assistive Equipment & Technology	692,100	815,000	122,900	17.8%	H
11	Social Care Activities	3,664,700	3,597,000	(67,700)	(1.8%)	M
12	Information & Early intervention	65,300	36,000	(29,300)	(44.9%)	H
13	Commissioning and Service Delivery	1,401,800	669,000	(732,800)	(52.3%)	H
14	Supporting People - Housing	1,350,700	1,350,700	0	0.0%	L
18	Sexual Health Mandatory - services	3,495,900	3,569,400	73,500	2.1%	L
19	Sexual Health Non Mandatory - services	228,900	228,900	0	0.0%	L
20	Smoking	630,400	583,300	(47,100)	(7.5%)	L
21	Children 5-19 Programme	2,636,800	2,634,900	(1,900)	(0.1%)	L
22	Health Checks	362,800	385,500	22,700	6.3%	L
23	Obesity	306,400	293,700	(12,700)	(4.1%)	L
24	Substance Misuse	4,263,800	4,268,600	4,800	0.1%	L
25	Public Health Advice	173,000	122,700	(50,300)	(29.1%)	L
26	Miscellaneous Public Health Services	(12,098,000)	(12,087,000)	11,000	(0.1%)	L
TOTAL		40,680,200	42,832,700	2,152,500	5.3%	
Total Value of Remedial Action (from Analysis Below)			0			
Forecast Outturn After Remedial Action		40,680,200	42,832,700	2,152,500	5.3%	
Forecast Transfers From Portfolio Specific Reserves		23,800				
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		40,704,000	42,832,700	2,128,700	5.2%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
1-3	Greater volume of older persons domiciliary care required due to demographic pressures. There have also been unforeseen delays in implementing 2015/16 savings proposals for this area of the budget.	1,671,300	The service is currently reviewing options to reduce the currently forecast overspend.	
4	Increased volume of clients transitioning from Children's Service's in conjunction with a delayed initiation of the review of day care services. There have also been ongoing claims for funding from other authorities under the ordinary residence ruling.	901,500		
5	Increased volume of clients with mental health support needs requiring residential care placements.	286,600		
10-13	Other Miscellaneous primarily increased funding from Better Care Fund	(706,900)		
	TOTAL PROJECTED VARIANCE	2,152,500	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings should be shown as minus figures

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16

PORTFOLIO	Housing
BUDGET	3,853,800
TOTAL CASH LIMIT	3,853,800

CHIEF OFFICERS Owen Buckwell
MONTH ENDED September 2015

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING
1	Housing Strategy - General
2	Registered Social Landlords
3	Housing Advisory Service
4	Housing Enabling
5	Homelessness
6	Telecare
7	Youth & Play Shared Services with the HRA
8	De Minimis Capital Receipts
9	Other Council Property
10	Housing Standards
11	Home Check scheme
12	Green Deal
13	Additional Licensing
14	Supporting People Contracts

BUDGET PROFILE 2015/16				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget To September 2015		
£	£	£	%	
75,300	35,300	(40,000)	(53.1%)	L
40,300	40,300	0	0.0%	L
192,400	176,200	(16,200)	(8.4%)	L
65,700	65,700	0	0.0%	L
676,900	645,700	(31,200)	(4.6%)	L
(167,000)	(167,000)	0	0.0%	M
344,200	359,200	15,000	4.4%	L
(94,400)	(41,000)	53,400	56.6%	M
(26,300)	(26,300)	0	0.0%	L
432,700	409,800	(22,900)	(5.3%)	L
9,000	9,000	0	0.0%	M
0	0	0	-	M
0	42,200	42,200	-	L
2,305,000	2,305,000	0	0.0%	L

TOTAL	3,853,800	3,854,100	300	0.0%
Total Value of Remedial Action (from Analysis Below)		0		
Forecast Outturn After Remedial Action	3,853,800	3,854,100	300	0.0%
Forecast Transfers From Portfolio Specific Reserves	300			
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves	3,854,100	3,854,100	0	0.0%

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
1	Reduction in IT costs. This underspend is to be utilised to offset overspends elsewhere within the Portfolio.	(40,000)		
3	Reduction in salary costs and additional income received.	(16,200)		
5	Reduction in salary costs and additional income received.	(31,200)		
8	These receipts are realised when small grants are repaid, and are largely reliant upon the housing market. There has been a reduction in the receipts received in the first half of the year.	53,400		
10	This underspend has arisen from staff vacancies, and is planned to be utilised by overspends elsewhere in the portfolio.	(22,900)		
7	The cost of the shared Play Service is forecast to overspend due to a mix of expenditure increases in salary and grounds maintenance costs.	15,000		
13	This is year 3 of a 5 year scheme and the forecast for this particular year is currently an overspend.	42,200	Over the 5 years the scheme is expected to be cost neutral.	
	TOTAL PROJECTED VARIANCE	300	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16									
PORTFOLIO	Leader								
BUDGET	216,300								
<hr/>									
TOTAL CASH LIMIT	216,300								
<hr/>									
CHIEF OFFICER									
<table border="1" style="float: right; border-collapse: collapse;"> <tr> <th colspan="2">Risk indicator</th> </tr> <tr> <td>Low</td> <td style="text-align: center;">L</td> </tr> <tr> <td>Medium</td> <td style="text-align: center;">M</td> </tr> <tr> <td>High</td> <td style="text-align: center;">H</td> </tr> </table>		Risk indicator		Low	L	Medium	M	High	H
Risk indicator									
Low	L								
Medium	M								
High	H								
MONTH ENDED	September 2015								

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Portsmouth Civic Award	1,000	1,000	0	0.0%	L
2	Leader Initiatives	25,000	25,000	0	0.0%	L
3	Lord Mayor	93,700	108,100	14,400	15.4%	L
4	Lord Mayor's Events	(5,200)	5,900	11,100	213.5%	L
5	Civic Events	101,800	101,800	0	0.0%	L
TOTAL		216,300	241,800	25,500	11.8%	
Total Value of Remedial Action (from Analysis Below)		0				
Forecast Outturn After Remedial Action		216,300	241,800	25,500	11.8%	
Forecast Transfers From Portfolio Specific Reserves		6,200				
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		222,500	241,800	19,300	8.7%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
3	The acquisition of a new lease car for the Lord Mayor has resulted in a short term overspend due to the change over of lease agreement.	14,400		
4	Income received from Portsmouth Cultural Trust (PCT) for the use of Lord Mayors Banqueting room is split between Lord Mayor and Lord Mayor's Events. Lower than forecasted levels of income are being achieved from the PCT for the use of the Lord Mayors Banqueting room.	11,100		
TOTAL PROJECTED VARIANCE		25,500	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16											
PORTFOLIO	Planning Regeneration & Economic Development (Excluding Commercial Ferry Port)										
BUDGET	1,130,300	Culture & City Development									
	(161,100)	Transport Environment & Business Support									
	(3,075,600)	Housing & Property Services									
TOTAL CASH LIMIT	(2,106,400)										
CHIEF OFFICER	Michael Lawther	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <th colspan="2">Risk indicator</th> </tr> <tr> <td>Low</td> <td style="background-color: #90EE90;">L</td> </tr> <tr> <td>Medium</td> <td style="background-color: #FFD700;">M</td> </tr> <tr> <td>High</td> <td style="background-color: #FF0000;">H</td> </tr> </table>		Risk indicator		Low	L	Medium	M	High	H
Risk indicator											
Low	L										
Medium	M										
High	H										
MONTH ENDED	September 2015										

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Planning Development Control	361,100	231,100	(130,000)	(36.0%)	H
2	City Centre Business Support	252,400	252,400	0	0.0%	M
3	Markets	(48,600)	(48,600)	0	0.0%	M
4	Building Regulations & Control	26,600	26,600	0	0.0%	H
5	Economic Regeneration and Service Plan	279,800	279,800	0	0.0%	H
6	Tourism	259,000	259,000	0	0.0%	M
7	Economic Development, Business and Standards			0	-	H
8	Enterprise Centres	(208,400)	(393,900)	(185,500)	(89.0%)	H
9	PCMI	47,300	175,400	128,100	270.8%	H
10	Community Learning & Pride in Pompey	0	100,800	100,800	-	H
11	Administrative Buildings	1,448,400	1,506,400	58,000	4.0%	M
12	Guildhall	808,800	783,800	(25,000)	(3.1%)	L
13	Property Portfolio	(5,332,800)	(5,356,800)	(24,000)	(0.5%)	H
TOTAL		(2,106,400)	(2,184,000)	(77,600)	(3.7%)	
Total Value of Remedial Action (from Analysis Below)				0		
Forecast Outturn After Remedial Action		(2,106,400)	(2,184,000)	(77,600)	(3.7%)	
Forecast Transfers To Portfolio Specific Reserves				(77,600)		
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		(2,184,000)	(2,184,000)	0	0.0%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
1	Planning income is forecast to exceed the budget. There are also staff vacancies within the Service.	(130,000)		
8	Additional income of £104,000 from Enterprise Centres as a result of increased occupancy levels combined with a reduction in costs associated with the Windows 7 upgrade project of £81,000.	(185,500)		
9	As a result of falling income, a staff restructure is currently at the consultation stage. Reduced salary costs of £103,000 are offset by higher travel costs associated with relocated staff (£34,000) and reduced income of £197,000.	128,100		
10	This overspend is a combination of: £160,000 underachieved income in PIP offset by reduced staffing costs of £60,000 across the service.	100,800		
11	Lower premises expenditure	(25,000)		
12	Higher costs associated with refurbishment works than previously anticipated.	58,000		
13	Net additional income arising from the acquisition of investment properties (subject to completion) offset by lower rental income across the property portfolio, due to rent reviews and asset disposals.	(24,000)	Proactive review underway of the existing property portfolio in order to maximise rental returns, and the purchase of investment properties	
TOTAL PROJECTED VARIANCE		(77,600)	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16	
PORTFOLIO	Planning Regeneration & Economic Development (Commercial Ferry Port)
BUDGET	(4,538,300)
TOTAL CASH LIMIT (4,538,300)	
CHIEF OFFICER	Martin Putman
MONTH ENDED	September 2015

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.		BUDGET PROFILE 2014/15				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
				£	%	
1	Income	(12,867,200)	(13,663,100)	(795,900)	(6.2%)	H
2	Operational Costs	6,745,000	6,555,600	(189,400)	(2.8%)	M
3	Management and General Expenses	1,583,900	1,698,800	114,900	7.3%	L
OPERATING SURPLUS		(4,538,300)	(5,408,700)	(870,400)	(19.2%)	
TOTAL		(4,538,300)	(5,408,700)	(870,400)	(19.2%)	

Total Value of Remedial Action (from Analysis Below)	0
Forecast Outturn After Remedial Action	(4,538,300) (5,408,700) (870,400) (19.2%)
Forecast Transfers To Portfolio Specific Reserves	(370,400)
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves	(4,908,700) (5,408,700) (500,000) (10.2%)
Capital Charges & Other Corporate Costs	4,894,000 4,781,200 (112,800) (2.3%)
Net (Profit) / Loss	355,700 (627,500) (983,200) (276.4%)

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
Income	Favourable variance due to a new ferry service operating from the Port, an end of year contract adjustment, and increased port throughput.	(795,900)		
Operational Costs	Favourable variance arising from a reduction in employee costs and savings identified in services provided by security and berthing service contractors.	(189,400)		
Management and General Expenses	Adverse variance due to an increase in employee costs reflecting an increase in pilotage acts and costs, and sickness cover. An increase in communication costs (offset by EU funding shown under Income), and a reduction in officer recharges to capital schemes due project slippage.	114,900		
TOTAL PROJECTED VARIANCE		(870,400)	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16

PORTFOLIO	Resources
BUDGET	20,238,100
TOTAL CASH LIMIT	20,238,100

CHIEF OFFICER Various

MONTH ENDED September 2015

Risk indicator	
Low	L
Medium	M
High	H

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

BUDGET PROFILE 2015/16				RISK INDICATOR
Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
£	£	£	%	
544,800	535,400	(9,400)	(1.7%)	L
3,296,200	3,246,500	(49,700)	(1.5%)	H
70,000	70,000	0	0.0%	M
1,449,800	1,344,100	(105,700)	(7.3%)	H
612,800	612,800	0	0.0%	L
4,356,100	4,312,900	(43,200)	(1.0%)	M
4,317,700	4,306,200	(11,500)	(0.3%)	M
617,700	852,300	234,600	38.0%	H
297,600	396,600	99,000	33.3%	H
1,185,200	950,100	(235,100)	(19.8%)	H
(400,000)	(400,000)	0	0.0%	L
(385,400)	(385,400)	0	0.0%	M
5,000	5,000	0	0.0%	L
(580,800)	(795,300)	(214,500)	(36.9%)	H
(265,400)	(150,600)	114,800	43.3%	H
1,338,400	1,338,400	0	0.0%	L
100,000	56,200	(43,800)	(43.8%)	M
1,763,200	1,743,200	(20,000)	(1.1%)	M
0	0	0	-	L
(85,200)	(84,200)	1,000	1.2%	M
1,243,100	1,230,100	(13,000)	(1.0%)	L
757,300	1,037,300	280,000	37.0%	H

TOTAL	20,238,100	20,221,600	(16,500)	(0.1%)
Total Value of Remedial Action (from Analysis Below)	0			
Forecast Outturn After Remedial Action	20,238,100	20,221,600	(16,500)	(0.1%)
Forecast Transfers To Portfolio Specific Reserves	(16,500)			
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves	20,221,600	20,221,600	0	0.0%

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
2	The service underspend arises from posts being held vacant to prepare for savings requirements in future years and additional income achieved through the Internal Agency. This underspend is partly offset by an overspend in Legal Services due to income level not being achieved.	(49,700)		
4	Underspend across a number of Customer & Community Service areas due to the holding of vacancies where in order to prepare for saving requirements in future years.	(105,700)		
6	The service is holding vacancies in order to prepare for saving requirements in future years.	(43,200)		
7	The service is projecting an underspend due to posts being held vacant in preparation for future years savings.	(11,500)		
8	The projected overspend is mainly due to income being below target. Due to projects being delayed or altered due to changing client needs, and/or lack of funds to undertake the project; cancelled projects and non-fee earning work being undertaken, eg preparation of capital projects for future years and advice.	234,600	Services continue to seek further fee earning work. In addition, delayed projects which move into future years will earn fees in those later years. This overspend will be met by the projected underspend within the Landlords Maintenance budget, Line 10 below.	
9	The budget assumed that a saving based on the AMS Property Service creating Business Partners with other PCC Services' Property Departments would be implemented during 2014/15. This saving cannot now be made as originally envisaged and an alternative saving proposal remains to be identified.	99,000		
10	Landlords Maintenance budgets are below budget and planned to be so at year end to offset the overspend within the other Design/Maintenance budgets (Line 8 above). However, this is dependent on the weather over the winter which can have a large impact on this budget.	(235,100)		
14 / 15	These variances represent the difference between housing benefit paid out to private and council house tenants and the government subsidy received for these purposes. The total value of benefits paid exceeds £100m and minor fluctuations in the factors affecting Housing Benefit can result in material variances.	(99,700)		
17	The remaining balance on the LWAS is not expected to be spent at this point in time.	(43,800)		
18	The service is projecting an underspend due to vacated posts being held in preparation for future years savings.	(20,000)		
21	Corporate Subscriptions have been negotiated at a lower price than budgeted for which has created an underspend for the year. In addition to this, a review of the Members Support Service has created an underspend within the staffing budget.	(13,000)		
22	Approved budget reductions relating to additional income from HRA have yet to be identified. The Strategy unit is underspending due to vacated posts being held in preparation for future years savings.	280,000	Service continues to seek to identify opportunities to meet this saving requirement	
	Variance less than £5,000	(8,400)		
	TOTAL PROJECTED VARIANCE	(16,500)	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16	
PORTFOLIO	Traffic & Transportation
BUDGET	15,877,200
<hr/>	
TOTAL CASH LIMIT	15,877,200
<hr/>	
CHIEF OFFICER	Various
<hr/>	
MONTH ENDED	September 2015

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Off-Street Parking	(2,214,200)	(2,212,100)	2,100	0.1%	H
2	Tipner Park and Ride	-	-	0	-	H
3	Road Safety & Sustainable Transport	219,300	166,700	(52,600)	(24.0%)	L
4	Network Management	583,800	591,500	7,700	1.3%	M
5	Highways Infrastructure	8,699,900	8,699,900	0	0.0%	L
6	Highways Routine	2,845,400	2,839,400	(6,000)	(0.2%)	H
7	Highways Street Lighting (Electricity)	1,198,100	1,599,900	401,800	33.5%	H
8	Highways Design	(43,200)	(63,200)	(20,000)	(46.3%)	M
9	Travel Concessions	4,009,800	4,018,200	8,400	0.2%	H
10	Passenger Transport	(284,400)	(283,900)	500	0.2%	M
11	Integrated Transport Unit	118,800	113,100	(5,700)	(4.8%)	L
12	School Crossing Patrol	341,900	292,800	(49,100)	(14.4%)	M
13	Transport Policy	118,200	113,100	(5,100)	(4.3%)	L
14	Group Administration and Support	184,900	205,200	20,300	11.0%	M
15	Tri-Sail Maintenance	38,900	38,900	(0)	(0.0%)	L
16	Transport Infrastructure Schemes	60,000	(24,200)	(84,200)	(140.3%)	M
TOTAL		15,877,200	16,095,300	218,100	1.4%	

Total Value of Remedial Action (from Analysis Below)		(359,600)			
Forecast Outturn After Remedial Action	15,877,200	15,735,700	(141,500)	(0.9%)	
Forecast Transfers To Portfolio Specific Reserves		(141,500)			
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves	15,735,700	15,735,700	(0)	(0.0%)	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
3	As a result of the holding of posts vacant combined with increased income from fee earning work has resulted in a favourable variance.	(52,600)		
7	The installation of LED street lights will lead to significant savings in electricity costs and the budget was set on the basis that this efficiency would be in place by 2015/16. However this capital scheme is currently on hold and the savings will not be realised this financial year. The majority of the additional costs will be funded by a release from contingency.	401,800	Release from Contingency	(339,300)
8	Vacant posts offset by the associated loss of fee income (mitigated by higher fee income being generated by the remaining staff) has resulted in a net overall saving.	(20,000)		
12	This favourable variance is as a result of vacancies. Further recruitment campaigns are planned for later in the year and so it is anticipated that these vacancies will be filled by the end of the financial year.	(49,100)		
14	Additional non salary related support costs	20,300	Cross service contribution anticipated	(20,300)
16	The forecast favourable variance is due to vacancies within the project management team where recruitment has been delayed in order to make savings.	(84,200)		
	Other minor variances	1,900		
TOTAL PROJECTED VARIANCE		218,100	TOTAL VALUE OF REMEDIAL ACTION	(359,600)

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16	
COMMITTEE	Licensing
BUDGET	(241,900)
<hr/>	
TOTAL CASH LIMIT	(241,900)
<hr/>	
CHIEF OFFICER	Michael Lawther
MONTH ENDED	September 2015

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Licensing Committee	(241,900)	(241,900)	0	0.0%	L
TOTAL		(241,900)	(241,900)	0	0.0%	
Total Value of Remedial Action (from Analysis Below)		0				
Forecast Outturn After Remedial Action		(241,900)	(241,900)	0	0.0%	
Forecast Transfers From Portfolio Specific Reserves		0				
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		(241,900)	(241,900)	0	0.0%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
	TOTAL PROJECTED VARIANCE	0	Total Value of Remedial Action	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16

COMMITTEE Governance, Audit and Standards Committee
 BUDGET 387,700

TOTAL CASH LIMIT 387,700

CHIEF OFFICER Michael Lawther

Risk indicator	
Low	L
Medium	M
High	H

MONTH ENDED September 2015

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Municipal Elections	166,250	167,400	1,150	0.7%	L
2	Registration Of Electors	280,350	243,900	(36,450)	(13.0%)	M
3	Registrar of Births, Deaths & Marriages	(58,900)	(192,900)	(134,000)	(227.5%)	M
TOTAL		387,700	218,400	(169,300)	(43.7%)	
Total Value of Remedial Action (from Analysis Below)		0				
Forecast Outturn After Remedial Action		387,700	218,400	(169,300)	(43.7%)	
Forecast Transfers To Portfolio Specific Reserves		(169,300)				
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		218,400	218,400	0	0.0%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
2	The in year funding received to provide the Individual Electoral Registration service has exceeded the cost of providing the service. This has been due to a concerted effort to minimise expenditure in the knowledge that there will be no further funding in later years and any underspends held will be used to contribute towards the cost of service provision in future years.	(36,450)		
3	It is expected that the Registrars will underspend at the end of the financial year due to additional income being received for the chargeable services that it delivers and a small saving realised through an in year staff vacancy.	(134,000)		
	Variance less than £5,000	1,150		
TOTAL PROJECTED VARIANCE		(169,300)	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16	
PORTFOLIO	Other Expenditure
BUDGET	907,000 Levies
<hr/>	
TOTAL CASH LIMIT	907,000
<hr/>	
CHIEF OFFICER	Michael Lawther
MONTH ENDED	September 2015

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Environment & Flood Defence Agency	53,300	37,100	(16,200)	(30.4%)	M
2	Coroners	799,800	799,800	0	0.0%	M
3	Southern Sea Fisheries	53,900	36,600	(17,300)	(32.1%)	L
TOTAL		907,000	873,500	(33,500)	(3.7%)	
Total Value of Remedial Action (from Analysis Below)		<input style="width: 100%;" type="text" value="0"/>				
Total Net Forecast Outturn (after remedial action)		907,000	873,500	(33,500)	(3.7%)	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
	TOTAL PROJECTED VARIANCE	0	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16	
PORTFOLIO	Other Expenditure
BUDGET	1,299,800 Insurance
<hr/>	
TOTAL CASH LIMIT	1,299,800
<hr/>	
CHIEF OFFICER	Michael Lawther
<hr/>	
MONTH ENDED	September 2015

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	Insurance Revenue Account	1,299,800	1,299,800	0	0.0%	M
TOTAL		1,299,800	1,299,800	0	0.0%	
Total Value of Remedial Action (from Analysis Below)			0			
Total Net Forecast Outturn (after remedial action)		1,299,800	1,299,800	0	0.0%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
	TOTAL PROJECTED VARIANCE	0	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16			
PORTFOLIO	Other Expenditure		
BUDGET	23,875,000	Asset Management Revenue Account	
<hr/>			
TOTAL CASH LIMIT		23,875,000	
<hr/>			
CHIEF OFFICER	Michael Lawther		Risk indicator
			Low L
			Medium M
			High H
<hr/>			
MONTH ENDED	September 2015		

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget	Forecast Year End Outturn	Variance vs. Total Budget		
		£	£	£	%	
1	External Interest Paid	18,569,000	18,731,500	162,500	0.9%	H
2	External Interest Earned	(2,410,200)	(3,302,600)	(892,400)	(37.0%)	H
3	Net Minimum Revenue Provision	7,716,200	7,012,600	(703,600)	(9.1%)	M
TOTAL		23,875,000	22,441,500	(1,433,500)	(6.0%)	
Total Value of Remedial Action (from Analysis Below)		0				
Total Net Forecast Outturn (after remedial action)		23,875,000	22,441,500	(1,433,500)	(6.0%)	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
2	Higher surplus cash than anticipated due to capital programme slippage and improved returns through diversifying the investment portfolio	(892,400)		
3	Lower capital expenditure financed from borrowing than had been anticipated in 2014/15 and revised MRP Policy from 2015/16	(703,600)		
TOTAL PROJECTED VARIANCE		(1,596,000)	TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets

FINANCIAL AND SERVICE PERFORMANCE MONTH ENDING SEPTEMBER 2015

MONTHLY BUDGET MONITORING STATEMENT - CASH LIMIT 2015/16			
PORTFOLIO	Other Expenditure		
BUDGET	15,492,700	Miscellaneous	
TOTAL CASH LIMIT		15,492,700	
CHIEF OFFICER	Michael Lawther		
MONTH ENDED	September 2015		

Risk indicator	
Low	L
Medium	M
High	H

ITEM No.	BUDGET HEADING	BUDGET FORECAST 2015/16				RISK INDICATOR
		Total Budget £	Forecast Year End Outturn £	Variance vs. Total Budget		
				£	%	
1	Precepts			0	-	L
2	Portchester Crematorium	(125,000)	(125,000)	0	0.0%	L
3	Compensatory Added Years & Contribution to Prior Years Pension Deficit	6,261,000	6,261,000	0	0.0%	L
4	Contingency	6,768,000	6,768,000	0	0.0%	H
5	Revenue Contributions to Capital	(285,600)	(285,600)	0	0.0%	L
6	MMD Losses	350,000	1,000,000	650,000	185.7%	L
7	Off Street Parking Reserve	(1,078,200)	(1,078,200)	0	0.0%	L
8	Transfer to / (From) MTRS Reserve	(671,600)	(671,600)	0	0.0%	L
9	Other Miscellaneous	2,874,000	2,874,000	0	0.0%	L
10	Other Transfers to / (from) Reserves	1,400,100	1,400,100	0	0.0%	L
TOTAL		15,492,700	16,142,700	650,000	4.2%	
Total Value of Remedial Action (from Analysis Below)		0				
Forecast Outturn After Remedial Action		15,492,700	16,142,700	650,000	4.2%	
Forecast Transfers To Portfolio Specific Reserves		427,400	427,400			
Forecast Outturn After Transfers (From)/To Portfolio Specific Reserves		15,920,100	16,570,100	650,000	4.1%	

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

REASONS FOR VARIATIONS AGAINST TOTAL BUDGET 2015/16

Item No.	Reason for Variation	Variance £	Remedial Action	Value of Remedial Action
	TOTAL PROJECTED VARIANCE		0 TOTAL VALUE OF REMEDIAL ACTION	0

Note Remedial Action resulting in savings is shown in brackets



Agenda item:

Decision maker: Cabinet
City Council

Subject: Portsmouth City Council Revenue Budget 2016/17 -
Savings Proposals

Date of decision: 3rd December 2015 (Cabinet)
8th December 2015 (City Council)

Report by: Director of Finance & Information Services (Section 151
Officer)

Wards affected: All

Key decision: Yes

**Budget & policy framework
decision:** Yes

1. Executive Summary

- 1.1 Overall, economic conditions are improving but the National Debt continues to rise. The Government have stated that growth alone will not fix the budget deficit and consequently the programme of fiscal consolidation (or public sector spending reductions) will continue to 2020.
- 1.2 Expectations for the Council over the next 3 years are characterised by increasing demand for services, particularly in the essential care services, at the same time as continuing reductions in funding. This simultaneous double impact requires the Council to make £31m of savings over the next 3 years.
- 1.3 The first tranche of savings amount to £11m and need to be realised for 2016/17. The proposals within this report seek to make those savings in a way that is consistent with the Council's Medium Term Financial Strategy approved in 2013 which aims to deliver the necessary savings whilst continuing the drive towards the regeneration of the City and protecting the most important and valued Services.
- 1.4 Over the last 3 years, the City Council has experienced Government funding reductions of £59m (representing 38%). When combined with the need to meet unavoidable cost pressures, the City Council has had to make savings of £75m through efficiencies and service reductions. In context, £59m represents 28% of the Council's controllable budget.

- 1.5 At the present time, the Council's essential care services (Children & Education and Health & Social Care) are currently overspending against their budgets with underlying deficits of £2.7m and £2.4m, respectively. Plans are in place to eradicate those deficits by 2016/17 but in doing so, the Council's ability to find savings from these Portfolios to contribute towards the £11m savings requirement for 2016/17 has been severely constrained.
- 1.6 Furthermore, Adult Social Care in particular will continue to face both significant demographic pressures as well as extraordinary inflationary pressures in the future. Of particular significance will be the potential cost associated with the introduction of the National Living Wage from April 2016, estimated to cost circa £1.5m if this is not to be funded by Central Government in some form.
- 1.7 The Education & Children's Portfolio, Environment & Community Safety Portfolio and Health & Social Care Portfolio have, to varying degrees, received meaningful protection from budget savings over the past 5 years due to the prioritisation of these Services over others as well as the more limited ability to make savings in these areas. In aggregate, these Portfolios account for two thirds of the Council's total controllable spending. The scale of the future savings requirements beyond 2016/17 will be such that the Council will no longer be able to afford the same levels of protection that have been provided in the past for these Services without severe cuts to all other Services.

- 1.8 Against the backdrop of having made savings of £75m over the past 5 years, the Council's Medium Term Financial Strategy to achieve the £11m savings requirement for 2016/17 and its total savings requirement of £31m over the next 3 years is as follows:

OVERALL AIM

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

STRAND 1

Reduce the City's dependency on Central Government Grant

STRAND 2

Reduce the extent to which the population needs Council Services

STRAND 3

Increase the efficiency & effectiveness of the Council's activity

STRAND 4

Withdraw or offer minimal provision of low impact Services

- 1.9 The proposals contained within this report are designed to follow the financial strategy and respond to the budget consultation. They include the following:
- To prepare towards the Council's Budget for 2016/17, to be approved in February 2016, on the basis of a 2% increase in Council Tax
 - A suite of savings amounting to £11m of the £31m required over the next 3 years (2016/17 to 2018/19)
 - Reflect the responses to the Budget Consultation, which generally suggest that services to the vulnerable should receive some measure of protection. Given that the Children & Education Portfolio and the Health and Social Care Portfolio need to remedy their current budget deficits of £2.7m and £2.4m respectively, the savings proposals provide significant protection for both of these Portfolios
 - Generally propose savings that have the least impact on residents but given that it is inevitable that there will be risks in delivering savings on this scale, that the appropriate mitigation measures are put in place where high risk exists
 - Savings decisions at this early stage provide greater opportunity for any necessary consultation, notice periods and other lead-in times to take place and therefore avoid a greater number or deeper savings associated with any delay
 - The use of £0.5m of the MTRS Reserve to continue to support the programme of interventions and provide capacity to increase the scale and pace of interventions as a means to support the achievement of future savings
- 1.10 The proposals within this report are a necessary pre-cursor to the Annual Budget and Council Tax Setting meeting of the 9th February 2016 when the Council will be requested to formally approve the Budget for 2016/17 and the associated Council Tax for the year. Should the savings proposals contained within this report be approved, they will form the basis of the Budget for 2016/17 presented to Council. That report will also include a comprehensive revision of the Council's future financial forecasts and set the consequent future savings requirements for the period 2017/18 to 2019/20.
- 1.11 The proposals within this report will maintain the Council's financial health and resilience and therefore its ability to respond in a measured and proportionate way to any "financial shocks" by having adequate reserves and contingencies available for a Council of this size and risk profile.

2 Purpose of Report

- 2.1 The report describes the challenging financial climate facing the City Council for the three years 2016/17 to 2018/19 and the likely implications for Council services to businesses and residents. It describes, in overall terms, the Medium Term Financial Strategy that the Council is following in order to achieve its stated aim as follows:

OVERALL AIM

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

- 2.2 The report sets out the need to find £31m of savings over the next three years with a minimum of £11m (or £12.2m if a Council Tax freeze) for 2016/17. It recommends the level of savings to be made across Portfolios and other activities in 2016/17 consistent with both the outcomes of the recent budget consultation exercise and the overall financial strategy. The report then proceeds to describe the likely savings and implications associated with the overall Portfolio savings levels proposed.
- 2.3 Associated with the delivery of future savings and in accordance with the Financial Strategy, is a proposal to increase the funding for the Business Intervention Fund by £0.5m so that the Council can continue its programme of service interventions at scale and at pace in readiness for the continued savings challenge for future years.
- 2.4 Finally, the report stresses the important contribution that the MTRS Reserve and the Capital Programme can make to the Council's overall Medium Term Financial Strategy. The General Fund Revenue Budget is the most constrained of all Council budgets and the sustainability of Council Services will be better protected if both MTRS funds and the Capital programme are directed towards generating savings.
- 2.5 This report is being brought at this time to provide greater opportunity for any necessary consultation, notice and other lead-in times to take place prior to implementation in order that full year savings can be made. Should approval of the savings be considered at a later date, a greater number or deeper savings will be required in order to compensate for any delay in implementation.

2.6 In particular, this report explains:

- (a) In broad terms the challenge for the City in the current economic climate
- (b) The general financial constraints on the City Council both currently and in future years
- (c) The difficulty that the Council's essential care Services have experienced in remaining within their cash limits in the current year and the implications for the coming year 2016/17
- (d) Key assumptions built into the City Council's forecasts for 2016/17 to 2018/19 which give rise to a forecast £31m deficit over the period and which include:
 - i. Revenue Support Grant
 - ii. Other Non-ring fenced grants
 - iii. Business Rates
 - iv. Council Tax yield
 - v. Inflation and interest rates
- (e) The level of uncertainty surrounding future years funding reductions from Government arising from the Comprehensive Spending Review and the extent to which this could affect the forecast £31m deficit
- (f) The Medium Term Financial Strategy aimed at meeting the Council's core aim whilst addressing the £31m deficit
- (g) The key themes arising from the budget consultation that took place over the September / October period to assist Members in their consideration over the level and nature of savings to be made across Portfolios
- (h) In the context of the Medium Term Financial Strategy and the Budget Consultation, the proposed savings amount for each Portfolio / Committee to be made in 2016/17
- (i) The detailed indicative savings (Appendix A) that could be made by each Portfolio / Committee in meeting its overall savings amount in order to provide the Council with the assurance necessary to approve the recommended savings amount for each Portfolio / Committee
- (j) The need to agree the Portfolio / Committee savings amounts at this early stage in order that any necessary consultation, notice periods or other lead times can commence in order to avoid greater and deeper savings arising from any delay
- (k) The spend to save investment required in order to support delivery of the Council's future savings requirements
- (l) How the proposals contained within this report will be fed into the formal Budget and Council Tax 2016/17 proposals to be considered by the City Council on 9th February 2016

3 Recommendations

3.1 That the following be approved:

- (a) That the Council's Budget for 2016/17 be prepared on the basis of a 2% Council Tax increase
- (b) That in the event that the Council has the ability to increase the level of Council Tax beyond 2% in order to fund Adult Social Care pressures, and if the Council elects to do so, that any additional funding that arises is passported direct to Adult Social Care to provide for those otherwise unfunded cost pressures.
- (c) The savings proposals for each Portfolio amounting, in total, to £11m for 2016/17 and continuing into future years as set out in Appendix A to enable appropriate consultation and notice periods to be given to affected parties
- (d) That £500,000 be released from the MTRS Reserve to increase the Business Intervention Fund in order to increase the scale and pace of the programme of Service interventions described in paragraphs 10.17 and the funding to be used flexibly across years
- (e) That the allocation of the Business Intervention Fund to Service interventions be delegated to the S151 Officer in consultation with the Leader of the Council.

3.2 That the following be noted:

- (a) The Budget Savings Requirement for 2016/17 of £11m approved by the City Council was based on a Council Tax increase of 2.0%; each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £625,000¹
- (b) The key themes arising from the budget consultation
- (c) The indicative savings proposals set out in Appendix B which are provided for the purpose of demonstrating to the Council that the Portfolio savings as recommended in paragraph 3.1 (c) above are robust and deliverable
- (d) The likely impact of savings as set out in Appendix B based on the scale of the Portfolio savings as recommended in paragraph 3.1(c)
- (e) That the responsibility of the City Council is to approve the overall Budget and the associated cash limits of its Portfolios and Committees; it is not the responsibility of the City Council to approve any individual savings within those Portfolios / Committees

¹ Tax increases will be subject to Council Tax referendum thresholds which are at this stage unknown

- (f) That it is the responsibility of the individual Portfolio Holders (not the City Council) to approve the individual savings proposals and the Portfolio Holder can therefore, in response to any consultation, alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix B with alternative proposal(s) amounting to the same value within their Portfolio
- (g) Managers will commence any necessary consultation process or notice process necessary to implement the approved Portfolio / Committee savings
- (h) That there is no general provision for Budget Pressures and that it is the responsibility of the Portfolio Holder to manage any Budget Pressures which arise from the overall resources available to the Portfolio (which includes their Portfolio Reserve)
- (i) In accordance with the approved financial framework, it is the responsibility of the Portfolio Holder, in consultation with the Director of Finance & Information Services (S151 Officer), to release funds from the Portfolio Reserve in accordance with the provisions set out in paragraph 10.14
- (j) The MTRS Reserve held to fund the upfront costs associated with Spend to Save Schemes, Invest to Save Schemes and redundancies currently holds a very modest uncommitted balance of £3.0m and will only be replenished from an approval to the transfer of any non-Portfolio underspends at year end into this reserve

4 Economic & Financial Context

- 4.1 Following the global economic downturn, the combination of reduced tax revenues and increases in the overall welfare bill has caused the national debt to rise from £0.5 trillion in 2008 to £1.5 trillion or 80.5% of Gross Domestic Product (GDP) currently.
- 4.2 Part of the response from Central Government has been to reduce spending (and funding) across the public sector. Over the past 5 years (since 2011/12), Central Government funding to Portsmouth City Council has reduced by over £59m (amounting to 38%). This has primarily been through reductions in Revenue Support Grant and has made no allowance for the differing council tax levels and tax bases of councils. Taken together with other financial pressures that have been experienced by the City Council (mainly relating to inflation, the effects of an ageing population on care services and the increased requirements for the safeguarding of vulnerable children), the City Council has had to make overall savings over the same period of over £75m. In context, this represents circa 40% of the Council's controllable spending.
- 4.3 Despite the improving economic conditions, public sector debt remains high and Government are committed to turning the current annual budget deficit,

currently standing at approximately £69.5bn² per annum into surplus by 2020 at which time they can start to pay down the national debt. The Prime Minister has previously stated that growth alone will not fix the budget deficit and recent announcements from Government indicate that Local Government is likely to face funding reductions in the order of a further 30% over the next 4 years.

- 4.4 Looking forward, the Council's current forecasts which run to 2018/19 indicate an overall savings requirement of £31m over the forthcoming 3 year period. This will mean that over the period of the austerity programme, funding from Government will have reduced by some 53%.

5 Local Government Funding Outlook - 2016/17 and Beyond

Local Government Finance Settlement 2016/17 & Beyond

- 5.1 The Local Government Finance Settlement is the term used to describe the main non-ring fenced Revenue and Capital grant funding allocations from Government.
- 5.2 The Local Government Finance Settlement for 2016/17 which accounts for approximately 48% of controllable spending is expected to be announced in either the second or third week of December following the announcement of the Comprehensive Spending Review on 25th November.
- 5.3 Until the Local Government Finance Settlement is received in mid to late December, overall Council funding for 2016/17 and indicative funding levels for future years will be unclear. Early indications are that funding reductions from Central Government, at a national level, will run at approximately 8% per annum for the next 4 years but reductions at a local level will differ between authorities. Currently the Council's forecasts reflect an overall 8.5% reduction in 2016/17 and 7.6% reductions thereafter. Should Government funding reductions of 8% per annum be implemented, this would be in broad alignment with the current assumption of a £26.6m reduction in Government funding over the period.
- 5.4 Whilst the Local Government Finance Settlement is a significant factor in determining the Council's overall financial position and therefore any necessary savings, other significant factors that will affect the Council's future savings requirements include Business Rates income, Council Tax income, inflation, interest rates and any new unfunded burdens passed down from Government.

² Office For Budget Responsibility - July 2015 Budget

Council Tax 2016/17 & Beyond

- 5.5 Portsmouth City Council is a low taxing Authority. The Council currently receives approximately £6.0m per annum less in Council Tax than the average Unitary Authority within its statistical neighbour group, a gap which the Council would otherwise not need to fund through reductions in services or additional income.
- 5.6 The original assumptions for 2016/17, 2017/18 and 2018/19 are for a 2.0% increase in Council Tax each year, this generates a total of £3.8m in income over the 3 year period (or £1.25m per annum). The increase in the amount of Council Tax payable by the average council taxpayer³ in Portsmouth with a 2% increase is £18.22 per year (or 35 pence per week).
- 5.7 Each 1% change (increase or decrease) in the Council Tax results in a change to the savings requirement of £625,000⁴. Should the Council wish to reduce the assumed level of Council Tax increase from 2.0%, equivalent savings will need to be made in order to remedy the associated increase in the overall deficit. Conversely, any increase in Council Tax beyond 2.0% will make a contribution towards the overall deficit, meaning that the extent of savings to be made will reduce. Council tax increases however, are subject to a "referendum threshold" which is a limit (i.e. council tax increase) that to exceed requires a "yes" vote in a referendum. The Council Tax referendum limits are not expected to be announced until the second or third week in December as part of the Local Government Finance Settlement.
- 5.8 At the time of writing, to address national cost pressures some political commentators are anticipating that the Chancellor may allow a 2% increase in Council Tax where this is earmarked for Adult Social Care. It is not clear that this would be in addition to any increase allowed within 'referendum limits' but it is understood that most councils, like us, will have assumed a 2% rise regardless.
- 5.9 As set out in Section 6, there are a number of actual and potential cost pressures that will fall on Adult Social Care in 2016/17 arising from both the Care Act and the introduction of the National Living Wage. The National Living Wage alone could confer an additional cost of circa £1.5m on the Council. These new burdens have not been factored into the Council's overall £31m financial deficit as it has been assumed that any new burden will be funded in full by Government. On that basis, it is recommended that in the event that the Council has the ability to increase the level of Council Tax beyond 2% in order to fund Adult Social Care pressures and if the Council elects to do so, that any additional funding that arises is passported direct to Adult Social Care in order to provide for those unfunded pressures.

³ The median Council Taxpayer lives in a Band B property

⁴ Tax increases will be subject to Council Tax referendum thresholds which are at this stage unknown

Business Rates 2016/17 & Beyond

5.10 The previous grant funding system from Government changed in 2013/14. Funding from Government was reduced and replaced with the ability to retain 49% of all Business Rates collected. Business Rates income is increased by inflation each year and is also influenced by the extent to which Business Rates income grows or contracts and the level of successful appeals against rates valuations. Whilst this presents an opportunity for Local Authorities with strong business growth potential, it also presents risks for Authorities whose business rates base is in decline or subject to “shocks” such as closure (or relocation) of major businesses in an area.

5.11 The system is complex but some of the key features are highlighted below:

- For business the National Non Domestic Rates (NNDR) system will remain the same. Local Authorities will not have control over how the level of tax is determined for ratepayers
- If the business rate taxbase grows the City Council will be rewarded with increased funding, but if it declines Council funding will reduce
- It is estimated that a 1% change in Business Rates will result in circa £400,000 change in funding
- Local Authorities that have very significant business rate growth will pay a levy
- A safety net payment will come into effect if an Authority’s income falls by more than 7.5% of the original baseline funding level.

5.12 Current estimates of the City Council's share (i.e. 49%) of total Business Rates collected for 2015/16 is £39.6m. For the period 2016/17 to 2018/19, the Council's forecasts assume no real growth but with inflationary uplifts of 2.1%, 2.9% and 3.4%, respectively. These inflationary uplifts are now considered to be optimistic and changes to the estimated Business Rate income for the current and future years will be reflected in the comprehensive revision to the Council’s overall financial forecasts in February 2016. Any consequent implications will be reflected in the Savings Requirements for future years.

5.13 Economic growth and job creation in the city are essential and the City Council has a key role in regenerating the city, working with partners to grow the local and sub-regional economy. As described later in this report, growth and job creation has the dual impact of increasing the prosperity of residents generally which leads to a reduction in demand for Council services and increases Business Rates, of which 49% is retained by the Council. This allows the Council to both reduce its costs as well as generate additional income.

- 5.14 Supporting growth and job creation will be a particular challenge to the City Council in the coming Budget. Savings proposals will need to consider how best to assist the economic recovery at a time when the Council's own funding is being cut and demand for essential services is likely to increase (see demographic changes at Section 6 below). For the reasons outlined, supporting growth and job creation remains a central theme of the Council's Medium Term Financial Strategy.
- 5.15 In summary, the funding for Local Government will remain particularly uncertain until the outcome of the Local Government Finance Settlement in December 2015. Whilst uncertain, the Council's current forecasts for 2016/17 anticipate a total reduction in revenue funding from Government of £9.8m whilst a Council Tax increase of 2.0% and an inflationary uplift in Business Rates will generate £3.5m of income, a net shortfall of £6.3m before taking account inflationary and other cost pressures.
- 5.16 Over the full 3 year period of the Council's forecasts, the shortfall between Council Tax increases and inflationary uplifts on Business Rates at £7.6m compared with funding reductions of £26.6m leaves a net shortfall of £19m before taking into account inflationary and other cost pressures described in the next section.

6 City Council Expenditure Outlook - 2016/17 & beyond

Demographic Changes

- 6.1 Demographic changes are likely to generate the largest cost pressures facing the City Council going forward. Nationally, it has been said that the ageing population will cause at least as much pressure on budgets as the austerity programme currently in place. As well as pressure caused by an ageing population there is also pressure caused by a "living longer" population. More people are coming through the transition into adult care from children's care with profound physical or learning disabilities and tend to be at the higher end of the care spectrum, costing significant amounts of money. The outlook therefore for the Council's essential care services is one of significantly increasing costs.

Government Policy Changes / Expectations 2016/17 and Beyond

- 6.2 Reforms to the welfare system are likely to result in additional demands on the Council's housing and essential care services.
- 6.3 Such changes could also reduce the income which the Council can charge for providing those services. The cumulative impact of the reforms where separate benefits convert to the Universal Credit coupled with the change from Disability Living Allowance to Personal Independence Payments is likely to reduce social

care clients' disposable income and therefore the amount they can afford to pay for their care.

- 6.4 New care duties and responsibilities for local authorities commenced under the Care Act in April 2015. The Government has stated that it will fund these new Care Act requirements in full (either to Local Authorities directly, and potentially by the ability to raise Council Tax, or through the Better Care Fund of the NHS).
- 6.5 The introduction of the National Living Wage from April 2016 is expected to create significant cost pressures for the Council particularly in Adult Social Care contracts. Initial estimates suggest that the impact could be in the order of £1.5m per annum. Again, it is possible that Government may seek to mitigate this by allowing Council's the ability to raise Council Tax.

Inflation

- 6.6 In overall terms, the cost of inflation has been relatively modest in recent years. This has been held down largely due to the pay restraint over the last 5 years characterised by pay freezes and modest increases of circa 1% per annum over the past 2 years. For the next 3 year period, the Council's current forecasts assume that inflationary costs will amount to £13.1m as pay increases return and the Consumer Price Index (CPI) starts to move to more normal levels. Of particular significance for 2016/17 is the increase in Employers National Insurance contributions which comes into effect from 1st April 2016. This removes the "contracted out rebate" that is currently in place for employers with occupational pension schemes. It is estimated, on average, this will be an effective increase of 37% in those contributions. Taking account of all of these factors, overall inflation for the Council over the next 3 years is forecast to range between 2.5% and 3.4%.
- 6.7 These assumptions will be comprehensively reviewed in February 2016 with all of the other assumptions within the Council's medium term financial forecasts when they will be known with greater certainty.

Interest Rates

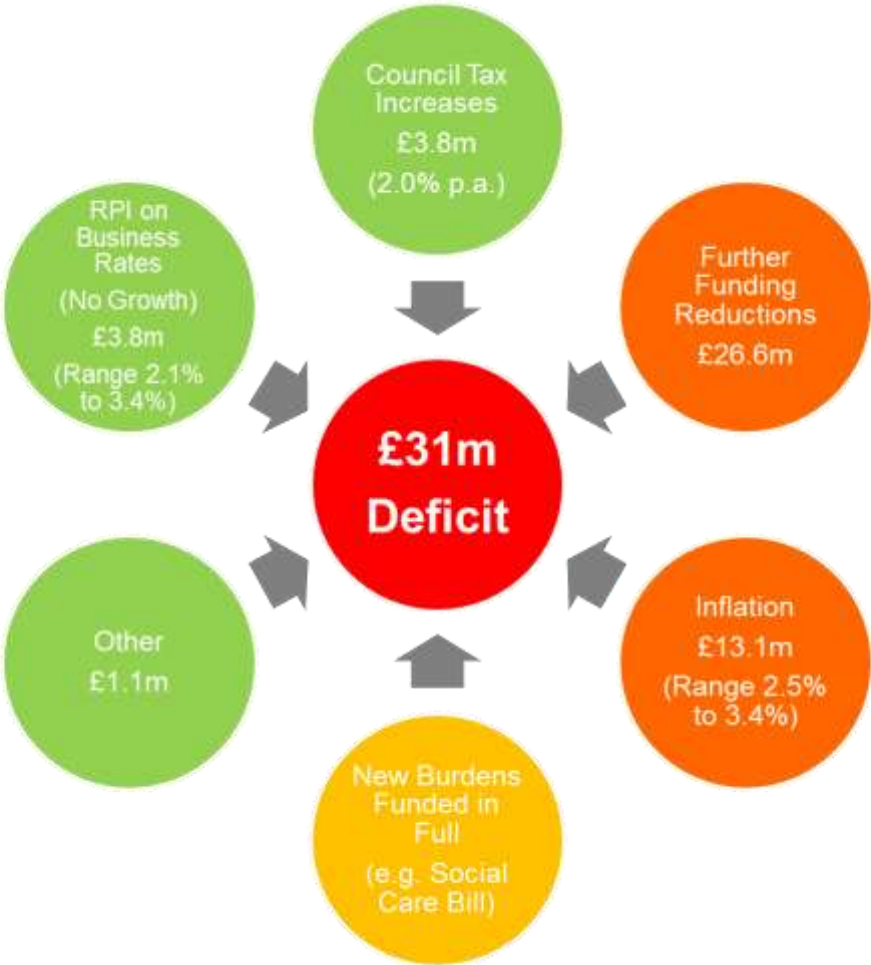
- 6.8 Interest rates for investments were initially forecast to range between 1.25% in 2016/17 and rise steadily to 2.25% in 2018/19. Expectations now are that interest rates will not rise at quite the pace originally forecast and therefore the positive influence that rising interest rates have on the Council's overall financial position will be lower. It had originally been assumed that an improvement amounting to £0.4m would arise, this will be reviewed as part of the Council's comprehensive revision of its forecast in February 2016.
- 6.9 Borrowing rates are quite volatile due to geo-political and sovereign debt crisis developments but the general expectation is for an eventual trend of gently

rising gilt yields and therefore borrowing rates. The Council is not generally in a borrowing position in the short term but may take modest amounts of borrowing (for future requirements) within the next 3 years if low rate opportunities arise.

7 Overall Financial Forecast - 2016/17 to 2018/19

Overall 3 Year Financial Forecast

- 7.1 In overall terms, taking account of both spending pressures and funding reductions over the next three financial years, it is forecast that the Council faces an overall deficit of £31m. This means that by 2018/19, the Council's net expenditure will need to be £31m less that it is at present and that savings of that sum will need to be made either through increased income or reduced costs.
- 7.2 An illustration of the factors causing the forecast £31m deficit as described in Sections 5 & 6 is shown below:



Savings Requirement for 2016/17 & Forecast Savings Requirements for 2017/18 and 2018/19

- 7.3 The last comprehensive review of the City Council's 3 Year Financial Forecast was reported in the Annual Budget Report in February 2015. This set out the City Council's underlying budget deficit and consequent forecast Budget Savings Requirement for the next 3 years as follows:

	Underlying Budget Deficit	Annual Budget Savings Requirement	Total Savings Requirement
	£m	£m	£m
2016/17	13.2	11.0	11.0
2017/18	21.1	10.0	21.0
2018/19	31.0	10.0	31.0

- 7.4 On the basis of the overall £31m deficit and the preference to be able to manage those savings smoothly over that period, the City Council resolved in February 2015 that a minimum savings requirement of £11.0m would be implemented for 2016/17. That minimum savings requirement was predicated on a Council Tax increase of 2.0% (which generates £1.2m of additional Council Tax income).
- 7.5 Whilst the Council is aware of a number of potential changes to the assumptions underpinning these forecasts, there will remain significant uncertainty until the announcement of the Local Government Finance Settlement in mid to late December. Coupled also with necessary revisions to the estimates of Council Tax and Business Rates income which will not take place until early January 2016, this means that a comprehensive revision at this stage would be premature and subject to potentially significant change.
- 7.6 The Director of Finance & IS (S151 Officer) advises that whilst it is likely that the overall financial forecasts will change, the savings requirement for 2016/17 at £11.0m (with a Council Tax increase of 2.0%) remains robust and prudent. Given what is known, or reasonably expected, regarding future funding reductions and given future uncertainties also, a savings requirement of less than these sums would not be prudent.

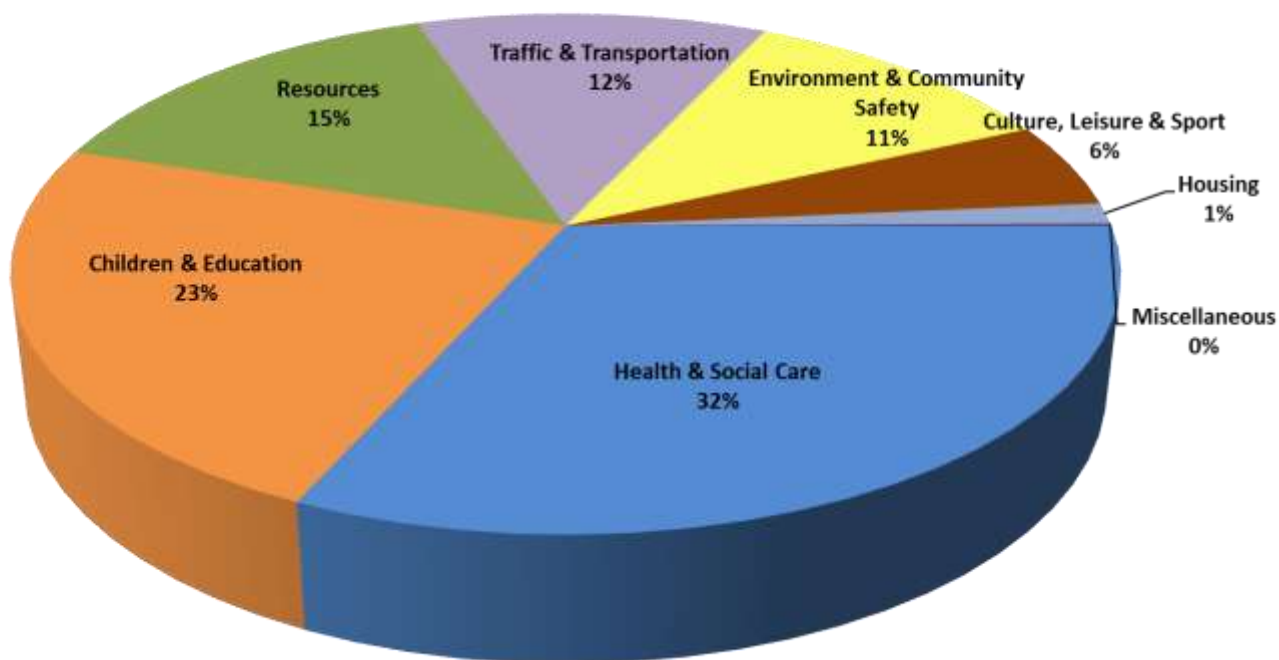
8. Medium Term Financial Strategy - 2016/17 & beyond

Financial Strategy 2016/17 & Beyond

- 8.1 In overall terms, the financial picture over the next 3 years and beyond is one of increasing costs and demand for services, particularly in essential care services, at the same time as continued and unprecedented reductions in funding. Taking all of the cost and funding implications into account, it is estimated that the Council will need to make £31m of savings over the next 3 years.

8.2 Considering also that those essential care services consume 55% of the Council's net controllable budget, the Council is faced with a position where it not only has to meet those costs, or at the very least manage the demand for those services, but simultaneously find £31m savings across all areas. This is illustrated below:

2015/16 Net Controllable Expenditure of £125m



8.3 It is also of significance that a further 23% of the Council's controllable spend is consumed by the Traffic & Transportation and Environment & Community Safety Portfolios where a large proportion of their activities is tied into long-term contracts where the savings potential is therefore more limited.

8.4 The Council's Medium Term Financial Strategy has been developed to respond to these very challenging circumstances. The Strategy has a strong regeneration focus with a presumption that Capital investment will be targeted towards economic growth. This is to improve the prosperity of the City through employment as an objective in itself but also because this will reduce the demand for Council services generally. Furthermore, re-generation creates the opportunity for additional business rates to be generated and retained by the Council. The Capital Programme can also be a vehicle for Invest to Save schemes enabling the Council to reduce its own costs in the future. Accordingly, the strategy is consistent with 'Shaping the future of Portsmouth' (adopted by the City Council in 2010) which articulates the vision for the City to become a globally competitive economy supporting local economic growth, innovation and enterprise. This strategy has been adopted by business

leaders across the City and is in the process of being delivered in partnership with the Shaping Portsmouth Partnership.

OVERALL AIM

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

STRAND 1

Reduce the City's dependency on Central Government Grant:

- Entrepreneurial activities
- Income Generation
- Capital investment for jobs and business growth (increased Business Rates)

STRAND 2

Reduce the extent to which the population needs Council Services

- Re-direction of resources towards preventative services (avoid greater costs downstream)
- Design fees & charges policies to distinguish between want and need
- Capital investment towards jobs and skills to raise prosperity

STRAND 3

Increase the efficiency & effectiveness of the Council's activity:

- Contract reviews
- Rationalisation of operational buildings
- Support to the Voluntary Sector
- Targeted efficiency reviews in "resource hungry" services
- Capital investment for on-going savings or cost avoidance

STRAND 4

Withdraw or offer minimal provision of low impact Services:

- Strong focus on needs, priorities on outcomes
- Use the insights of Councillors to inform priorities
- Use the results of public consultation to inform priorities

- 8.5 The Strategy is underpinned by a financial framework which provides financial autonomy to Portfolios and Committees. Any underspending arising against their budgets are retained by them. This was deliberately designed to create the financial conditions that support responsible spending and forward financial planning. The implication of this is that the opportunity for future underspending to accrue and be available corporately is much reduced. It is vitally important therefore, that the use of any corporate underspends is used wisely and in accordance with the Council's Medium Term Financial Strategy aimed at meeting the future financial challenges of the Council.
- 8.6 The MTRS Reserve is a fundamental component of the Council's financial framework and is designed to provide funding for future redundancies, Spend to Save and Invest to Save initiatives. The current uncommitted balance on the MTRS Reserve amounts to £3.0m and is considered to be very modest in the context of the £31m of savings that the Council is required to make over the next 3 years.

9 Budget Process & Consultation 2016/17

9.1 The Administration have taken a fundamentally different approach to the budget process this year. In previous years, the starting point for the process has been to seek savings across Services on a pro rata basis for more than was required and then make judgements over whether or not such savings proposed were acceptable or not in terms of their impact. For 2016/17, the starting point for savings has been based on an evaluation of the following:

- Overall scope for making savings - determined by the overall size of the Service budget
- Relative Service priority
- Relative ability to make efficiency savings
- Relative exposure to unavoidable cost pressures
- Relative ability to generate income

This has resulted in the proportion of savings required (relative to budget) being different for each Portfolio.

9.2 In parallel, during September and October of this year, the Council undertook a Budget consultation to understand residents spending priorities and where they felt savings should be made. The consultation was city wide and took the form of a questionnaire which was also supplemented by a series of public meetings with residents, staff and the business community.

9.3 The final response rate from the consultation was as follows:

Residents	1,357
Staff	964
Citizen's Panel	167
Total	2,488

9.4 The response rates are distributed throughout the city and provide a varied set of responses; more economically challenged areas are marginally less represented in the Citizen's Panel responses.

9.5 Given the response volume, the results can be considered to be statistically robust.

9.6 Resident responses only are summarised below:

- 45% think a reduction in the bus subsidy is necessary compared with 31% who would like it to remain the same.
- 41% of residents want to maintain grants to cultural organisations with an equal number wishing to see it reduced. 59% however, would like to reduce the funding to the Guildhall.
- 47% of residents think school crossing patrol responsibility should be transferred to schools.
- Opinion on library service provision is split fairly closely with 29% of residents indicating they would prefer to close smaller libraries while retaining larger ones, while 32% believe library services should be delivered via volunteers
- 71% of residents indicated that smoking cessation should be cut.
- 74% of residents wanted to see a reduction in the cap for council tax support.
- Only 22% of residents are opposed to an increase in council tax

9.7 The following are the results for **staff responses**:

- Staff feel more strongly than residents that bus subsidies should be reduced with 50% choosing this option.
- Staff strongly believe that there should also be a reduction in the grants to cultural organisations with 46% choosing this option. 66% also felt that there should be a reduction in the funding to the Guildhall
- 65% of staff think children's centres should make use of alternative venues
- Staff opinion closely mirrors residents in the area of library provision. Thirty-six percent think that smaller libraries should be closed while 37% think that services should be run by volunteers
- Only 16% of staff are opposed to an increase in council tax - 6% fewer than residents.

- 9.7 The full results of the Budget Consultation can be found at: <https://www.portsmouth.gov.uk/ext/the-council/transparency/budget-proposals-and-survey-results.aspx>
- 9.8 These results have been fully considered by the Administration in formulating their budget savings proposals described in Section 10 below.

10 Budget Proposals for 2016/17 to 2018/19

Budget Savings Proposals 2016/17

- 10.1 The Administration's budget savings proposals are centred around the Medium Term Financial Strategy previously described in Section 8 and have been prepared paying due regard to the responses from the Budget Consultation set out in Section 9 as well as the Administration's strategic priorities. The proposed savings amounts to be made by each Portfolio and which are recommended for approval are attached at Appendix A.
- 10.2 Noting the response from the Budget Consultation which generally suggests that services to the vulnerable should receive some measure of protection and considering that the Children & Education Portfolio and the Health and Social Care Portfolio need to remedy their current budget deficits of £2.7m and £2.4m respectively, the Administration's savings proposals provide significant protection from savings for both of these Portfolios. As a necessary consequence, savings from other Portfolios are proportionally higher and significantly higher in some cases such as Planning Regeneration & Economic Development, Traffic & Transportation and Resources. A summary of the overall savings proposals for 2016/17, by Portfolio, is set out below.

Portfolio / Committee	Savings Proposal	
	£	% Budget
Children & Education	760,600	2.5%
Culture, Leisure & Sport	734,800	10.1%
Environment & Community Safety	777,700	5.5%
Governance, Audit & Standards	68,000	9.2%
Health & Social Care	2,605,100	5.2%
Housing	391,000	9.7%
Leader	7,700	3.6%
Planning, Regeneration & Economic Development	814,700	25.1%
Resources	3,540,400	18.8%
Traffic & Transportation	800,000	24.2%
Transfers to the Housing Revenue Account	500,000	0.7%
Grand Total	11,000,000	8.3%*

* Excludes the Housing Revenue Account Budget

- 10.3 The analysis above highlights the conundrum that the Council faces regarding the desire to protect Education and the essential care services whilst still wishing to retain good quality sustainable public services in its other portfolios. By way of example, the average saving required across the Council was 8.3% of spending but to protect Children & Education (at 2.5% spending reductions) and Health & Social Care (at 5.2% spending reductions), it has been necessary to make spending reductions in other valued Portfolios of up to 25%.
- 10.4 In part, the reason for such high levels of funding protection for the Children & Education and Health & Social Care portfolios has been the need to first address the existing underlying budget deficits contained within these portfolios of £2.7m and £2.4m, respectively. These underlying deficits have largely arisen from both unavoidable demand led cost pressures combined with the slippage or non-achievement of previously approved savings.
- 10.5 Inevitably, there are a number of financial risks contained within the proposals for making savings of the scale of £11m (or 8.3%) on the back of making £75m in savings and efficiencies over the past 5 years. The risks are unavoidable, however for those with the highest likely impact, mitigation strategies are being developed. In previous years, the highest risks have been to the delivery of the savings within the essential care services and whilst these still remain, they have generally been managed by making some contingency provision on a "one-off" basis in order to provide additional time to re-design service provision.
- 10.6 Looking forward to 2016/17, there still remain risks to the essential care services. Although the savings in those services are comparatively modest compared with previous years, and many of those risks have now been mitigated, the cumulative impact of past savings has reduced the Council's levels of resilience in these areas overall. Aside from the essential care services, other emerging risks include the savings proposed to the Domestic Abuse service which amount to £180,000 and will be a sizeable reduction in capacity. The Council is currently working through its mitigation plans and re-design of this service to fulfil its commitment to continue to support this important service. Funding for the service will remain intact throughout the whole of 2016/17 whilst this review is taking place. This review will not only include current specialist staff but will also explore how other professionals in the Council could be better equipped to support victims of domestic abuse. Equally, there will be a greater focus through the existing Healthy Child Programme, Health Visiting and Early Years services to identify and support those with relationship problems. Sexual Health promotion work will also include a focus on healthy relationships and Drug and Alcohol services will seek to identify and support people experiencing domestic violence especially those with young children.
- 10.7 It is important to note that the Council's responsibility is to set the overall Budget of the Council and determine the cash limits for each Portfolio. It is not the responsibility of the Council to approve the detailed savings that need to be made in order for the Portfolio to meet its cash limit. The Council do

need to have the confidence that the recommended savings for each Portfolio are deliverable and what the likely impact of delivering those savings might be. Indicative savings that are likely to be necessary in delivering the overall Portfolio savings are attached at Appendix B and whilst the detailed savings are not a matter for the Council to decide, they are presented to inform the decision of Council relating to the savings to be made by each Portfolio / Committee.

- 10.8 To mitigate against the uncertainty presented by the Local Government Finance Settlement and potential changes to both Council Tax income and Business Rates income as well as the general need to find £31m for the period 2016/17 to 2018/19, it would be prudent and financially responsible for the Council to seek to implement its 2016/17 savings as early as possible. From the perspective of service delivery, giving partners and residents significant advance notice of the changes to come into effect from next April will assist them to plan for change accordingly.
- 10.9 A crucial part of a prudent financial strategy is to maintain strong financial resilience. That means maintaining adequate levels of reserves to be able to respond to "financial shocks" or having reserves available to help implement savings in a planned and managed way. The early (or timely) implementation of savings proposals ensures that those reserves remain intact and are available for such purposes.
- 10.10 In order for the City Council to be able to implement the Savings Requirement in good time, a number of savings proposals will require that consultation take place and notice periods be given. Should the Portfolio savings set out in Appendix A be approved, Managers will commence any consultation process or notice process necessary.
- 10.11 For savings proposals that require consultation, the actual method of implementation or their distributional effect will not be determined until the results of consultation have been fully considered. Following consultation, the relevant Portfolio Holder may alter, amend or substitute any of the indicative savings proposal(s) set out in Appendix B with alternative proposal(s) amounting to the same value.

Budget Pressures Proposals 2016/17

- 10.12 The Council no longer makes any general provision for Budget Pressures. This was agreed as part of the Medium Term Financial Strategy approved by the City Council in November 2013.
- 10.13 One of the aims of the Medium Term Financial Strategy is to create the conditions that incentivise responsible spending and strong forward financial planning. As a consequence, a financial framework was implemented which provides Services with much greater financial autonomy.

10.14 The features of the new financial framework include:

- i) Each Portfolio to retain 100% of any year-end underspending and it to be held in an earmarked reserve for the relevant Portfolio
- ii) The Portfolio Holder be responsible for approving any releases from their earmarked reserve in consultation with the Director of Finance & Information Services (S151 Officer)
- iii) That any retained underspend (held in an earmarked reserve) be used in the first instance to cover the following for the relevant Portfolio:
 - a) Any overspendings at the year-end
 - b) Any one-off Budget Pressures experienced by a Portfolio
 - c) Any on-going Budget Pressures experienced by a Portfolio whilst actions are formulated to permanently mitigate or manage the implications of such on-going budget pressures
 - d) Any items of a contingent nature that would historically have been funded from the Council's corporate contingency provision
 - e) Spend to Save schemes, unless they are of a scale that is unaffordable by the earmarked reserve (albeit that the earmarked reserve may be used to make a contribution)

Once there is confidence that the instances in a) to e) can be satisfied, the earmarked reserve may be used for other developments or initiatives

10.15 Correspondingly, any Budget Pressures must be funded within the overall resources available to the Portfolio Holder (which includes their Portfolio Reserve). As previously mentioned, it is the decision of the Portfolio Holder in consultation with the Director of Finance & Information Services (S151 Officer) to make releases from the Portfolio reserve.

Proposals for Funding from the Medium Term Resource Strategy Reserve

10.16 The Medium Term Resource Strategy Reserve (MTRS Reserve) is a reserve maintained by the Council for Spend to Save, Spend to Avoid Cost and Invest to Save Schemes. It is also the reserve that funds all redundancy costs arising from Budget Savings proposals. At present the reserve has an uncommitted balance of £3.0m.

10.17 In accordance with the Council's Financial Strategy to reduce costs through increased efficiency, last year the Council created a Business Intervention Fund of £0.5m funded from the MTRS Reserve. This was to be used to support a programme of interventions across the Council. Three interventions are currently in train across activities in Adult Social Care, Finance and Revenue & Benefits. Whilst funding still remains in place to support these activities, it is proposed to increase the funding by a further £0.5m from the MTRS Reserve so that the Council can continue its programme of service

interventions at scale and at pace in readiness for the continued savings challenge for future years.

- 10.18 Should the recommendations contained within this report for the transfer of £0.5m from MTRS Reserve to the Business Intervention Fund be approved, the remaining uncommitted balance on the MTRS Reserve will amount to £2.5m.
- 10.19 An uncommitted balance on the MTRS Reserve of £2.5m is considered to be very modest in the context of the £31m of savings that the Council is required to make over the next 3 years. As the Council's primary vehicle for providing funding for Spend to Save initiatives, it is crucial that this fund is both spent wisely and replenished at every opportunity.

Approval of the Budget 2016/17

- 10.20 At the 9th February 2016 Council meeting, a comprehensive revision of the Council's future forecasts will be presented. This will revise all of the key assumptions set out below as well as extending the forecast to cover an additional year (2019/20) in order to maintain a rolling 3 year plus current year financial forecast.
- 10.21 The Budget 2016/17 presented to the City Council for approval will be prepared on the basis of the proposals for savings, Council Tax and releases from the MTRS Reserve as set out in this report. It will also include the outcome of the following:
- The Local Government Finance Settlement for 2016/17
 - The final estimate of the Council Tax yield (based on the determination of the Council Taxbase)
 - The final estimate of the Business Rate yield
 - Any necessary inflationary uplifts
 - Final estimates of all items outside of cash limits including capital charges, support service charges, insurance, pension costs, contingency, borrowing costs, investment income, levies and precepts
 - Any necessary virements across Portfolios to reflect changes in responsibilities.

11 Conclusion

- 11.1 The financial challenge faced by the City Council continues and is characterised by simultaneous reductions in funding and increasing cost pressures, driven largely by demographic pressures in the essential care services. This requires the Council to make savings and/or increase income by £31m over the next 3 years (assuming a Council Tax increase of 2% in each and every year).

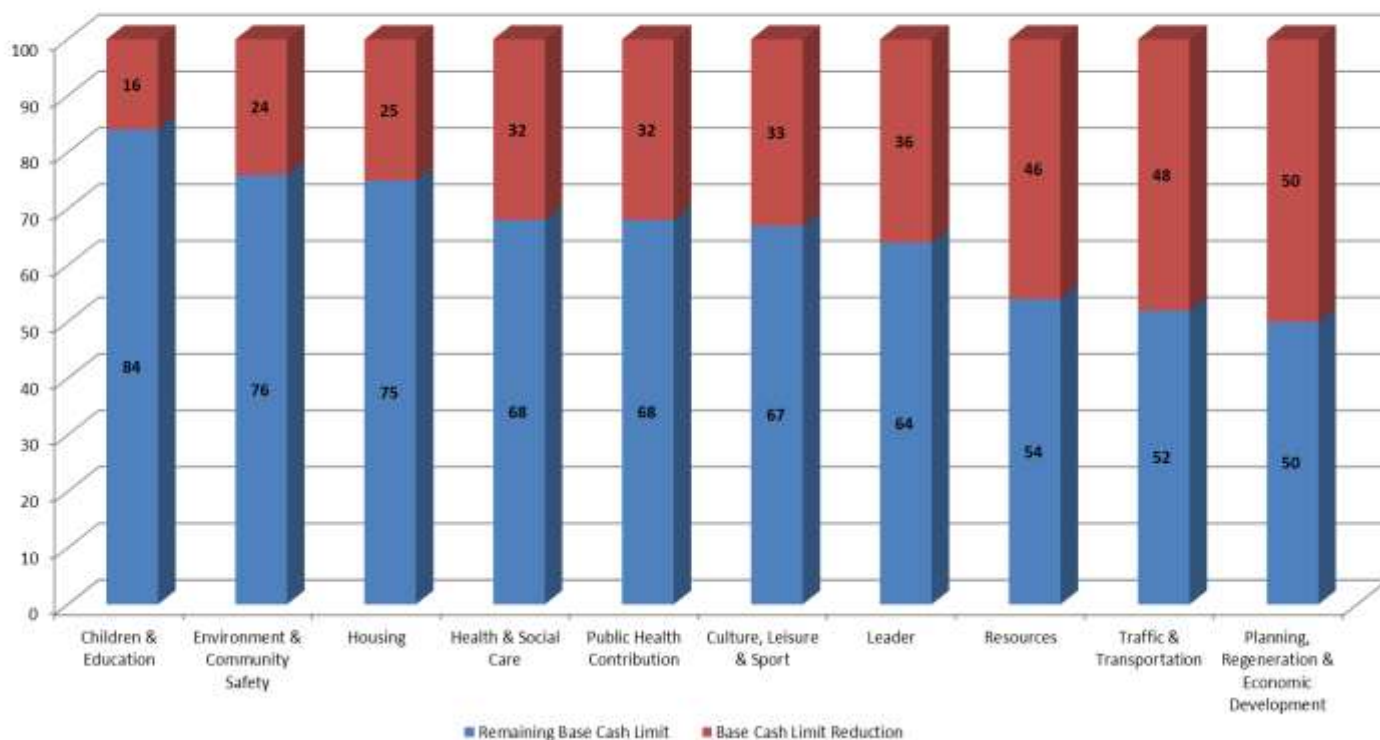
11.2 The first tranche of these savings amounting to £11m for 2016/17 have been developed in accordance with the Council's Medium Term Financial Strategy which focusses on the avoidance of cuts with an emphasis on:

- Reducing the dependency of government funding (through income generation)
- Reducing the extent to which the population needs Council services (through prevention activities and regeneration activities)
- Increasing the efficiency and effectiveness of the Council's services

Given the speed at which savings need to be made, it is inevitable that some cuts are required. These cuts have been informed by the budget consultation exercise and have been proposed on the basis that they are in the areas of least impact.

11.3 Including the £11m of savings proposals set out within this report, the cumulative savings of the Council over the austerity period from 2011/12 amounts to £86m. The impact that this has had on spending levels of Portfolios over that same period is illustrated below (Blue segment illustrates level of spending that remains, red segment is the level of spending which has been removed). The chart illustrates those services that have received relative protection from spending reductions (left hand side) and those services that have provided the compensation by making relatively higher spending reductions (right hand side).

Budget 2016/17 Compared to Budget 2011/12 (2016/17 prices)



- 11.4 Looking forward beyond 2016/17, the scale of the future savings requirements will be such that the Council will no longer be able to afford the same levels of protection that have been provided in the past for its Children & Education, Health & Social Care and Environment and Community Safety services without severe cuts to all other Services.
- 11.5 The proposal to supplement the Business Intervention Fund with a further £0.5m to continue the programme of service interventions is aimed at looking forward and providing sufficient resources to help achieve future savings requirements relating to improving the Council's efficiency and effectiveness as stated in the Council's Medium Term Financial Strategy.
- 11.6 Approval for the savings proposals is recommended at this early stage in order to achieve full year savings and avoid greater and deeper cuts associated with any delay. In terms of service delivery and planning, it is equally important to provide partners and residents significant advance notice of the changes to come into effect in order to assist them to plan for change accordingly.
- 11.7 This report is the pre-cursor to the Annual Budget and Council Tax Setting meeting to be held on the 9th February 2016 where the Council will be requested to formally approve the Budget for 2016/17 and the associated Council Tax for the year. Should the savings proposals contained within this report be approved, they will form the basis of the Budget 2016/17 presented to Council in February 2016. That report will also include a comprehensive revision of the Council's future forecasts and set the consequent future savings requirements for the period 2017/18 to 2019/20.
- 11.8 Finally, the proposals within this report will maintain the Council's financial health and resilience and therefore its ability to respond in a measured and proportionate way to any "financial shocks" by having adequate reserves and contingencies available for a Council of this size and risk profile.

12 Equality Impact Assessment (EIA)

- 12.1 The Portfolio / Committee savings amounts proposed within this report will inevitably impact on service provision. Appendix B describes the indicative savings that might (or are likely) to be made in order to achieve the proposed savings amounts. Whilst some are likely to be implemented, there will be others that require consultation and appropriate Equality Impact Assessments to be considered before any implementation can take place. For this reason, any savings proposal set out in Appendix B can be altered, amended or substituted with an alternative proposal following appropriate consultation.
- 12.2 A city-wide budget consultation took place during September and October to help inform how to make £31m of savings over the next 3 years. The consultation took the form of a questionnaire which was also supplemented by a series of public meetings with residents and one public meeting with the

business community. The Scrutiny Management Panel also met to consider the proposals contained within this report and have the opportunity to make their representations to the Cabinet prior to their recommendation to the City Council.

13 City Solicitor's Comments

13.1 The Cabinet has a legal responsibility to recommend a Budget to the Council and the Cabinet and Council have authority to approve the recommendations made in this report.

14 Director of Finance's Comments

14.1 All of the necessary financial information required to approve the recommendations is reflected in the body of the report and the Appendices.

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Signed by: Director of Finance & Information Services (Section 151 Officer)

Appendices:

A	Recommended Portfolio / Committee Savings 2016/17
B	Indicative Savings Proposals 2016/17

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

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

Title of document	Location
Budget Working Papers	Director of Finance & Information Services (S151 Officer)
Local Government Finance Settlement 2015/16	Director of Finance & Information Services (S151 Officer)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the City Council on 8th December 2015.

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Signed by: Leader of Portsmouth City Council

Appendix A

PROPOSED BUDGET SAVINGS AMOUNTS 2016/17 BY PORTFOLIO/COMMITTEE

Portfolio/Committee	Saving 2016/17		Saving 2017/18		Saving 2018/19	
	£	%	£	%	£	%
Children and Education	760,600	2.5%	760,600	2.5%	760,600	2.5%
Culture, Leisure and Sport	734,800	10.1%	734,800	10.1%	734,800	10.1%
Environment and Community Safety	777,700	5.5%	758,700	5.4%	758,700	5.4%
Governance, Audit and Standards	68,000	9.2%	68,000	9.2%	68,000	9.2%
Health and Social Care	2,605,100	5.2%	2,605,100	5.2%	2,605,100	5.2%
Housing	391,000	9.7%	391,000	9.7%	391,000	9.7%
Leader	7,700	3.6%	7,700	3.6%	7,700	3.6%
Planning Regeneration and Economic Development	814,700	25.1%	814,700	25.1%	814,700	25.1%
Resources	3,540,400	18.8%	3,559,400	18.9%	3,559,400	18.9%
Traffic and Transportation	800,000	24.2%	800,000	24.2%	800,000	24.2%
Transfers to Housing Revenue Account	500,000	0.7%	500,000	0.7%	500,000	0.7%
Grand Total	11,000,000	8.28%	11,000,000	8.28%	11,000,000	8.28%

Appendix B

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal		Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
<u>Children and Education Portfolio</u>					
<u>Deputy Director (Children's Social Care)</u>					
001	Review of Special Guardianship Orders (SGO) Policy. Savings from review of allowances and process review	Potential risk of limiting uptake of SGOs, increasing pressure to recruit new foster carers. Additional finance team support will be needed in review of current arrangements and delivery of revised systems	100,000	100,000	100,000
002	Staff Parking Permits - revised system for parking permit allocation	Staff who don't meet criteria for permit will need to make alternative arrangements to pay for parking/use park & ride or identify free parking	40,000	40,000	40,000
003	Review of accommodation and associated running costs to relocate contact delivery through Multi Agency Teams (MATs)	Saving will require relocation of some staff members into other buildings. User may need to travel further in order to access services	70,000	70,000	70,000
004	Review contract management for further efficiencies	This would lead to a reduction of service provision across contracts in some areas. May require statutory consultation, depending on services concerned	55,000	55,000	55,000
<u>Deputy Director of Children's Services (Education)</u>					
005	Reduction in the administrative staffing support levels across Education Services	No Impact - Currently a vacant post which will not be filled	22,000	22,000	22,000
006	Deletion of the Local Authority Designated Officer (LADO) post within Education	Limited impact as a LADO role can continue with a designated officer in the Children's Social Care and Safeguarding service within existing budget provision	6,100	6,100	6,100
007	10% increase in income for traded services of Education Information Services through revised offer, including chargeable bespoke reports and enhanced training offer	No impact, provided that clients choose to buy enhanced offer. Risk that income target may not be achieved	7,000	7,000	7,000
008	Restructure of information and data services within Education and Children's Social Care to create a centralised service	Positive impact, as the restructure to a combined team will increase resilience within the staffing structures	14,000	14,000	14,000
009	Cessation of use of external agencies to undertake research projects	Future research will reduce and more use will be made of readily available national research, which will not be tailored to our needs	10,000	10,000	10,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal		Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
010	Reduction in senior management team posts	A reduction in the senior management team will reduce the level of management oversight and may impact on the service's capacity to implement change and development	100,000	100,000	100,000
011	Income generation from the provision of Governing Body reviews	Will require use of existing staff resources to undertake activity which may divert resources from other activities	6,000	6,000	6,000
012	Increase charge to schools for the provision of the Free School Meals checking service to reflect increase in volume (due to universal free schools meals in Key Stage 1 and the impact on Pupil Premium)	Schools Forum will need to agree to an increased charge, which will reduce funding otherwise available to schools. If the charge is not agreed, schools will need to carry out checks individually and the income target will not be met	10,000	10,000	10,000
013	Generate income from introduction of new traded services for Early Years providers	Possible risk to standards in some settings if they choose not to take up traded services offer	15,700	15,700	15,700
014	Introduce charges for training provided in Early Years settings that is currently offered free of charge	Possible risk to standards in some weaker settings, although some free support and challenge will continue for settings assessed as 'Requires Improvement' and 'Inadequate'	8,800	8,800	8,800
<u>Director of Regulatory Services, Community Safety & Troubled Families</u>					
015	Decommission the Multi-Systemic Therapy (MST) service provided by Solent NHS	Current service users will not be impacted by decommissioning MST because the short, intensive nature of the intervention means that all families currently working with the service will have completed their intervention before the service closes. In terms of mitigation, a lower cost, less intensive alternative will be sought (potentially through upskilling the wider children and families workforce) to offer support to families who might otherwise have accessed the MST service. The benefit of this is that more families can be supported with this particular issue (MST currently works with 30 - 35 families per annum)	296,000	296,000	296,000
Children and Education Portfolio Total			760,600	760,600	760,600
<u>Culture, Leisure and Sport Portfolio</u>					
<u>Director of Culture & City Development</u>					
016	Grounds maintenance at Southsea Tennis Club has transferred to the lease holder	No Impact	5,100	5,100	5,100

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
017	Grounds maintenance at Drayton Park former bowling green has transferred to the Fleur De Lys Youth Football Club	1,700	1,700	1,700
018	Grounds maintenance at the Rugby Camp has transferred to the Portsmouth Football Club	5,000	5,000	5,000
019	Income generated from the lease of the Rugby Camp to Portsmouth Football Club	10,000	10,000	10,000
020	Change the way that cleansing at the Seafront is scheduled over the winter period. Cleansing will take place when required as opposed to following a pre-determined schedule. Currently the Seafront is on a 'supercleanse' contract for the whole year	25,000	25,000	25,000
021	Replace non sustainable beds (other than rose beds) at some locations and replace them with sustainable planting. This will be alongside a continued drive for additional sponsorship to fund the maintenance of other beds throughout the city	12,000	12,000	12,000
022	Review the staffing of the Parks and Recreation team to take into account a current vacancy. Also recovery of costs from Social Housing for areas appropriated into them for play grounds and play parks	140,000	140,000	140,000
023	Review the staffing of the Seafront maintenance team to take into account a current 0.5fte vacancy	13,000	13,000	13,000
024	Increase in golf income as a result of more flexible membership and payment options	10,000	10,000	10,000
025	Energy cost savings as a result of various initiatives at the Mountbatten Centre including a combined Heat and Power unit	40,000	40,000	40,000
026	Currently the budget for free swimming for the under 12's is higher than needed. This level of budget will ensure that free swimming is available for all under 12's who live within Portsmouth	20,000	20,000	20,000
027	A review of resources in the Cultural Services administration team	23,000	23,000	23,000
028	Due to increased capital scheme activity the management charges to capital schemes will increase (e.g. The Hard, The Artches)	20,000	20,000	20,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal		Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
029	Reduce subsidy in respect of staff employed at Fratton Community Centre	Fratton Community Association has the largest remaining PCC staff complement and also has significant reserves of its own	8,000	8,000	8,000
030	Staffing review for the Library service and the History service - will result in a potential reduction in headcount for Library and History centre staff	Requirement for additional volunteers in order to maintain service levels which will otherwise be reduced	74,000	74,000	74,000
031	Review of the Outreach library service - will result in a potential reduction in headcount for the Outreach service	Requirement for additional volunteers in order to maintain service levels which will otherwise be reduced	34,000	34,000	34,000
032	Hillside and Wymering - reduce the activities budget from £15,000 to £5,000	The centre has recently opened and has all the new equipment it needs to launch activity groups. The £5,000 budget should be sufficient for the centre	10,000	10,000	10,000
033	Reduce Community Centre repairs budget from £10,000 to £2,000	There are no major tenant repair needs predicted over the next five years	8,000	8,000	8,000
034	Buckland Community Association - reduce the staffing grant budget from £5,000 to zero	This association continues to generate significant surpluses and this reduction is considered sustainable	5,000	5,000	5,000
035	Paulsgrove Community Association - reduce the staffing grant budget from £25,000 to £20,000	This association has considerable spare capacity in the centre to generate additional income from hiring to compensate for this reduction	5,000	5,000	5,000
036	Stacey Community Association - reduce the staffing grant budget from £5,000	This association has recently attracted a pre-school to its premises and will therefore be receiving significant additional income	2,500	2,500	2,500
037	Stamshaw and Tipner Community Association - reduce the staffing grant budget from £7,500 to £5,000	This association is in a strong financial position and can sustain this reduction in grant	2,500	2,500	2,500
038	Generate increased income from events at locations throughout the City including King George V playing fields, Port Solent and the seafront	No Impact	39,000	39,000	39,000
039	Review of Facilities Management team. Following the Senior Management restructure roles and responsibilities have changed. A review of the remaining structure will be undertaken	The review will ensure the continuation of service	55,000	55,000	55,000
040	Adjust the supply of cricket tables to match demand	No Impact based on current demand	4,000	4,000	4,000
041	Increase Beach hut rents by 20%. The annual charge for non residents would increase from £1,200 to £1,440 and the charge for residents would increase from £660 to £795	There is currently a waiting list of 480 which equates to an estimated wait time of 5-6 years	20,000	20,000	20,000
042	Reduce the overall Community Centre Marketing and Communications budget from £4,000 to £3,000	Activity would be prioritised or alternative funding sources sought	1,000	1,000	1,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
043 Reduce the overall Community Centre training budget from £4,000 to £2,000	No Impact - training activity would be prioritised	2,000	2,000	2,000
044 Income from Pop Up Beach Huts - to be used along the seafront for commercial purposes	No Impact	20,000	20,000	20,000
045 Sports Development - Reduction in Sports Development activity	Alternative funding would be sought for individual events	19,000	19,000	19,000
046 Sports Development - Reduction in the budget for Sports Programmes	Alternative funding would be sought for individual programmes	13,000	13,000	13,000
047 Sports Facilities - Reduction in general maintenance budget	No Impact - work would be prioritised if necessary	10,000	10,000	10,000
048 Mountbatten Centre - Reduction in the budget needed for energy costs. Following a benchmarking exercise the liability for an increase payable to the contractor was lower than budgeted	No Impact	40,000	40,000	40,000
049 Post of Development Support officer at Cumberland House is currently vacant. This will not be filled	There will not be a dedicated Development Support officer at the museum	34,000	34,000	34,000
050 Increase Hire Income from the Mutiny festival	No Impact	4,000	4,000	4,000
Culture, Leisure and Sport Portfolio Total		734,800	734,800	734,800

Environment and Community Safety Portfolio

Director of Culture & City Development

051	Sustainability and Carbon Reduction Service	Focus efforts on highest impact activities. Realigning priorities as a result of joining a wider team to avoid duplication	55,000	55,000	55,000
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Director of Property & Housing Services

052	Public Conveniences: Service review including staffing and service provision	The review will lead to the reduction of operating hours of the "pay as you use" provision at Clarence Pier so that it wont be open at low use times - Residents can make use of the be 4 x free cubicles at the site. Other sites will have existing opening hours maintained	20,000	20,000	20,000
053	Continued rationalisation of staffing within Housing & Property Services	Minimum impact, as the existing work will be shared amongst staff, however, there may be difficulties during times of high demand upon the service	40,000	40,000	40,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
054 Review of Waste Collection services, including reduction in marketing costs and review of Household Waste Recycling Centre opening hours	Will use learning to focus marketing campaigns ie social media, choice a smaller bin give residents opportunity to have a more suitable bin for their household size, Review of HWRC opening hours will only be carried out in conjunction with changes to the wider Hampshire service	13,000	13,000	13,000
055 Waste: Review of existing service provision	This will streamline the service to improve efficiencies and service delivery	170,000	170,000	170,000
<u>Director of Regulatory Services, Community Safety & Troubled Families</u>				
056 CCTV - increase income, reduce costs and improve efficiency	No impact to the service user so the public should continue to receive the same CCTV response as it currently does	85,000	85,000	85,000
057 Dog Kennels - Develop plans to generate income by adopting a more commercial focus to kennels	The public will continue to receive the same level of service in relation to stray dogs being admitted to the kennels and service outcomes will remain consistent	15,000	15,000	15,000
058 Golden Fox - Charge The Royal Navy for City Council input into this statutory test	No Impact	11,000		
059 Civil Contingencies - income generation - deliver training to partner organisations	May impact on capacity to deliver other work	3,000		
060 Ending staff sleep in provision and review of management costs	Minimal impact. Majority of savings from indirect provision	27,700	27,700	27,700
061 Early Intervention Project - Deliver domestic abuse training to partners	Level of income generated may be affected by other saving requirements for this service from other directorates	5,000		
062 Environmental Health - service review of pest control function	Likely to impact upon the treatment of pests. Consequential impacts upon public health and increase risks to vulnerable groups. Income generation through these fee paying services is likely to be reduced. Capacity reduced from 4.41 FTEs to 3.0 FTE	31,000	31,000	31,000
063 Cessation of the operation of the Hate Crime Prevention Service	The cessation of this service would lead to there being no service to support victims of hate crime, other than PCC housing tenants, and no service to support the delivery of Prevent activities. In the event that there is no further Home Office funding for a Prevent Coordinator, there will be no dedicated Prevent post in the Authority - no Prevent training or support to other services	100,000	100,000	100,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
064 Anti social behaviour unit service reduction	Reduction in the number of specialist anti social behaviour staff will impact the response to serious anti social behaviour issues for private tenants and owner occupiers	27,000	27,000	27,000
065 Community Safety - Business Support Review	Managers and front line staff receiving less business support and therefore reducing strategic and service delivery capacity	35,000	35,000	35,000
066 Trading Standards service review	Significant reduction in service capacity will result in: reduction in the capacity to investigate and prosecute rogue traders; reduction in support for consumers who have been victims of crime; greater pressure on income generation and maintenance of Primary Authority contracts	40,000	40,000	40,000
067 Community Safety service review	Low impact: management reduction to reflect a smaller community safety service following other service reductions. This will affect strategic capacity for changes linked to community safety	50,000	50,000	50,000
<u>Director of Transport, Environment & Business Support</u>				
068 Coastal Defences Manager to be partially charged to the two major coastal defence schemes currently in progress	No Impact	25,000	25,000	25,000
069 Coastal Defences - Reduction in the reactive maintenance budget	No Impact - The new defences to be constructed will have reduced maintenance requirements	25,000	25,000	25,000
Environment and Community Safety Portfolio Total		777,700	758,700	758,700
<u>Governance, Audit & Standards Committee</u>				
<u>Director of Culture & City Development</u>				
070 Registrars/Management Recharge to Hampshire County Council in connection with the Coroners Office	No Impact	15,000	15,000	15,000
071 Registrars - Increased fee income	No Impact	53,000	53,000	53,000
Governance, Audit & Standards Committee Total		68,000	68,000	68,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £	
<u>Health and Social Care Portfolio</u>					
<u>Director of Adult Services</u>					
072	Remodelling of current Out of Hours service at QA hospital	Adult Social Care currently provide 2 Community Social Workers and an Out of Hours (OOH) on call manager Saturday and Sunday to support discharges and community emergencies. Hampshire County Council have agreed to extend OOH's emergency cover at a cost of £8,000 and in addition further cover will be provided from within existing teams	65,000	65,000	65,000
073	Review of Administration	No Impact	18,000	18,000	18,000
074	Use Harry Sotnick House as the Nursing Home of choice for anyone requiring nursing home care funded by the City Council	The inability to have an element of choice of placement may result in complaints from service users/families. Possible delayed transfers of care from QA hospital whilst awaiting a bed to become available in Harry Sotnick House could lead to fines	11,500	11,500	11,500
075	Reduce cost of Learning Disability Contract	Provider may not be able to achieve the saving without reducing the level of service it provides. Portsmouth City Council will work with the supplier to minimise this	27,000	27,000	27,000
076	Implement additional authorisation controls to reduce expenditure within the Community Equipment Store Contract	Will result in a lower specification of equipment being issued to some clients. This will still meet the clients' assessed needs	50,000	50,000	50,000
077	Supporting People-Adult Social Care element - Reduction in funding for Mental Health supported living and Substance Misuse supported living	Reduced support to clients with mental health or a history of substance misuse	88,000	88,000	88,000
078	Seek to increase the capacity at Portsmouth Rehabilitation and Reablement Team (PRRT) to develop the service so that more clients can be channelled through PRRT for initial assessment and rehabilitation. This will require a re-focus on Adult Social Care outcomes to reduce costs of commissioned support	PRRT would no longer be able to be used purely in response to challenges from hospital discharge. This would require investment to be negotiated between PCC, CCG and Portsmouth Hospitals Trust.	545,000	545,000	545,000
079	Contribution from Early Prevention Fund administered by the Clinical Commissioning Group	None	300,000	300,000	300,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £	
<u>Director of Integrated Commissioning Unit</u>					
080	Staff reduction and holding staff vacancies	Reduced capacity to deliver transformation programme which could impact on achieving savings for Adult Social Care, Children's Social Care and Public Health. Potential impact on section 75 partnership agreement with the Clinical Commissioning Group, reduced assurance to deliver integration agenda. Greater resource prioritisation will be implemented to mitigate any impact on savings	52,000	52,000	52,000
<u>Director of Public Health</u>					
081	Remodel and reprioritise sexual health services to include stopping the National Chlamydia Screening Programme and reducing sexual health promotion activity	Sexual health services are being reviewed to support residents to access specialist services from the right place at the right time. For example, if an individual has no symptoms of an STI but had put themselves at risk they may prefer to access online testing rather than have to wait in a clinic. If someone was looking for contraception it may be more appropriate for them to meet and discuss their options with their GP, rather than attend the specialist service. Those most at risk will receive targeted support. May increase the risk of unwanted pregnancy and sexually transmitted infections but these rates will be monitored	350,300	350,300	350,300
082	Delete Oral Health Services funding	This will involve: <ul style="list-style-type: none"> • Ceasing supervised tooth brushing for Year R children • Ceasing fluoride varnish applications for children and vulnerable people identified through screening • Ceasing oral health information and screening to young people and vulnerable adults 	156,000	156,000	156,000
083	Remodel existing substance misuse and alcohol contracts	Fewer people with substance misuse and alcohol problems will receive treatment. There is a high risk that this will impact elsewhere in the system (e.g. increased pressure on children's social care, the NHS, police and criminal justice system)	141,400	141,400	141,400
084	Reduce funding for alcohol contracts and services that are achieving outcomes	Decommissioning Community Health Practitioner (CHP) role and Alcohol Arrest Referral (visit cells daily). No lead for overdose prevention training for active drug users or naloxone distribution. No support for Alcohol Conditional Cautions; prevention work done by the CHP which could lead to more people developing alcohol problems. Reducing the capacity of the Alcohol specialist nurse service by 1 FTE team of 6FTE nurses and 1.4 Admin. In addition the ASNS can prevent inappropriate hospital admissions and reduce length of stay	34,500	34,500	34,500

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £	
085	Discontinue Public Health contribution to domestic abuse	The service will reduce from the current 13 staff to approximately 5 staff (taking into account all domestic abuse savings). In addition there will be: o Reduced capacity to train professionals across the city o Reduced support to GPs for the IRIS service o Withdrawal of advocacy & support to health visitors o Reduced support for the Multi Agency Safeguarding Hub (MASH) within Children's Social Care	155,000	155,000	155,000
086	Reduce funding for public health campaigns by 50%	Significant reduction of local promotion of public health issues	50,000	50,000	50,000
087	Delete funding for Marketing Officer post	Will significantly limit the ability to support the promotion of public health marketing campaigns and is likely to impact on outcomes	33,100	33,100	33,100
088	Remodel services for young people smoking cessation support costs	Reduced capacity for delivering smoking prevention for young people in schools	13,300	13,300	13,300
089	Charge for Nicotine Replacement Therapy prescription costs to individuals and reduce smoking service in pharmacies	Risk that a change in both prescriber and the public's behaviour will not be realised	31,900	31,900	31,900
090	Review of public health contract for children aged 0-5 (including health visiting services)	Options are being identified as to how these savings can be realised with minimal impact on service delivery within the existing contract. A reduction in the number of health visitors in the city may arise. Mandatory services will be maintained. This service provides a significant part of the early help offer in the city, so there is a high risk of impact on children's services, including children's social care	279,300	279,300	279,300
091	Reduce health checks funding	Reduced uptake may mean late diagnosis of heart disease, stroke, type 2 diabetes, kidney disease and certain types of dementia which could in turn impact on Adult Social Care and health system	13,300	13,300	13,300
092	Delete salary funding of Alcohol Intervention Team Management	Reduction in the capability of the Domestic Abuse service	26,300	26,300	26,300
093	Delete Vacant posts	Reduced activity in the areas of children and young people	33,800	33,800	33,800
094	Conduct review of service to reduce staff costs	Services will require remodelling and recommissioning to meet challenging cost savings	100,000	100,000	100,000
095	Delete contribution to Wessex Youth Offenders	Risks of spike in demand may undermine this saving, which will dependent on the creation on Multi Agency Teams	15,000	15,000	15,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
096 Reduce Wellbeing Hub non pay costs	Minimal impact	15,400	15,400	15,400
Health and Social Care Portfolio Total		2,605,100	2,605,100	2,605,100

Housing Portfolio

Director of Property & Housing Services

097	Housing Standards: Review of Staffing and deletion of vacant posts	Minimal impact for the service user overall as the service will still be maintained to its current level but there may be delay beyond the current 10 day response time during high demand; which is normally during the winter months or when a large number of tenants are moving into new accommodation.	65,000	65,000	65,000
098	Housing Standards: <ul style="list-style-type: none"> • Increase the charge for the issuing of a statutory notice • Charge full cost recovery for undertaking an Energy Performance Certificate • Be more proactive in issuing notices relating to breaches of legislation 	The service user will be paying more for a service from the city council in relation to the Energy Performance Certificate (EPC). The cost of this will be more in line with other private companies, but will still only be accessible through the landlord accreditation scheme. This does have a negative impact on good landlords, but we are in the process of major changes to the landlord accreditation scheme, which would offset the added cost for an EPC, by a much better service. Charging a more reasonable cost for the service of Notices, will have an impact on poor landlords in the city, however we are obliged to make a full recharge cost upon service of any Housing Act Notice	25,000	25,000	25,000
099	Housing Options: No longer contribute towards the cost of an Early Intervention Project worker	This will reduce the availability of specialist support for those experiencing domestic abuse but advice & support will still be available via housing services staff within their current roles	25,000	25,000	25,000
100	Housing Options: Remodel & retender the Day Centre for the Homeless	Minimal Impact. This will reduce the number of hours the centre is open but will still retain a contact point for service users and agencies working with this client group	50,000	50,000	50,000
101	Housing Options: Increase the income received from leased properties by using them as temporary accommodation for statutory homeless families and claiming an increased Housing Benefit subsidy	No impact on service users but will increase Housing Benefit spend	20,000	20,000	20,000
102	The removal of a post within the Private Sector Housing structure	Minimal impact, a reduction in pro-active negotiation with some partner organisations, which will be covered during times of high demand by other officers within the team	39,000	39,000	39,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £	
103	Review of Supporting People contracts	Minimal impact, contract already re-negotiated due to a lack of demand for the service	11,000	11,000	11,000
104	Review of Supporting People contracts	No Impact. Contract has been re-tendered with no change to the number of service users able to access the service	27,000	27,000	27,000
105	Review of Supporting People contracts	Reduced tenancy support available for vulnerable families and single people at risk of homelessness e.g. independent living skills, budgeting, employment & training, personal health, anti-social behaviour, managing risk to themselves & to others and developing social & community networks to help sustain future independence. This will impact on between 50 - 80 service users and will be managed by raising the threshold for the service to ensure those at most risk are prioritised	129,000	129,000	129,000
Housing Portfolio Total			391,000	391,000	391,000
<u>Leader Portfolio</u>					
<u>Director of Community & Communication</u>					
106	Reduction in the provision of Lord Mayor Events	Minimal impact sponsorship will be sought in order to mitigate	700	700	700
107	Reduction in Initiatives budget	Not fully utilised in previous years - minimal impact	7,000	7,000	7,000
Leader Portfolio Total			7,700	7,700	7,700
<u>Planning Regeneration and Economic Development Portfolio</u>					
<u>Director of Culture & City Development</u>					
108	Staffing review of Planning Development Control which may result in a reduction in headcount	Review of staffing structure. This could potentially lead to delays in development coming forward on site	50,000	50,000	50,000
109	Presumption of increased levels of Planning Fee income	No Impact	100,000	100,000	100,000
110	Presumption of increased income from Pre-Application Fees	No Impact	10,000	10,000	10,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
111 Staffing review of Town Centre Management which may result in a reduction in headcount	Focus effort on highest impact activities. Review the service for any duplication and across the wider service to ensure that efficiencies are realised	70,000	70,000	70,000
<u>Director of Property & Housing Services</u>				
112 Guildhall - Reduction in revenue grant to Trust	This reduction is in addition to the already approved reduction in the grant of £70,000 in 2016/17	30,000	30,000	30,000
113 Additional income from the property portfolio in excess of the assumed 2% annual increase	No Impact	24,700	24,700	24,700
114 Net additional income from the purchase and reletting of commercial properties	No Impact	480,000	480,000	480,000
<u>Director of Transport, Environment & Business Support</u>				
115 Additional income from the Enterprise Centres and savings on utility bills, including the benefits of Photo Voltaic Cell installation	No Impact	50,000	50,000	50,000
Planning Regeneration and Economic Development Portfolio Total		814,700	814,700	814,700

Resources Portfolio

Chief Executive

116 Savings arising from Voluntary Redundancy programme	Manageable impact across all City Council Services	200,000	200,000	200,000
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Director of Community & Communication

117 Removal of the Member/Neighbour initiative Scheme	Not fully utilised in previous years. CIL money available to support local initiatives	5,100	5,100	5,100
118 Additional income from shared services/partnership working	No Impact - Increased Income already achieved with current resource	1,900	1,900	1,900

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal		Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
119	Service review - Customer Services, Democratic Services & Communications	Efficiencies and rationalisation in line with changing demand and channel shift programme. In the short-term likely impact on call waiting times and an increase in complaints. A communications strategy and support will seek to mitigate the impact	137,500	137,500	137,500
120	Service review - Local Tax	Efficiencies and rationalisation in line with channel shift programme - possible impact due to reduced capacity which will be mitigated by a full Directorate Review and potential partnership working	102,700	102,700	102,700
121	Review of training provision - Move to electronic training and use of existing resources	No Impact - training will be delivered using Directorate resource e-learning	35,000	35,000	35,000
122	Service review - Benefits Administration	Efficiencies and reduction in support with potential risk to quality assurance and capacity to recover overpayments. Staff will have higher caseloads - mitigated via Channel Shift initiatives and potential partnership working	164,300	164,300	164,300
123	Review exemptions, discounts and late notifications which may result in an over-payment of benefit or an under-payment of Local Tax	Increase in collectable Council Tax by ensuring that residents only receive entitlement due for the period of entitlement	100,000	100,000	100,000
124	Revision of discretionary Council Tax discounts and exemptions	Increase in collectable Council Tax. Some discretionary payments will reduce or cease	170,000	170,000	170,000
<u>Director of Finance & Information Service</u>					
125	Rationalisation and integration of service desk & Systems support	Reduction in system and service support including training. Potential increase in waiting times for resolution of IT related problems	69,000	69,000	69,000
126	Delete part time GIS Technician post	Increased time to respond to requests for maps and changes to them	16,300	16,300	16,300
127	Reduce Business Application support	Reduce support across large systems including development work and discretionary upgrades e.g. Swift, Northgate & Capita 1. Only essential upgrades will be undertaken	34,200	34,200	34,200
128	Delete Web Developer post	Service is resourced to meet current demand with the loss of this post. If demand increases through the Channel Shift Programme this reduction will potentially slow down this programme	40,000	40,000	40,000
129	Modern Records cease administration support	Reduced resilience - Modern Records section may be closed at short notice if remaining staff have unplanned absence and services may be unable to retrieve documents (alternative emergency arrangements will be made)	10,100	10,100	10,100

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
130	Efficiencies, contract changes and changes to working arrangements	98,700	117,700	117,700
131	Medina House Node savings	37,800	37,800	37,800
132	Increase in rebate received through increased use of Purchase cards	10,000	10,000	10,000
133	Software - renegotiation of licence costs	16,000	16,000	16,000
134	E-mailing of remittance advices to suppliers (Postage saving)	20,000	20,000	20,000
135	Change in policy for the amount set aside for debt repayment	450,000	450,000	400,000
136	New initiatives in Treasury Management investment	80,000	80,000	80,000
137	Reduction in provision for feasibility studies	5,000	5,000	5,000
138	Salary sacrifice schemes for employee benefits	100,000	100,000	150,000
139	Service Review (Finance) - 2016/17- rationalisation & reprioritisation	250,000	250,000	250,000
140	Additional income (above budgeted income of £100,000) for the Spinnaker Tower Naming Rights	600,000	600,000	600,000
<u>Director of Human Resources, Legal & Procurement</u>				
141	Delete Deputy Chief Internal Auditor post	50,000	50,000	50,000
142	Increase vacancy provision by 0.5%	25,000	25,000	25,000
143	Remove funding for trade union officials	75,000	75,000	75,000
144	Income from the provision of additional HR, Legal and Audit Services to local authority and health partners	40,000	40,000	40,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £	
145	Review of Strategy unit, including deletion of posts and alternative funding arrangements for some work	Reduction in service delivery. Requirement for additional capacity to be identified and funded elsewhere in the organisation for projects that postholders would previously have carried out	161,000	161,000	161,000
146	Service review including Legal, HR and Procurement.	Reduction in service delivery. Reduced capacity to support projects and agendas, potentially causing delays or external support	123,000	123,000	123,000
<u>Director of Integrated Commissioning Unit</u>					
147	Shopmobility - reduce level of funding available to Portsmouth Disability Forum who run this service	May require an increase in fees to generate income to meet any shortfall. The service is well used by local residents and visitors to the city	5,000	5,000	5,000
148	Infrastructure support for third sector organisations	Low impact - this reduction has been planned as part of commissioning plan and contract	20,000	20,000	20,000
149	No inflation on grants and contracts	Small impact on organisations ability to deliver services with rising costs	6,500	6,500	6,500
150	Voluntary and Community Support - additional support for market development	Support for developing capacity in the voluntary and community sector will cease in June 2016	18,800	18,800	18,800
151	Reduced cost of Voluntary and Community Support	No Impact	6,000	6,000	6,000
152	Remove grant which provides for a structured programme of activities for people with an acquired brain injury	Services users who may turn to PCC or health for service provision by way of replacement to meet their needs	5,400	5,400	5,400
153	Reduced Admin cost	No Impact	1,600	1,600	1,600
<u>Director of Property & Housing Services</u>					
154	Landlords Maintenance; Design; Health & Safety: Generating additional income; (new income e.g. income from PV Panels) as well as reviewing current charges to ensure that full cost recovery is still relevant (e.g. review charges under Traded Services for schools for September 2016).	Additional income: PV FIT and export FIT for approved Solar PV schemes. Additional Traded services income for Health & safety team and Maintenance team. (FIT = Feed in Tariff; PV = Photo-voltaic)	90,000	90,000	90,000
155	Landlords Maintenance; Design; Health & Safety: Reduction in level of service of repairs & maintenance contracts	Reduced ability to maintain and improve building assets. Building maintenance costs are increasing faster than inflation and cuts to these budgets will have a detrimental effect on the condition stock. Complete review of all term maintenance and servicing arrangements, e.g. reduction in frequency of air conditioning servicing from three to two visits per year. Only statutory requirements will be carried out	40,000	40,000	40,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
156 Landlords Maintenance; Facilities; Property; Design; Health & Safety: Continued rationalisation of all staff resources	Moderate: Continued rationalisation of Housing and Property Services staff resources. Reduces flexibility and ability of service to respond to changing demands and to look for additional clients to generate additional income	50,000	50,000	50,000
157 Property & Facilities Services: Operational Service Review - Security, Despatch and Porters. The review will see the loss of the Porters and re-alignment of duties amongst Security and Despatch	Deletion of the Porter function will result in: increased duties for Security/Despatch. Removals and bulk item moves will become planned moves and no reactive requests will be received	43,500	43,500	43,500
158 Review of Facilities Management	Contract monitoring may well reduce to minimum levels and where possible contracts will be merged with existing Measured Term Contracts. Delays will also be experienced with service delivery for Facilities Management services	26,000	26,000	26,000
Resources Portfolio Total		3,540,400	3,559,400	3,559,400

Traffic and Transportation Portfolio

Director of Transport, Environment & Business Support

159 Fleet Vehicles - Traded Services. The City Council can offer partner organisations and businesses the opportunity to benefit from its substantial buying power and expertise so that they can reduce the costs and assurance of their own transport operations. The traded services on offer range from transport consultancy, vehicle supply, vehicle service, maintenance & repair, fuel purchase, short term hire, driver training through to the supply of drivers and vehicles of up to 16 passenger seats for either ad-hoc or regular journeys	No Impact	25,000	25,000	25,000
160 Manage and trade the corporate fleet of vehicles including minibuses vehicles to customers external to the City Council to generate income in the form of a management overhead to cover operating costs and create a surplus. Potential customers include the Health trusts, other local authorities and private and public organisations	No Impact	15,000	15,000	15,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
161 Internal Fleet Management - An integrated service for Fleet Management across Council services would provide Directorates with specialist advice on the design, specification and procurement of all their vehicular requirements. This would include managing expenditure and reporting accordingly. This would be an overall saving to the Council against either externally provided or devolved provision of fleet services in discrete service units	No Impact	25,000	25,000	25,000
162 Tendered Bus Routes - A reduction in subsidy provided to the bus operators to support their least commercial routes. This will include the withdrawal or reduction of subsidies on weekday evening services, Sunday services and services with high subsidy levels	Some subsidised bus services would no longer operate	150,000	150,000	150,000
163 Review of staff teams within the Transport, Environment & Business Support Directorate	Some functions within the Transport service will take longer be delivered with the potential for complaint and dissatisfaction from residents	150,000	150,000	150,000
164 Parking Income - To undertake a strategic review of fees and charges specific to each parking location	This will result in increases to areas with the greatest demand and potentially reductions in areas with the least demand	200,000	200,000	200,000
165 A more focussed approach to the management of absence from work including vacancies and sickness	This will reduce the number of days lost, having a positive impact on the Directorate's efficiency and ability to generate income	50,000	50,000	50,000
166 A reduction in payments to Bus Operators in the City following a comprehensive review of subsidies, settlements and commissions	This review has the possibility to positively affect bus fare structures and the overall position of buses in the City	50,000	50,000	50,000
167 School Crossing Patrols - Subsidised traded services offer	The City Council will no longer provide a fully subsidised school crossing patrol service and will now offer this as a traded service. Schools will be able to purchase the service from September 2016 at a discounted price and there will be no service impact	135,000	135,000	135,000
Traffic and Transportation Portfolio Total		800,000	800,000	800,000

INDICATIVE BUDGET SAVINGS 2016/17

Indicative Savings Proposal	Impact on Level of Service & Service Outcomes	Saving 2016/17 £	Saving 2017/18 £	Saving 2018/19 £
<u>Transfers to Housing Revenue Account</u>				
<u>Director of Property & Housing Services</u>				
168	Re-location of staff from Chaucer House to Civic Offices	No Impact	108,000	108,000
169	Appropriation of properties from General Fund to Housing Revenue Account for housing purposes	No Impact	392,000	392,000
Transfers to Housing Revenue Account Total			500,000	500,000
Grand Total			11,000,000	11,000,000

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